

Engineering Technology Industry Council
Meeting held April 25, 2003 at Mentor Graphics

In Attendance:

Ron Adams	OSU
Norm Armour	LSI Logic
Bob Broeg	WOU
Cynthia Brown	PSU
Dave Brown	Tektronix
Bill Carter	OIT
Shirley Clark	OUS
Joyce Cresswell	Saturday Academy
Bruce DeYoung	OSU Extension
Martha Anne Dow	OIT
Bob Dryden	PSU
Rich Duncombe	Hewlett Packard
Dick Fairley	OGI/OHSU
Michelle Girts	CH2M Hill
Joe Graf	SOU
Ray Guenther	Intel
Richard Jarvis	OUS
Dave Johnson	UO
Jim Johnson	
Gary Kaleta	Gunderson
Dick Lytle	OMSE
Dick Knight	
Gary Lietke	OUS
Wally Rhines	Mentor Graphics
Skip Rung	New Economy Coalition
Bruce Schafer	OUS
Cathy Swider	OUS
Mark Tennant	Xerox
Vicki Wagers	OMSE
Rian Windsheimer	Office of Senator Gordon Smith
Michal Young	UO

Wally Rhines, ETIC Chair, opened the meeting with an overview of the meeting agenda.

Scorecards

Joe Graf, SOU presented their current 2x scorecard as of 12/31/03 and it can be viewed at http://www.oregonetic.org/investment_indicators/sou%20scorecards/SOU%20scorecard%204-25-03.pdf

Summary of Recent Study by Economy.com

Presentation slides: http://www.oregonetic.org/meetings/etic_minutes/03-0425a_economic_analysis.pdf.

Bruce Schafer presented findings of a study performed by Economy.com for ETIC. The question asked: Is there a way to prove that the accomplishment of ETIC goals will result in greater economic development which could then result into higher tax revenues for Oregon?

Study findings:

- Oregon vs. other states in terms of overall job growth
 - 12th in job growth from 1992 –2002
 - 42nd in job growth from 1997 – 2002
- Oregon ranked average in terms of percent of population with 4-year degrees.

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- There is a positive correlation between technical degrees and income growth.
- 2X correlates with almost 1% rise in per capita income.
- The statistical figures of merit are weak because much of the increase is attributed to growth in basic industries.

Comments from the attendees included that the study did not take into account growth in high tech due to world class engineering programs or the effect of importing engineering talent. Conclusion: This regression analysis could not prove our case.

Update on '03-'05 Plan / Legislative Update

Presentation slides can be viewed at:

- Norm Armour: Presentation from legislative testimony 4/1/03
http://www.oregonetic.org/future_investments/TestimonyByArmour04-01-03.pdf
- Michelle Girts: Presentation from legislative testimony 4/14/03
http://www.oregonetic.org/future_investments/GirtsTestimonyWMEdCommApril2003Final.pdf

Michelle Girts updated the committee on meetings held in February, March and April with legislative leaders and OUS past presidents, current OUS Board Members, OSBHE and OECDD. Meetings were favorable but no legislators would commit to funding ETIC higher than the current level.

Appropriations as of 4/25

- The Governor's Revised Budget: \$22.5M
- Co-Chairs Budget: \$21.6M

The challenge remains to increase the appropriations to \$40M. Discussion: Chancellor Jarvis expressed his gratitude to everyone who had testified or conducted meetings on the behalf of ETIC. He felt that protection from reductions was key. Skip Rung remarked that the OCKED proposal recommends fully funding ETIC. Wally Rhines added that ETIC is not OCKED's top priority, however, if the Ways and Means Committee establishes an add back and/or cut back list for review in one year it is imperative that ETIC not be on a cut back list. Wally Rhines told the committee it is necessary to look at alternative sources of funding, possibly at the federal level.

Charter for new Federal Funding Task Force

Presentation slides: http://www.oregonetic.org/meetings/etic_minutes/03-0425b_fedfunding_taskforce.pdf.

Bruce Schafer presented a charter for an ETIC Federal Funding Task Force. Formation of this task force is driven by ETIC's needs for additional funding and goals stated by Senators Ron Wyden and Gordon Smith to "support efforts to bring world-class engineering to the state." The proposed process encouraged communicating in parallel with our Senators, the Governor and similar agencies and commissions interested in these goals. The process suggested prioritizing recommendations, identifying appropriations opportunities, and applying for grants. At issue are the relationship to OUS and OHSU "wish lists, ETIC's relationship to OCKED and coordination with government relation offices. Discussion: Ron Adams advised that there is already a process in place for obtaining federal grants. If ETIC and the current OUS process did not agree on their

Engineering Technology Industry Council

Meeting held April 25, 2003 at Mentor Graphics

recommendations it could meet with disastrous results. He strongly urged ETIC to align with the OUS process. Chancellor Jarvis agreed with his analysis. Wally asked if the task force should explore how to work within the system instead of developing a new one. Senior Vice Chancellor Clark noted how OUS works with government relations' liaison Andy Clark in Washington, DC to fund earmarked opportunities. Wally Rhines asked, where is the value for ETIC to get involved? Jim Johnson commented that as a state we currently have a low influx of federal dollars into our programs. He added that if industry, the state and universities work together there is a tremendous opportunity for securing competitive and earmarked grants. Dave Johnson and Joe Graf volunteered to be added to the Task Force. Opinions were expressed asking for a reduction in the number of education task force members and inclusion of more industry members. It was decided ETIC Chair Wally Rhines would make the Federal Funding Task Force appointments.

Follow-up Internal Audit

Presentation slides: http://www.oregonetic.org/meetings/etic_minutes/03-0425c_auditfollowup.pdf.

Bruce Schafer reported on the findings of the internal audit conducted in September 2001. The audit found that 6 of the 8 recommendations previously made had been addressed. Verification of student-based data and financial data are the remaining points requiring fine-tuning. Bruce outlined new recommendations on how to address these issues. He asked that a short-term task force be formed from campus staff responsible for financial accounting. He asked the education members to nominate appropriate representatives. The task force charter would work out the details and formulate a plan for meeting the recommendations of the audit.

Chair Wally Rhines made a motion to approve the minutes from the general ETIC meeting held on February 18, 2003. Motion was approved.

Oregon Masters of Software Engineering:

Proposal to move OMSE into Portland State University

Presentation slides: http://www.oregonetic.org/meetings/etic_minutes/03-0425d_OMSEProposal.pdf.

Dick Lytle, OMSE Director, presented his proposal to move OMSE into Portland State University. The program's history, merits, enrollment statistics and proposed terms of transfer to PSU were outlined. Wally Rhines explained that \$1.4M had been appropriated and intentionally under spent by OMSE. He pointed out ETIC had a choice to use this money for other ETIC priorities or authorize OMSE to use the funds. The Financial Viability Plan (2004-07) forecasted the amount of ETIC funds to be expended in combination with tuition revenues against anticipated expenses. The plan predicted a significant reduction in expenses in 2004 through synergy with PSU Computer Science Dept. The plan did forecast needing \$150K of ETIC funds in 2007. When asked, Cynthia Brown, PSU Chair of CS stated PSU would be unwilling to fund a \$150K deficit after 2007. She thought the program had "turned the corner" and anticipated it would be self-sustaining after 2007 however felt PSU needed a fall back position. If it were not self-sustaining, PSU would consider making it a part of the PSU Computer Science Department instead of a discrete program or "teach-out" if necessary and end the program. The program would be evaluated each year.

Dick Lytle then presented the options available to ETIC.

Option 1. Move to PSU as proposed. Expect financial breakeven and successful program.

Engineering Technology Industry Council
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- Option 2. Run the program “as is”. Do not project breakeven within ETIC funds.
Option 3. Terminate the program immediately. Oregon loses software engineering education program, investment to date, and requires teach-out funding (~\$.75M).

Dick Lytle recommended Option 1.

Discussion: Dick Knight, OMSE Advisory Board, described OMSE as a good investment and urged ETIC to go forward with the move to PSU. Dave Brown said it had demonstrated a great deal of success in developing professional software engineers. Questions were raised how important was it to be a degree program. Cynthia Brown felt being a degree program was necessary to maintain a high quality faculty. It was added that the program was uniquely different from regular academic computer science programs because it was for working engineers. Vicki Wagers, OMSE, felt the projected enrollment models were very conservative. Dick Knight added that there were 4:1 continuing education students to committed degree students. Wally Rhines asked the voting members to stay after the meeting to further discuss the options and make a recommendation to Chancellor Jarvis.

ETIC Research Workshop

Presentation slides: http://www.oregonetic.org/meetings/etic_minutes//03-0425e_researchworkshop.pdf.

Bruce Schafer reminded the council of their obligation to conduct an ETIC Research RFP workshop. He proposed holding an end of term workshop. It would include academic and industry representatives and the media. The objective would be for the Principal Investigators to share insights and for EITC to gain positive publicity for what it had accomplished.

Discussion/Issues raised:

- What are the benefits to the P.I.s. in consideration of their busy schedules?
- We would need professional help in publicizing such an event to insure its success.
- Who is the target audience of the publicity
- Internal assessment should be held privately from publicity event.
- Should there be just a press release about the RFPs and skip holding an event?

Action item: Bruce will check with the Portland Business Journal to gauge the publicity value and interest in the proposed event.

The next ETIC meeting is scheduled at the CAPITAL Center on Thursday, June 12, 2003.

There being no further business, the meeting was adjourned at 5:30 pm.