

Docket Item:

Community College Support Fund, Strategic Fund Set-Aside

Summary:

This docket item speaks to the percentage of the Community College Support Fund (CCSF) to be set aside for the Strategic Fund. Staff recommends the Strategic Fund be set at 0.75 percent of CCSF for the 2021-23 biennium representing no change from the current biennium.

Docket Material:

The Strategic Fund is created each biennium by setting aside a percentage of the Community College Support Fund (CCSF) prior to allocating funds through the distribution formula. The Strategic Fund is one of four Categorical Funding streams (the other three are Department of Corrections, contracts out of district, and distance learning) that are taken out of the CCSF before distributing the remainder through base funding and the distribution formula.

As described in Oregon Administrative Rule (OAR) 589-002-0130, the Strategic Fund has two main purposes: 1) incentivizing statewide initiatives, or 2) assisting community colleges in meeting new requirements and expectations stemming from legislative change. Any unused funding is allocated through the distribution formula at the end of the biennium.

As a portion of the CCSF, all Strategic Fund investments must go to Oregon community colleges. The Strategic Fund had grown from 0.25 percent at its inception to 0.75 percent through 2015. During 2015-17, it was increased to 1.5 percent to assist community colleges in transitioning to outcomes-based funding which did not occur. In 2017-19 it was decreased to 0.75 percent, with a focus on career pathways investments. It remained at 0.75 percent during 2019-21.

Supported by the Oregon Presidents Council, staff recommends maintaining funding at 0.75 percent of CCSF for 2021-23. Areas that have been identified for potential support include career pathways, expanded access for community college students to federal benefits, labor market information systems, and data collection and reporting.

Available funding will depend on the level of the CCSF with a few possible scenarios below:

2021-23 Strategic Funds Projections		
Scenario	Amount	Strategic Fund (0.75%)
2019-21 LAB	\$640,926,933	\$4,806,952
2021-23 GRB	\$640,926,933	\$4,806,952
2021-23 CSL	\$669,118,569	\$5,018,389

Staff Recommendation:

Staff recommends the HECC set the funding level for the 2021-23 Strategic Fund at 0.75 percent of the Community College Support Fund.