

Engineering and Technology Industry Council Impact to Programs of 7.08% Budget Reduction

June 11, 2010

Background

The original ETIC allocation for the biennium starting July 1, 2009 was \$33,076,893, which represents a 11.3% reduction vs. the previous two-year period. In developing the budget for the first fiscal year – FY10, ending June 30, 2010 – the Board of Higher Education set the first year’s budget at 49% of the biennium budget, thereby reserving 51% for the second-year budget to account for inflation.

On May 25, 2010, the State Economist informed the Governor and the Legislature that tax revenues for the current two-year period would fall well short of the previous forecast. The Governor has directed all state agencies to cut their budgets accordingly. This has resulted in a 7.08% reduction in all the public university budgets for the second year of the biennium, including the ETIC allocations included in those budgets.

Table of ETIC Allocations

		49%	51%	7.08%	
	2009-2011	FY10	Original FY11	Reduction	Net FY11
EOU	414,450	203,080	211,369	14,965	196,404
OHSU	1,726,025	845,752	880,273	62,323	817,950
OIT	1,277,259	625,857	651,402	46,119	605,283
OSU	17,761,665	8,703,216	9,058,449	641,338	8,417,111
PSU	6,929,992	3,395,696	3,534,296	250,228	3,284,068
SOU	483,287	236,811	246,476	17,451	229,026
UO	2,671,887	1,309,225	1,362,663	96,477	1,266,186
WOU	681,780	334,072	347,708	24,618	323,090
OPAS	1,130,547	553,968	576,579	40,822	535,757
Total	33,076,893	16,207,678	16,869,215	1,194,340	15,674,875

Impact of Reductions

Following is a summary of the impact of these budget reductions on ETIC-funded programs.

Eastern Oregon University

The allocation reduction will eliminate planned hardware and software enhancements for the Computer Science Multimedia program.

Oregon Health & Science University

The reduction will eliminate nearly all of the planned improvements to facilities funded from the ETIC allocation. There will be minimal if any impact to the ETIC-funded faculty, however, and any improvements to facilities that are needed will probably be funded from other sources within the department.

Oregon Institute of Technology

The ETIC plan for the biennium includes hiring a new faculty member in the second year. The \$46K reduction would delay this hire for OIT's Renewable Energy Engineering program. Because this program is in high demand, the university has decided to use other funds to allow the hiring to go forward as planned.

Oregon State University

The reduction in ETIC funding will result in a loss of about \$640K in FY11. The College of Engineering does not anticipate any backfill of this reduction from central administration and, in fact, expects additional cuts to their E&G funding. As the magnitude of the total cut is not known it is difficult to predict what impacts will result. However, even with no additional cuts in E&G funding, the College will not be able to fill the four existing faculty vacancies or the additional four vacancies that appear likely as a result of the faculty retirement incentive program just announced. The loss of these faculty members together with historically high enrollments at all levels will result in larger class sizes, reduced research productivity and declining faculty morale.

Portland State University

The Maseeh College depends upon ETIC funding for over 18% of its annual budget. The 7.08% projected cut translates into a \$250,228 reduction. Maseeh College is strongly considering bearing the brunt of this proposed reduction in the Dean's Office and student services. The respective 12.2% and 7.1% cuts to those areas will greatly reduce flexibility to respond to both crises and opportunities, but this is preferable to hampering the College's instructional activities. For example, the departments have not been able to replace the positions lost during the cuts needed to balance the FY 2010 budget.

Many faculty and student services positions are funded through the ETIC budget. While salary increases have only occurred as the result of promotions, Maseeh College is affected by increased benefits costs in FY 2011. The impact to the departments of a flat ETIC budget is a reduction in the funds available for S&S and GA stipends from \$650 to \$5,750, depending upon the department. E&G money or revenues from other activities will need to make up the difference, so even though the total ETIC dollars allocated to the departments may not be lower than FY 2010, the impact will still be felt.

Southern Oregon University

The \$17,450 reduction will result in the delay of purchasing of needed equipment and possibly a delay in the hiring of a faculty member.

University of Oregon

UO's ETIC plan describes starting and growing a solar energy track to the graduate internship program, expanding CAMCOR to include a photo module characterization center and expanding photovoltaic research at the University of Oregon. The plan also forecasted the addition of new faculty members to MSI using ETIC funding as part of start-up packages, the addition of a staff position to the Graduate Internship program, and an investment in additional equipment in response to enrollment growth.

The \$96K reduction in ETIC funds impacts UO's ability to accomplish these expansions within the biennium. They will no longer be funding the Graduate Internship Program staff position with ETIC funds. Their current plan is to use increased tuition revenue from a significant increase in enrollment to back fund this position. They will continue to pursue outside funding to backfill reductions in ETIC funding, however the cut in ETIC funding will impact their ability to attract private support.

Western Oregon University

The \$24K reduction will result in a quarter-time reduction in one full-time adjunct over the academic year, which means the loss of about four course sessions over the academic year. These courses usually enroll about 25 students each, so about 100 students will not have a computer science course available when they need it.

Oregon Pre-engineering & Applied Science Initiative

OPAS will reduce the size of the Request for Applications it issues in the second year of the biennium resulting in several fewer schools receiving funding to start pre-engineering programs.