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**TEMPORARY ADMINISTRATIVE ORDER**  
INCLUDING STATEMENT OF NEED & JUSTIFICATION

**HECC 2-2017**  
CHAPTER 715  
HIGHER EDUCATION COORDINATING COMMISSION

**FILED**

12/18/2017 9:53 AM  
ARCHIVES DIVISION  
SECRETARY OF STATE

FILING CAPTION: Engineering Technology Sustaining Funds

EFFECTIVE DATE: 12/18/2017 THROUGH 04/17/2018

AGENCY APPROVED DATE: 12/14/2017

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NEED FOR THE RULE(S):

The amendments to 715-013-0062 specify the allocation and distribution of legislatively appropriated Engineering Technology Sustaining Funds in fiscal year (FY) 2017-18. These distributions for the third quarter are identical to those in the current temporary rule and the fourth quarter distributions are based on the consensus of the ETSF workgroup members, who represent each of the public universities. This temporary rule allows the workgroup to complete its work while these necessary funds are allocated and distributed to institutions.

The final 2017-18 ETSF allocation implemented through this temporary rule is based on the following two principles:

1. A \$500,000 allocation, for the full year, to University of Oregon to acknowledge declines in the institution's ETIC-related funding due to changes in allocation methodologies that began in 2013-14.
2. An allocation to the remaining six public universities proportionate to their 2016-17 allocations of Engineering Technology Sustaining Funds.

JUSTIFICATION OF TEMPORARY FILING:

This need is justified in order to allow for legislatively appropriated funds to be distributed to public universities to support engineering technology programs while a workgroup develops a new allocation formula for such funds.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

Previous 2015 Workgroup Outcomes and Workgroup Description/Next Steps.

Available on the HECC Website at: [http://www.oregon.gov/HigherEd/Documents/HECC/FA/2015/11\\_Nov-5-15/6.0EngineeringTechnologySustainingFundsWorkgroupCharge.pdf](http://www.oregon.gov/HigherEd/Documents/HECC/FA/2015/11_Nov-5-15/6.0EngineeringTechnologySustainingFundsWorkgroupCharge.pdf)

AMEND: 715-013-0062

SUSPEND: Temporary 715-013-0062 from HECC 1-2017

RULE SUMMARY: The amendments to 715-013-0062 specify the allocation and distribution of legislatively

appropriated Engineering Technology Sustaining Funds (ETSF) in fiscal year (FY) 2017-18. These distributions for the third quarter are identical to those in the current temporary rule and the fourth quarter distributions are based on the consensus of the ETSF workgroup members, who represent each of the public universities. This temporary rule allows the workgroup to complete its work while these necessary funds are allocated and distributed to institutions.

CHANGES TO RULE:

715-013-0062

Engineering Technology Sustaining Funds ¶

(1) Definitions ¶

(a) "~~Engineering and Technology Industry Council~~" or "~~ETIC~~" was the body established by ORS 351.663 and abolished by Section 5, Chapter 682 Oregon Laws 2015, for the purposes of improving engineering education in the state of Oregon. ¶

(~~b~~) The "~~Higher Education Coordinating Commission~~" or "~~HECC~~" is the body established by ORS 354.710.075 and appointed by the Governor. ¶

(c) "~~Historical Funding~~" is funding based upon a university's historical allocation of ETIC Sustaining Funds in fiscal year 2015 as approved by the Oregon Education Investment Board (OEIB). ¶

(~~d~~) "~~Oregon Education Investment Board (OEIB)~~" was the body established by section 1, chapter 519, Oregon Laws 2011 and appointed by the Governor. ¶

(e) "~~Oregon Health and Science University (OHSU)~~" is an independent public corporation established by ORS 353.020. ¶

(f) "~~Oregon Students, Oregon Jobs Model~~" is defined as the model that had been developed by ETIC and submitted to the HECC to award funds based on placement of Oregon resident graduates in Oregon jobs. ¶

(~~g~~) A "Public University" is any institution as defined in ORS 352.002, including; Eastern Oregon University (EOU), Oregon Institute of Technology (OIT), Oregon State University (OSU), Portland State University (PSU), Southern Oregon University (SOU), University of Oregon (UO) and Western Oregon University (WOU). ¶

(~~h~~) "~~Sustaining Funds~~" are funds designatThe funds distributed through this rule are those defined by in the Legislature as legacy ETIC Sustaining Funds. ¶

(2) This rule allocates Sustaining Funds to Public Universities and OHSU for the 2015-17 biennium. ¶

(3) Allocations in the first year of any biennium shall be 49% of total appropriated for the biennium. The remainder shall be allocated in the second year of the biennium. ¶

(4) SB 5524 (2017) budget report as "Engineering Technology Sustaining Funds," which is listed in the Public University State Programs section of the budget report. ¶

(3) The rule allocates and distributes Engineering Technology Sustaining Funds are to be spent in support of engineering and technology related programs in support of Oregon industry. ¶

(5) Allocato Public Universities for fiscal year (FY) 2018. ¶

(4) Distributions shall be made by the HECC to Public Universities and OHSU for the fiscal year beginning on July 1, 2015 as follows: ¶

(a) 80% of available funds shall be allocated on the basis of Hs follows: ¶

(a) For the quarter beginning October 1, 2017, distoical Funding. Of these funds, the allocabutions shall be as follows: ¶

(A) Eastern Oregon University shall receive \$144,6093,211. ¶

(B) ~~Oregon Health Sciences University shall receive no historical funding.~~ ¶

(~~C~~) Oregon Institute of Technology shall receive \$44574,59274. ¶

(~~D~~) Oregon State University shall \$6,179,3234,223,146. ¶

(~~E~~) Portland State University shall receive \$2,410,1661,908,441. ¶

(~~F~~) Southern Oregon University shall receive \$168,44741,625. ¶

(~~G~~) The University of Oregon shall receive ~~no historical funding~~ \$64,710. ¶

(~~H~~) Western Oregon University shall receive \$237,770. ¶

~~(b) 20% of available funds shall be allocated in the proportions indicated by the Oregon Students, Oregon Jobs Model. Of these funds, the allocation shall be \$180,092.~~

~~(b) For the quarter beginning January 1, 2018, distributions shall be as follows:~~

~~(A) Eastern Oregon University shall receive \$10,814,373.37.~~

~~(B) Oregon Health Sciences University shall receive no funds.~~

~~(C) Oregon Institute of Technology shall receive \$513,423,152.~~

~~(D) Oregon State University shall receive \$862,072,691,625.~~

~~(E) Portland State University shall receive \$771,841,64,445.~~

~~(F) Southern Oregon University shall receive \$67,688,56,729.~~

~~(G) The University of Oregon shall receive \$107,825,920.~~

~~(H) Western Oregon University shall receive \$672,503,137.~~

~~(6c) Allocations shall be made by the HECC to public universities and OHSU for the fiscal year beginning July 1, 2016 as follows:~~

~~(a) Funding to each public university shall continue in amounts equal to those in section 5.~~

~~(b) The additional funds available shall be allocated to institutions which have not reached funding indicated in the Oregon Student, Oregon Jobs Model. Of these funds, the allocation shall be as follows:~~

~~(A) Eastern Oregon University shall receive no funds. \$21,805~~

~~(B) Oregon Health Sciences University shall receive no funds.~~

~~(C) Oregon Institute of Technology shall receive \$287,431,416,175~~

~~(D) Oregon State University shall receive no funds. \$987,907~~

~~(E) Portland State University shall receive \$105,785,550,135~~

~~(F) Southern Oregon University shall receive \$17,318,50,105~~

~~(G) The University of Oregon shall receive \$77,906,409,370~~

~~(H) Western Oregon University shall receive \$586,42,702~~

~~(75) The continued allocation of Historical Funding is contingent upon institutions maintaining performance consistent with past efforts.~~

~~(8) The HECC will give deference to any legislative designation of specific resources or policy decisions when making determinations on allocation of funds. This rule shall expire upon the promulgation of an alternative rule or on April 17, 2018, whichever is sooner.~~

Statutory/Other Authority: ORS 351.730.075(56)

Statutes/Other Implemented: ORS 351.735(3)(iii)(f), 2015-OL Ch 682 Chapter 595, Oregon Laws 2017