



Engineering Technology Sustaining Funds

January 2020

Summary

In 1997, the Oregon Legislature recognized that a growing high technology cluster was developing in the state of Oregon and particularly in the Portland metro area. This cluster required additional engineering and computer science talent to thrive. As a result, the 1997 Legislature passed SB 504, which created the Oregon Engineering Investment Fund and charged the State Board of Higher Education (SBHE) with establishing the Engineering Technology Industry Council (ETIC). Over the years ETIC developed a funding formula to drive funding to institutions to promote increasing engineering and technology programs. As part of the transition to the HECC, ETIC closed down and its roles were split between what is now the Oregon Workforce and Talent Development Board and the HECC.

The Engineering Technology Sustaining Funds (ETSF) is a funding stream that came to the HECC as part of this transition. This funding stream is distributed via a formula that was agreed upon following a nearly year-long workgroup process and placed into rule in August 2018. The ETSF formula distributes base funding to each institution and then distributes the rest of the funding based on degrees to Oregon residents in targeted fields, research spending and doctoral degree production at institutions in targeted programs and jobs and wages of graduates from targeted programs employed in Oregon.

Base Funding

In order to provide a minimum level of funding to each institution, the model provides \$130,000 a year in base funding to each institution, an amount necessary to support one faculty member per year. All other funds flow through the three outcome categories below. In the unlikely case that ETSF funding in a particular fiscal year is less than the \$910,000 needed to pay \$130,000 to each institution, this funding would be paid first with an equal funding level to each institution.

All three outcome categories use three year rolling averages to smooth out year over year data changes.

Outcome category 1: Degrees to Oregon Residents

33% of non-base funding

This outcome category allocates funds to institutions based on production of resident degrees (at all levels excluding graduate certificates) according to the Classification of Instructional Programs (CIP) designation (degree codes) in the following fields: Computer Science, Engineering, Mathematics and Computer Science, Engineering Technologies, as well as masters degrees for the following fields for the University of Oregon only: Biology, Chemistry, Physics and Materials Sciences. All degrees are weighted equally among disciplines and levels of degrees.

Outcome category 2: Research and Development

34% of non-base funding

This outcome category allocates funds based on two factors. First, doctoral degrees (earned by both residents and non-residents) in Computer Science, Engineering, Mathematics and Computer Science and Engineering Technologies account for 60% of the funding in this category. Second, research expenses in Computer Science, Engineering, Mathematics and Computer Science, Chemistry and Physics account for the remaining 40%. Institutions submit their research expenses annually to the HECC.

Outcome category 3: Wages and Employment in Oregon of Graduates from Targeted Programs

33% of non-base funding

This outcome category allocates funds based on whether graduates in the program areas covered above (residents and non-residents) are employed in jobs in Oregon at a specific time interval after graduation, as well as the wages the individual earns, with each accounting for 50% of the funding within this outcome category. There is a one-year lag between graduation and the first check for employment in order to get full year wage data. Therefore, to be considered employed for purposes of this section, the rule asks if graduates from 4 years ago are employed 3 years out, graduates 3 years ago, 2 years out and graduates 2 year ago 1 year out. This data currently comes from the Oregon Employment Department and is largely limited to those employees with wages reported on a W-2.

Review

The rule calls for a review of its design and the consideration of potential new programs to be conducted every five years. The first such review is set for the end of 2023.

FY 2020 Distribution

Distribution by University					
University	Base Funding	Degrees	Research	Jobs/Wages	Total
EOU	\$130,000	\$11,037	\$5,323	\$15,574	\$161,934
OIT	\$130,000	\$484,048	\$10,597	\$505,341	\$1,129,986
OSU	\$130,000	\$2,237,341	\$3,015,664	\$1,948,024	\$7,331,029
PSU	\$130,000	\$1,008,301	\$693,238	\$1,231,534	\$3,063,074
SOU	\$130,000	\$34,687	\$372	\$33,406	\$198,465
UO	\$130,000	\$219,950	\$464,164	\$245,525	\$1,059,639
WOU	\$130,000	\$70,952	\$180	\$86,913	\$288,045
Total	\$910,000	\$4,066,317	\$4,189,538	\$4,066,317	\$13,232,172