



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD



TO: Commissioners Brown, Carlson, Mital, Simpson and Helgeson
FROM: Rene Gonzalez, Customer Solutions Manager; Jeannine Parisi, Customer Relationship Manager
DATE: May 25, 2018
SUBJECT: Lane Community College Education Grant Update
OBJECTIVE: Board Action

Issue

Management seeks Board direction on proposed changes to the community education grant program specific to funding Lane Community College for the Fall 2018/Spring 2019 school year.

Background

Lane Community College (LCC) is one of five educational institutions that receives EWEB grant funding for science-based curriculum, instruction and hands-on learning for area students. Our two agencies have an inter-governmental agreement (IGA) whereby EWEB provides \$70,000 per year in funding to help support the college's two-year energy management, buildings control technician and water conservation programs.

As described in the November 2017 Board memo, low unemployment rates have a direct impact on technical program enrollment at community colleges. Even with the ability to offer the curriculum to more students in the region on-line, under-enrollment is a continuing challenge.

Discussion

Recognizing the limited reach of the grant under current circumstances, EWEB and LCC representatives met to discuss alternative approaches that could yield a higher value proposition and more direct nexus to EWEB's strategic priorities. LCC suggested an EWEB-sponsored scholarship that would help support prospective energy management students with their first year's tuition expenses (about \$6000). To be eligible to receive the scholarship, the student would need to show residency in EWEB service territory, demonstrate financial need, and the academic capability to succeed in the program. If there were more eligible students than scholarships available, preference would be given to non-traditional and under-represented students.

Three alternatives are provided for Board consideration:

1. Status Quo: Continue bi-annual payments to LCC consistent with the current IGA, which runs through September 2020. The next payment of \$35,000 is due in July.

2. **Modify:** Amend the LCC Agreement to create a scholarship program not to exceed \$25,000 per year. Grant funds would be directed towards a tuition scholarship that would support students, up to \$5,000, with their first year program expenses. Actual expenditures would be dependent on the number of scholarship applicants meeting the eligibility requirements.
3. **Discontinue Grant Funding:** Per the IGA, EWEB's obligation to make semi-annual grant payments is contingent upon Board approval of future annual appropriations. The Board could direct staff to remove LCC funding from the 2019 budget, and the last semi-annual grant payment would be provided in this July.

TBL Assessment

None conducted but some observations are provided. Compared to the education grants provided to our K-12 partners, the dollar per student ratio is currently exceedingly low for the LCC program. On the other hand, when the economy was poor, the student participation was much higher, up to 90 students in one year. Students who graduate from LCC's energy management program enjoy very high placement rates in a variety of well-paid positions, like energy analysts and commercial building controls specialists. Transitioning the grant to a scholarship program for students with financial need has a more direct impact with a focused social equity component. Reducing the annual contribution from \$70,000 to \$25,000 aligns with EWEB's affordability initiative.

Recommendation

Management recommends the Board modify its Agreement with LCC as proposed to establish a tuition scholarship not to exceed \$25,000 for the 2018/2019 school year. With this direction, staff would further develop the application, marketing, screening and payment process, and a year-end evaluation would form the basis for whether EWEB continues the scholarship through the end of the IGA term (2020).

Requested Board Action

Move approval to modify the LCC community education grant Agreement to provide a tuition scholarship of up to \$25,000 for the upcoming school year with a re-evaluation in June 2019.