

Background

The Engineering and Technology Industry Council (ETIC) was established in 1997 with the passage of SB 504. ETIC's role was to advise the Oregon University System and State Board of Higher Education on how institutions of higher education can best improve and expand engineering facilities, programs, and educational capacity to meet Oregon's engineering and technology needs with an emphasis on economic growth and opportunity. The intent was to create a strategic partnership with the private sector to make engineering and technology education a strategic resource for fueling Oregon's economy.

Over the years, ETIC developed a formula to allocate state funding to institutions to focus on the critical linkage between engineering and technology related university academic departments and industry employment needs. ETIC was eliminated by the Legislature in 2015 and its responsibilities were split between what is now the Oregon Workforce and Talent Development Board and the HECC.

The Engineering Technology Sustaining Fund (ETSF) is a funding stream that came to the HECC as part of the transition. Now it is one of the continuing public university state programs included in the HECC's budget. The funding is distributed via a formula outlined in Oregon Administrative Rule (OAR) 715-013-0062. The rule language is included in the appendix.

The current version of the formula was created following a lengthy workgroup process in 2018. Funding is distributed to the universities for outcomes in targeted fields of study which include engineering, computer science, and other basic sciences (i.e., biomedical, chemistry, physics, mathematics, and materials sciences). The HECC adopted the formula based on a set of principles including:

- The focus of funding should be on outcomes which should be broadly defined.
- All degree outcomes within the selected areas of study should be equally weighted.
- Wage data should be included as an outcome.
- Non-resident doctoral degrees should be included.
- The formula should adjust to changes in the economy and workforce needs.

The targeted fields of study have not changed since 2018. The commission's expectation is that the ETSF distribution model will adjust to changes in Oregon's economy. Therefore, a review will be conducted to ensure proper alignment with the state's workforce needs. The review workgroup will be asked to consider the targeted fields of study within the ETSF as well as the connection between ETSF and other policy mechanisms, such as the area of study bonus within the Student Success and Completion Model (SSCM), which is used to distribute funding based on degrees earned in targeted fields.

Overview of the Formula

The ETSF formula distributes a flat amount of base funding to each public university. This is allocated prior to all other outcomes-based allocations. It then distributes the rest of the appropriated funding equally in three areas of outcomes based on:

- Degrees to Oregon residents in targeted fields
- Research spending and doctoral degree production in targeted programs
- Employment and wages of graduates from targeted programs employed in Oregon

The eight targeted fields/programs are identified by Classification of Instructional Program (CIP) codes. Four of the fields/programs apply to all public universities; however, four apply only to the University of Oregon. The targeted fields/programs include:

- 11 Computer and Information Sciences and Support Services
- 14 Engineering
- 15 Engineering Related Technologies and Technicians
- 30.08 Multidisciplinary Studies: Mathematics and Computer Science
- 26 Biological and Biomedical Sciences (UO master’s degrees only)
- 40.05 Physical Sciences: Chemistry (UO master’s degrees only)
- 40.08 Physical Sciences: Physics (UO master’s degrees only)
- 40.10 Physical Sciences: Materials Sciences (UO master’s degrees only)

Historical Funding

The biennial funding for ETSF is split with 49% of the total distributed in the first year and 51% distributed in the second year of the biennium. Table 1 summarizes total biennial funding over time while Table 2 summarizes the trend in distributions by university over the past decade.

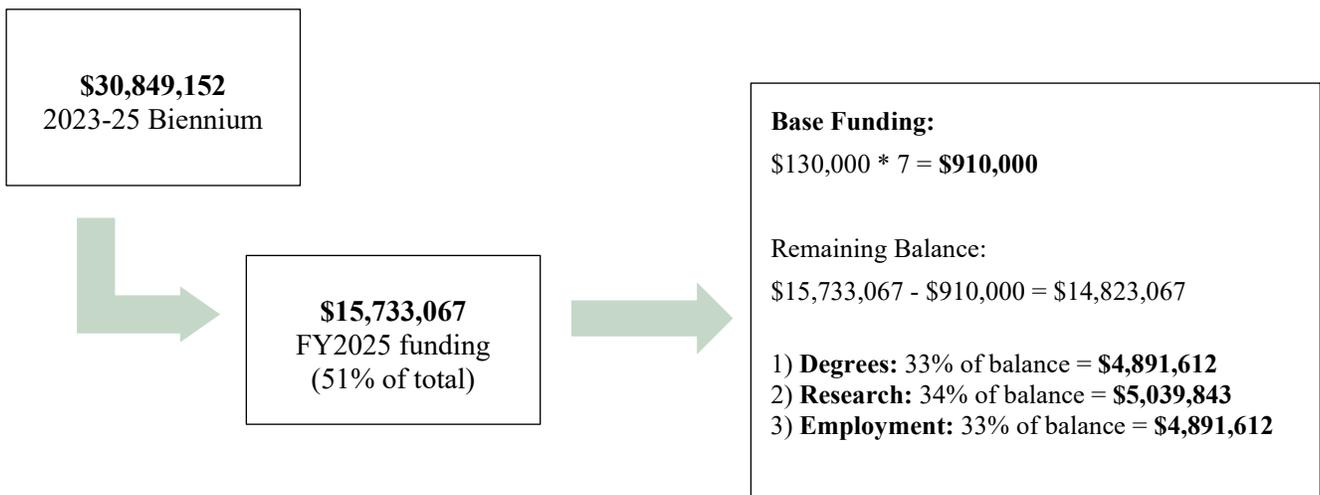
Table 1: Trend in Total Funding for ETSF			
	Funding	Variance to Prior Biennia	
2015-17	24,451,274	-	-
2017-19	25,596,618	1,145,344	4.7%
2019-21	27,004,433	1,407,815	5.5%
2021-23	28,591,598	1,587,165	5.9%
2023-25	30,849,152	2,257,554	7.9%
Total Variance, 2023-25 to 2015-17		\$ 6,397,878	26%

	EOU	OIT	OSU	PSU	SOU	UO	WOU	Total
FY2016	155,415	958,007	7,041,394	3,182,007	236,135	107,892	300,273	11,981,123
FY2017	155,415	1,245,437	7,041,395	3,287,793	253,453	185,799	300,859	12,470,151
FY2018	152,353	1,220,901	6,902,678	3,223,021	248,459	500,000	294,931	12,542,343
FY2019	170,451	1,101,256	7,105,909	3,047,700	201,592	1,134,500	292,866	13,054,274
FY2020	161,934	1,129,986	7,331,029	3,063,074	198,465	1,059,639	288,045	13,232,172
FY2021	164,137	1,112,199	7,696,887	3,219,025	198,599	1,073,687	307,728	13,772,261
FY2022	167,801	1,102,082	7,789,923	3,359,046	205,118	1,093,265	292,648	14,009,883
FY2023	173,875	1,071,122	8,124,991	3,469,402	205,787	1,223,460	313,076	14,581,715
FY2024	185,620	1,098,253	8,362,372	3,663,333	204,222	1,304,685	297,599	15,116,085
FY2025	192,020	1,108,446	8,664,327	3,549,853	209,067	1,784,130	225,224	15,733,067
Variance FY16 – FY25	36,605	150,439	1,622,933	367,846	(27,068)	1,676,238	(75,049)	3,751,944
	24%	16%	23%	12%	(11%)	1554%	(25%)	31%
Annual Growth	2.4%	1.6%	2.3%	1.2%	(1.3%)	36.6%	(3.1%)	3.1%

Formula Calculations

To describe the calculations, the focus is on funding for the 2023-25 biennium, and for FY2025 specifically. The first step is to calculate the funding available for each of the four components. Base funding is taken off the top with the remainder split evenly among the remaining three components as shown in Figure A. Then, the funding available for each component is allocated by university. Last, funding for all four components is added together to calculate the total allocation of ETSF funding for each university.

Figure A: Determination of Funding by Component, FY2025



Base Funding

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 seen as necessary to support one faculty member per year. This amount has not been adjusted for inflation. In the unlikely event ETSF funding in a particular year is less than the \$910,000 needed to pay \$130,000 to each institution, base funding will be paid first with equal amounts for each university.

Outcome category 1: Degrees to Oregon Residents – 33% of Non-Base Funding

This category allocates funding based on the production of resident degrees (at all levels excluding graduate certificates) in CIP codes 11, 14, 15, and 30.08. This includes master’s degrees awarded at the University of Oregon only in CIP codes 26, 40.05, 40.08, and 40.10. All degrees are weighted equally by discipline and level. The distribution by university is then based on a proportional allocation of the total number of degrees for the most recent three-year period as shown in Table 3.

	2022	2023	2024	Total Degrees	Proportion	Funding
EOU	14	16	14	44	0.8%	37,667
OIT	204	180	192	576	10.1%	493,099
OSU	1,103	1,032	1,151	3,286	57.5%	2,813,062
PSU	490	472	431	1,393	24.4%	1,192,512
SOU	12	12	10	34	0.6%	238,845
UO	105	96	78	279	4.9%	87,320
WOU	36	35	31	102	1.7%	4,891,612
Total	1,964	1,843	1,907	5,714	100%	\$4,891,612

Outcome category 2: Research and Development – 34% of Non-Base Funding

This outcome category allocates funding based on two factors. First, doctoral degrees, earned by both residents and non-residents, in CIP codes 11, 14, 15, and 30.08 account for 60% of the funding in this category. Currently, only three of the universities offer eligible doctoral degree programs in these areas. All degrees are weighted equally. The distribution by university is then based on a proportional allocation of the total number of degrees for the most recent three-year period as shown in Table 4.

	2022	2023	2024	Total Degrees	Proportion	Funding
OSU	88	74	93	255	68.7%	2,078,426
PSU	16	15	18	49	13.2%	399,384
UO	11	6	50	67	18.1%	546,096
Total	115	95	161	371	100%	\$3,023,906

Second, research spending in areas related to the eight targeted fields/programs accounts for the remaining 40%. Universities submit their research expenses annually to the HECC to support the calculations. The distribution by university is then based on a proportional share of total research spending for the most recent three-year period as shown in Table 5.

	2022	2023	2024	Total Spending	Share	Funding
EOU	191,230	144,738	47,877	383,845	0.1%	2,391
OIT	188,072	244,319	353,038	785,429	0.2%	4,892
OSU	52,395,038	65,188,096	75,196,445	192,779,579	59.6%	1,200,736
PSU	12,642,105	14,858,180	15,738,774	43,239,059	13.4%	269,316
SOU	67,428	94,471	271,129	433,028	0.1%	2,697
UO	22,483,679	31,092,969	32,368,322	85,944,970	26.6%	535,312
WOU	51,498	9,965	33,680	95,143	0.0%	593
Total	\$88,019,050	\$111,632,738	\$124,009,265	\$323,661,053	100%	\$2,015,937

Outcome category 3: Wages and Employment of Graduates – 33% of Non-Base Funding

This outcome category also allocates funding based on two factors. First, graduates who have earned degrees in the eight targeted fields/programs who are employed in Oregon account for 50% of the funding in this category. The distribution by university is based on a proportional allocation of the average number of graduates employed for the most recent three-year period as shown in Table 6. This data comes from the Oregon Employment Department.

	2020	2021	2022	Average	Proportion	Funding
EOU	5	7	14	8.7	0.6%	13,690
OIT	145	153	175	157.7	10.2%	249,056
OSU	749	767	865	793.7	51.3%	1,253,706

	2020	2021	2022	Average	Proportion	Funding
PSU	419	483	479	460.3	29.7%	727,160
SOU	14	14	24	17.3	1.1%	27,380
UO	105	104	115	108.0	7.0%	170,601
WOU	5	3	0	2.7	0.2%	4,212
Total	1,442	1,531	1,672	1,548.3	100%	\$2,445,806

Second, the wages for those who have earned degrees in the eight targeted fields/programs and are employed in Oregon account for 50% of the funding in this category. The distribution by university is based on a proportional allocation of the total wages for those employed for the most recent three-year period as shown in Table 7. This data comes from the Oregon Employment Department and is limited to those employees with reported wages. For this outcome, 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.

	2020	2021	2022	Total Wages	Share	Funding
EOU	274,775	411,992	493,758	1,180,525	0.3%	8,271
OIT	10,729,530	11,452,058	10,844,189	33,025,777	9.5%	231,398
OSU	59,019,114	57,639,244	52,952,830	169,611,188	48.6%	1,188,397
PSU	39,571,617	42,478,946	36,620,547	118,671,110	34.0%	831,481
SOU	947,600	913,488	976,642	2,837,730	0.8%	19,883
UO	8,585,933	7,022,145	7,695,141	23,303,219	6.7%	163,276
WOU	252,845	189,485	0	442,330	0.1%	3,099
Total	\$119,381,414	\$120,107,358	\$109,583,107	\$349,071,879	100%	\$2,445,806

Table 8 summarizes the funding by university for all four components. The total noted is the funding distributed to each public university for ETSF during FY2025.

	Base	Degrees	Research	Jobs/Wages	Total
EOU	130,000	37,667	2,391	21,962	192,020
OIT	130,000	493,099	4,892	480,455	1,108,446
OSU	130,000	2,813,062	3,279,162	2,442,103	8,664,327
PSU	130,000	1,192,512	668,700	1,558,641	3,549,853

	Base	Degrees	Research	Jobs/Wages	Total
SOU	130,000	29,107	2,697	47,263	209,067
UO	130,000	238,845	1,081,408	333,877	1,784,130
WOU	130,000	87,320	593	7,312	225,224
Total	\$910,000	\$4,891,612	\$5,039,843	\$4,891,612	\$15,733,067

Trend Data

Trend data for the various elements used in the calculations are included below. This includes:

- Table 9: Resident degrees earned in the eight targeted fields/programs.
- Table 10: Resident and non-resident doctoral degrees earned in four of the targeted fields/programs.
- Table 11: Research expenses in the eight targeted fields/programs.
- Table 12: Jobs for wage earners with degrees earned in the eight targeted fields/programs.
- Table 13: Wages earned for those with degrees earned in the eight targeted fields/programs.

	EOU	OIT	OSU	PSU	SOU	UO	WOU	Total
2016	6	187	744	357	10	86	42	1,432
2017	3	206	882	428	15	90	20	1,644
2018	2	201	931	422	12	106	29	1,703
2019	9	205	1,018	427	17	83	41	1,800
2020	7	183	995	504	18	86	50	1,843
2021	9	198	1,030	555	17	101	27	1,937
2022	14	204	1,103	490	12	105	36	1,964
2023	16	180	1,032	472	121	96	35	1,843
2024	14	192	1,151	431	10	78	31	1,907
Variance	8	5	407	74	0	(8)	(11)	475
2016 – 2024	133%	3%	55%	21%	0%	(9%)	(26%)	33%
Note: Includes degrees awarded to Oregon residents in CIPs 11, 14, 15, 30.08 for all universities and master's degrees only at UO in CIPs 26, 40.05, 40.08, 40.10.								

Table 10: Trend in Doctoral Degrees				
	OSU	PSU	UO	Total
2016	42	17	2	61
2017	72	14	8	94
2018	66	20	3	89
2019	90	25	4	119
2020	86	18	6	110
2021	84	30	4	118
2022	88	16	11	115
2023	74	15	6	95
2024	93	18	50	161
Variance 2016 – 2024	51	1	48	100
	121%	6%	2400%	164%

Note: Includes resident and non-resident doctoral degrees awarded in CIPs 11, 14, 15, 30.08.

Table 11: Trend in Research Spending								
	EOU	OIT	OSU	PSU	SOU	UO	WOU	Total
2016	812,818	559,158	42,442,459	8,191,213	4,956	13,830,887	6,377	65,847,869
2017	600	596,565	46,930,215	7,399,321	40,521	14,029,831	7,475	69,004,528
2018	440,460	276,011	45,297,470	7,936,947	4,555	12,458,377	8,297	66,422,118
2019	213,404	430,317	45,209,343	9,516,396	656	15,227,809	0	70,597,925
2020	267,264	418,196	46,930,869	8,454,154	56,922	14,097,805	31,854	70,257,064
2021	413,457	361,208	49,934,337	12,845,810	162,709	16,349,906	31,036	80,098,464
2022	191,230	188,072	52,395,038	12,642,105	67,428	22,483,679	51,498	88,019,050
2023	144,738	244,319	65,188,096	14,858,180	94,471	31,092,969	9,965	111,632,738
2024	47,877	353,038	75,196,445	15,738,774	271,129	32,368,322	33,680	124,009,265
Variance 2016 – 2024	(764,941)	(206,120)	32,753,986	7,547,561	266,173	18,537,435	27,303	58,161,396
	(94%)	(37%)	77%	92%	5370%	134%	428%	88%

Note: Includes research expenses in CIPs 11, 14, 15, 30.08 and 26, 40.05, 40.08, 40.10.

	EOU	OIT	OSU	PSU	SOU	UO	WOU	Total
2014	6	122	528	260	14	64	13	1,007
2015	6	121	526	312	14	72	31	1,082
2016	6	141	564	330	5	78	41	1,165
2017	4	171	663	392	12	95	18	1,355
2018	3	148	676	386	13	96	29	1,351
2019	8	185	762	409	12	82	31	1,489
2020	5	145	749	419	14	105	5	1,442
2021	7	153	767	483	14	104	3	1,531
2022	14	175	865	479	24	115	0	1,672
Variance 2014 – 2022	8	53	337	219	10	51	(13)	665
	133%	43%	64%	84%	71%	80%	(100%)	66%

Note: Includes wage earners with degrees earned in CIPs 11, 14, 15, 30.08 for all universities and master's degrees only at UO in CIPs 26, 40.05, 40.08, 40.10.

	EOU	OIT	OSU	PSU	SOU	UO	WOU	Total
2014	256,854	8,677,359	40,319,351	22,089,387	778,680	4,872,891	872,759	77,867,281
2015	299,532	8,636,665	39,363,029	27,591,988	785,010	4,664,964	1,774,005	83,115,193
2016	253,154	9,167,860	38,089,792	27,272,758	189,961	4,845,473	2,112,698	81,931,696
2017	223,292	11,759,093	45,574,570	31,449,913	660,960	6,110,122	1,052,134	96,830,084
2018	149,848	10,040,309	48,855,642	30,757,815	628,068	6,682,400	1,836,171	98,950,253
2019	450,692	13,046,050	55,261,226	34,223,853	845,066	5,950,450	1,766,113	111,543,450
2020	274,775	10,729,530	59,019,114	39,571,617	947,600	8,585,933	255,845	119,381,414
2021	411,992	11,452,058	57,639,244	42,478,946	913,488	7,022,145	189,485	120,107,358
2022	493,758	10,844,189	52,952,830	36,620,547	976,642	7,695,141	0	109,583,107
Variance 2014 – 2022	236,904	2,166,830	12,633,479	14,531,160	197,962	2,822,250	(872,759)	31,715,826
	92%	25%	31%	66%	25%	58%	(100%)	41%

Note: Includes wages earned for those with degrees earned in the eight targeted fields/programs.

Appendix – Current Rule Language

Oregon Administrative Rule 715-013-0062

Modifications to Engineering Technology Sustaining Funds Distributions to Universities

(1) Definitions

(a) “Baccalaureate Degree” or “Bachelor’s Degree” is a degree that generally represents four years of college study, or its equivalent in depth and quality of learning experience, or as promulgated by the Northwest Commission on Colleges and Universities.

(b) “Base Funding” is funding to each public university that is allocated prior to any allocations through the outcome categories.

(c) “Classification of Instructional Programs” or “CIP” code is a numerical identifier assigned by the National Center for Education Statistics to an academic discipline to support tracking and reporting data at the field-of-study level.

(d) “Data Validation” is the process by which the HECC’s Office of Research and Data examines public university-submitted data to determine its accuracy and validity.

(e) “Doctoral Degree” or “Ph.D.” is a degree that generally indicates the recipient has done, and is prepared to do, original research in a major discipline. Doctoral degrees usually require three years or more of graduate-level coursework and an original research thesis or project, or as promulgated by the Northwest Commission on Colleges and Universities.

(f) “Employment” is defined as a graduate from a qualified degree program who is employed in Oregon at the relevant time as indicated in data obtained by the HECC and consistent with section (7aC) of this rule.

(g) “Engineering Technology Sustaining Funds” are those funds designated by the Oregon Legislature as such and indicated in the HECC budget for distribution to Oregon public universities.

(h) “Higher Education Coordinating Commission” or “HECC” is the body established by ORS 350.050 and appointed by the Governor.

(i) “Master’s Degree” is a degree that generally represents a first graduate degree, including one year or more of post-baccalaureate study, or its equivalent in depth and quality. Professional masters degrees generally require up to two years or equivalent of coursework beyond the baccalaureate level, or as promulgated by the Northwest Commission on Colleges and Universities.

(j) “Nonresident” student is any student not classified as a resident by a public university or by any other relevant state, policy, rule or law.

(k) “Outcome Category” is one of three categories between which all funding outside of base funding is allocated.

(l) “Professional degree” is a degree that emphasizes application of knowledge in the field, including three or more years of carefully prescribed graduate level coursework, or as promulgated by the Northwest Commission on Colleges and Universities.

(m) “Public university” or “University” is any public university, including any branch or satellite campuses, as defined in ORS 352.002.

(n) “Qualified degree program” is a program in one of the CIP codes included in any of the three outcome categories.

(o) “Resident” student is a student classified as such by a public university’s Residency Classification Officer or by any other relevant state policy, rule or law, including, but not limited to, tuition equity students.

(p) “SCARF” is the Student Centralized Administrative Reporting File and is comprised of student and course information for each Oregon public university. The SCARF system is maintained by the HECC’s Office of Research and Data.

(q) “True-Up” is the process by which allocations created using estimated data are reconciled with finalized allocations created using actual data.

(r) “Wages” are the wages of all relevant employed persons in Oregon consistent with this rule as included in data obtained by the HECC.

(2) This rule allocates Engineering Technology Sustaining Funds to public universities.

(a) Projections may be used for first quarter distributions. If projections are used, a True-up process, as described in section (12) of this rule, will be utilized to adjust future distributions to match final data.

(b) The HECC shall have the discretion to round any calculation, whether final or intermediate, to a whole dollar, either up or down, in order to match distributions with available funds.

(3) For each fiscal year, each public university shall be allocated \$130,000 in base funding. If there is less than \$130,000 in funding per public university in any given fiscal year, the available funding shall be equally divided among all public universities. This funding level shall not increase and shall be outside of any other funding allocation made through this rule.

(4) For all funding other than base funding, Engineering Technology Sustaining Funds shall be split between three outcome categories, defined in the following sections, as follows:

(a) 33% to Outcome Category 1-Degrees for Oregon Residents.

(b) 34% to Outcome Category 2-Research Development.

(c) 33% to Outcome Category 3-Employment and Wages of Graduates in Targeted Programs.

(5)(a) Outcome Category 1-Degrees for Oregon Residents shall be allocated on the proportional basis for the three most recently completed fiscal years, or projections thereof, of degrees, including bachelors, masters, professional and PhD degrees conferred by public universities to resident students in the following CIP codes: 11, 14, 15, and 30.08.

(b) In addition, master’s degrees in the following CIP codes shall be included in this calculation for the University of Oregon only: 26, 40.05, 40.08, and 40.10.

(c) Graduate certificates are not included in the calculation made under this section.

(d) No degrees in CIP codes other than those listed above are to be included in the calculation made under this section.

(e) All degrees within this outcome category shall be weighted equally.

(f) A degree awarded in multiple covered CIP codes to a single student shall only be counted once within this category.

(g) The combined proportional number of degrees within the covered CIPs shall determine a university's allocation within this Outcome Category.

(6) Outcome Category 2-Research Development shall be allocated on the basis of the three most recently completed fiscal years, or projections thereof, of the following elements:

(a) 60% shall be based on doctoral degrees earned by both residents and non-residents in the following CIP codes: 11, 14, 15, and 30.08.

(b) 40% shall be based on research expenses as identified by the public universities in programs that support programs in the CIP codes in Category 1 and Category 2.

(A) Public universities may not count research expenses for programs for which they do not receive funding in the CIP codes under Category 1 and Category 2.

(B) Public universities shall submit research expenses annually to the HECC. Such submissions shall be in a form, time, place and manner designated by the HECC.

(7) Outcome Category 3-Employment and Wages of Graduates in Targeted Programs shall be allocated as follows:

(a) 50% shall be based on the employment of graduates in Oregon in the three most recent trailing years, both residents and non-residents, as measured as follows:

(A) In the following CIP codes, all recipients of bachelors, masters, professional and PhD degrees but excluding graduate certificates conferred by public universities shall be included: 11, 14, 15, and 30.08.

(B) In addition, masters degree recipients for the University of Oregon in CIP codes 26, 40.05, 40.08 and 40.10 shall be included.

(C) A graduate shall be considered employed if they are employed in Oregon, as per data obtained by the HECC, as follows:

(i) If graduated four years ago, employed three years after graduation.

(ii) If graduated three years ago, employed two years after graduation.

(iii) If graduated two years ago, employed one year after graduation.

(D) The number of employed graduates meeting such criteria at each public university shall be averaged across this three-year span for purposes of the calculation required under this rule.

(b) 50% shall be based on the average wage of all employed graduates at each public university included in the calculation made under section (7)(a) of this rule.

(A) Wages used will be actual wages according to the available data and no calculation shall occur to account for partial year wages, inflation, or to account for differences in wages among areas of the state.

(B) If an employed graduate is listed as having no wages, that graduate shall be recorded as having \$0 in wages and included in the average wage calculation under this rule.

(c) In either case, each employed graduate shall only count once per portion of the calculation under this subsection.

(8) Data verification shall be conducted by the HECC and the HECC shall have the final right of determining the validity of data included in the model.

(9) CIP Codes and other factors within the model will be examined by the HECC as appropriate. Such reviews shall occur no later than the first year of every third biennium, with the first such review taking place no later than December 2023. Any such reviews shall involve consultation with relevant stakeholders as determined by the HECC. The guidelines that shall be followed for such reviews are set out below.

(a) The following CIP codes shall be included unless specifically removed as a result of such reviews: 11, 14, 15, and 30.08.

(b) Any other CIPs not listed in section (9)(a) and included in this model shall be included if upon consensus of any workgroup formed to conduct such reviews.

(c) Additional CIPs may be suggested for inclusion at such reviews but shall only be included upon consensus of any workgroup formed to conduct such reviews.

(d) The balancing and design of the different outcome categories shall remain at current levels absent upon consensus of any workgroup formed to conduct such reviews.

(e) Base funding levels shall not change except upon consensus of any workgroup formed to conduct such reviews.

(10) Distributions are made quarterly with timing and amounts determined by agreement between the HECC and the Department of Administrative Services. Distributions may be withheld if data in one or more outcome categories is not available at the time of the distribution. However, in such a case, the next distribution shall include any amounts allocated to a university in both the current distribution as well as any withheld distribution.

(11) The cumulative results of the three outcome categories as well as the base funding shall comprise the allocation to a public university for that fiscal year.

(12) When projections are used to determine a public university's allocation, a True-Up procedure shall be used to prorate future payments to match final allocations. The True-Up procedure may alter the funding allocation of a public university from that which was originally allocated by the HECC. A True-Up procedure, if used, will be executed in the second quarter, or as soon as practicable in every fiscal year and shall coincide with the similar procedure conducted under OAR 715-013-0025.

(a) A public university may submit new or updated data for any past years but it will not affect allocations unless it is submitted and validated prior to the True-Up process being completed for a particular fiscal year. Such additional submissions shall take place within the normal data update framework established by the HECC.

(b) HECC staff shall validate the accuracy of all data before incorporating it into the model or into any ensuing calculations. Validation of data shall take place via an approach developed at the discretion of HECC staff. This includes initial data submissions as well as supplemental data submissions that do not impact allocations to any public university in a particular fiscal year.

(c) Once True-Up procedures for a particular fiscal year have been completed, that year's allocations

shall be considered as final. Any errors in data or calculation will not be corrected or otherwise incorporated into the allocation calculations of future fiscal years.

Statutory/Other Authority: ORS 350.075(3)(f)