Memorandum Date: June 6, 2006
Order Date: May 14, 2006

TO:	Board of County Commissioners
DEPARTMENT:	CAO/Economic Development Standing Committee
PRESENTED BY:	Michael McKenzie-Bahr & Peter Thurston, C&ED Coordinator
AGENDA ITEM TITLE:	ORDER/IN THE MATTER OF AWARDING AN ECONOMIC DEVELOPMENT GRANT TO LANE COMMUNITY COLLEGE FOR THE RTEC COMPUTER PATHWAY TRAINING PROJECT

I. **MOTION** IT IS MOVED THAT THE ORDER BE ADOPTED IN THE MATTER OF AWARDING AN ECONOMIC DEVELOPMENT GRANT TO LANE COMMUNITY COLLEGE FOR THE RTEC COMPUTER PATHWAY TRAINING PROJECT

II. **AGENDA ITEM SUMMARY**

This proposal before the Board is recommended by the Economic Development Standing Committee (EDSC) to fund a grant to develop a computer programming skills program at Lane Community College through the RTEC Pathways program. The principal question to answer is: shall Lane County transfer $49,000 from video lottery economic development operating contingency to project funds and provide contract authority for the RTECH Computer Pathway Training Project?

III. **BACKGROUND/IMPLICATIONS OF ACTION**

A. **Board Action and Other History**

Background. Lane Manual Chapter 4.100 – Video Lottery Allocation Policy (please see Attachment A) provides for the commitment of video lottery economic development funds for programs and activities that support job creation and training in Lane County. Each year the Economic Development Standing Committee (EDSC) recommends a video lottery economic development budget to the Board of Commissioners. The video lottery budget is authorized in two categories: General Allocation for Economic Development Program and Economic Development Strategic Investment Program. For the past few years the Strategic Investment Fund has contained an operational reserve available for creation of jobs and training opportunities that increase the family income of Lane County residents. The operational contingency budget line item in the current fiscal year (FY 05-06) is $111,506, of which about $ 50,000 is uncommitted. The RTEC Pathways project is

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scheduled to occur in the coming fiscal year (FY 06-07) when the operating contingency is project to be over $500,000.

B.   Policy Issues

The proposed award for the RTEC Pathways project is·based on an unsolicited proposal aimed at developing a training center at Lane Community College that will be recognized as the gaming computer programming curriculum for all state community colleges. Time is of the essence in development of the curriculum and launching the program over the summer of 2006. The basic format in the request for proposal process for presenting project outputs and outcomes is followed in the proposal, and will become part of the contract.

C.   Board Goals

Lane County's Strategic Plan and Lane Manual Chapter 4 set out economic development goals to create new job opportunities and provide training opportunities that will enhance the ability of Lane County residents to improve family wage incomes. The RTEC Pathways project is a training program. It is a pilot project that will provide a model for other RTEC training to provide new pathways for students in the community college system to earn college credit while taking courses at high schools across Lane County.

D.   Financial and/or Resource Considerations

The video lottery economic development contingency for fiscal year 2005-06 is approximately $50,000. This project would draw this down to about zero, however, it is recommended that this project be awarded out of FY 06-07 operating contingency, when the funds will be over $500,000.

E.   Analysis

Training for high technology employment opportunities is an objective in Lane County's economic development program. The Board of County Commissioners heard a presentation in March on RTEC's objective to become the recognized training center for computer gaming programming skills. This center is also linked to the Pathways program that seeks to connect high school students with professional and technical training that is accredited at the college level.

Upon receipt of the proposal, the EDSC heard a presentation in regular session of the committee, after usual public meeting notice. The committee considered the size, urgency, impact, accountability, and importance of the project to Lane County's economy. The Committee also considered the impact of the award on the usual Request for Proposals process and the projected increases in video lottery economic development receipts in the coming fiscal year. The committee unanimously voted to recommend that the Board of County Commissioners award $49,000 for the project.

F. Alternatives/Options

The Board may: 1) approve the ORDER directing that funds be committed to the LCC RTEC Pathways project, 2) request more information and clarification of the proposal, or 3) decide not to authorize funding for the project at this time.

IV. TIMING/IMPLEMENTATION

Time is of the essence in this project. Award at this time will allow for development of the program over the summer months and formal initiation in fall 2006.

V. RECOMMENDATION

The recommendation of the EDSC is to award the funds to the LCC RTEC Pathways project and implement it through an intergovernmental agreement, using the usual economic development outputs and outcomes measures.

VI. FOLLOW-UP

Upon approval of the Board, a intergovernmental agreement with Lane Community College will be prepared including the specific project description, outputs, and outcomes.

VII. ATTACHMENTS

ORDER
A – Video Lottery Allocation Policy (LM Chapter 4)
B – RTEC Proposal

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IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON

ORDER NO.   ) ORDER/IN THE MATTER OF AWARDING AN
) ECONOMIC DEVELOPMENT GRANT TO LANE
) COMMUNITY COLLEGE FOR THE RTEC
) COMPUTER PATHWAY TRAINING PROJECT

WHEREAS, Lane County has goals and objectives to promote economic development through job creation and training of the workforce for high technology employment opportunities, and

WHEREAS, The Board of County Commissioners has held in reserve video lottery economic development funds for opportunities that require immediate action in order to leverage jobs and training, and

WHEREAS, Economic Development Standing Committee (EDSC) has reviewed the proposal from Lane Community College RTEC Pathways program and recommends that this project be funded from the operational reserve, and

WHEREAS, the Board of County Commissioners has reviewed the proposal and found that time is of the essence in supporting this proposal and it is in the public interest to provide funding for this project; NOW, THEREFORE, IT IS HEREBY:

ORDERED that the LCC RTEC Computer Programming Pathway Proposal is awarded $49,000 from the Strategic Economic Development Operational Contingency, as proposed to develop and implement the program in 2006 and these funds will be moved from the operating contingency to project funds in the fiscal year 2006-07 budget.

FURTHER ORDERED that a grant contract be executed with Lane Community College in the amount of $49,000 for the immediate development and implementation of the Computer Programming Pathway project.

FURTHER ORDERED that the County Administrator is authorized to sign the IGA with Lane Community College, RTEC.

Signed this 14th day of June, 2006.

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Bill Dwyer, Chair
LANE COUNTY BOARD OF COMMISSIONERS

VIDEO LOTTERY ALLOCATION POLICY

4.100   Purpose.

The Video Lottery Allocation Policy reaffirms that video lottery receipts must be applied to programs and activities which support economic development in Lane County. Video lottery revenue is received from the State of Oregon as a transfer from the Oregon State Lottery Fund. The Oregon State Lottery Fund is governed by Oregon Constitution, Article XV Section 4. This policy defines economic development activities for Lane County and provides guidance for strategic allocation of video lottery funds to economic development programs and activities. This policy reaffirmation is the basis for all video lottery allocation decisions for the benefit of Lane County citizens, and is meant to encourage partnerships between the County, communities within the county, non-profit organizations, private parties, and others directly involved in economic development activities, which meet one or more of the economic development objectives or categories listed in paragraph 4.105 below. *(Revised by Order No. 01-2-21-2; Effective 5.1.02; 05-11-30-3, 11.30.05)*

4.105   Definition of Economic Development.

Economic development is a program, a group of policies, and/or activity that seeks to improve the economic well being and quality of life for a community. Ideally, it will create and retain jobs, enhance employment opportunities, increase family wage income, and provide a stable tax base. Creation of new high paying jobs and improvement of worker's wages are the principal outcomes anticipated from this economic development policy. Outcomes may also include community development investments in infrastructure, commercial and business parks, other public/private partnerships, organization capacity development, and strategies that leverage funds and resources to accomplish the following:

(1)   Business Development. Programs that encourage business growth and investment that create new employment opportunities, attract and expand business, increase tourism, and facilitate start-up and emerging businesses.

(2)   Workforce Development. Partnerships between business, education and government that build the skills of the local workforce and increase opportunities for families to meet or exceed the median household income for Lane County. *(Revised by Order No. 01-2-21-2; Effective 5.1.02; 05-11-30-3, 11.30.05)*

4.110   Allocation.

Within the above definition, the revenues derived from the State's 2.5% video lottery distribution for economic development shall be allocated between two economic development categories. Through the annual budget process, the Board shall appropriate a maximum of 50% of the annual receipts to general allocation programs and the remainder (50% minimum) of the annual receipts for economic development strategic investment projects. All (100%) of unspent monies from previous years shall be appropriated for economic development strategic investment projects.

(1)   Category 1 - General Allocation for Economic Development Program. Up to half (50%) of the County's annual receipts from video lottery revenue shall be allocated to the Category of General Allocation Economic Development Program. The purpose of the General Allocation is to pay for ongoing County programs and services which meet the adopted definition of economic development. The rationale is that citizens, tourists, employees and potential business owners shall benefit from a stable economic base, prepared and ready workforce, nurturing atmosphere for business growth

and investment and consistent and knowledgeable development staff. Guidelines for the General Allocation for Economic Development Program shall be:

(a)   The cost of administering the video lottery receipts shall be paid with video lottery funds from the General Allocation category.

(b)   A working capital reserve for General Allocation programs may be maintained.

(c)   The County may continue to participate in forums for exchanging ideas and addressing the economic development needs of the County.

(d)   The County may contract with other agencies for the purpose of community/county promotion, marketing/recruitment, and other economic development support services, the sole purpose of which is to build capacity over time and increase and/or stabilize the economy of the County and its citizens.

(e)   The County may maintain or hire County staff internally or contract with other agencies to provide economic development support services to the county and/or communities within the county.

(2)   Category 2 - Economic Development Strategic Investment Program. The County shall establish the "Economic Development Strategic Investment Program." The purpose of this category is to assist communities to pro-actively leverage video lottery dollars through public-private partnerships that will make a measurable difference in the economic growth and stability of Lane County. This program shall be capitalized annually with a minimum of 50% of the new video lottery revenue received each year from the Oregon State Lottery Commission's transfer to counties for economic development activities. In addition, all revenue unspent in previous years will be added to this category. General guidelines for this category shall be:

(a)   Any activity or project supported by this program must demonstrably and directly increase the chance of making a measurable difference to the economy of Lane County and its citizens.

(b)   Projects are expected to have some financial support other than video lottery money.

(c)   Allocations toward projects or facilities identified in a recognized capital improvement plan (e.g., the County, community within the county or economic development organization's capital improvement plan) shall receive priority consideration.

(d)   Projects that require multi-year commitments may be funded.

(e)   Allocations shall be made by the Board upon the advice of the Economic Development Standing Committee, after review and comment by the Lane Economic Committee.

(f)   No obligation shall exist to recommend an annual expenditure from this category. Projects should only be recommended for funding if they substantially meet the general guidelines and can demonstrate a direct impact on economic development of the community. Some or all of the funds may be carried over in any year for larger allocations in a later year.

(g)   The cost of administering the Economic Development Strategic Investment program shall be paid with video lottery funds from the economic development strategic investment category. *(Revised by Order No. 01-2-21-2; Effective 5.1.02; 05-11-30-3, 11.30.05)*

Computer Game Programming Pathway Proposal
Lane County Economic Development Subcommittee
June 1, 2006

Overview

This proposal is to develop a career pathway at Lane Community College that will introduce high school and college students to careers in computer game development. In addition, it will provide introductory computer training to high school students throughout Lane County. Students in this program will take the first step into a career in computer programming. They will have the skills to apply for entry-level positions or can continue on for further education in one of the associated four year degree programs.

This is an emerging economic development opportunity for Lane County. If we move quickly, Lane Community College can be designated as the first and primary community college to offer Computer Game Development Certificates and related associate degrees. Therefore, Lane would become the statewide resource for education and training in this area. This cooperation between Lane Community College and Lane County fits with the county theme "working for you."

Timing is critical.

We are requesting $49,000 in economic development funding to be a catalyst to enable the early successful pilot efforts in Computer Game Development to become a fully implemented Career Pathway and thus meeting our local business and student needs. If funded, the plan is to have five new courses taught at Lane 2006-2007, an approved degree program in place for the start of the 2007-2008 school year, at least one on-line course for the high schools by spring semester 2007, and students working in cooperative education positions with local companies during 2006-2007.

Economic Development Background

Computer programming continues to be a good career field with higher than average projected starting salaries and job growth potential over the next decade, both in Lane County and nationwide. At the county level this is recognized by programming being one of the focus areas for economic development with 400+ jobs added at an average salary of about $59,000.

Eugene is home to three growing computer game companies (Buzz Monkey, GarageGames, and Pipeworks). It has been estimated by Buzz Monkey that there are over 200 professionals in Eugene working on game development. These companies are each projecting growth of 15% to 20% per year and they have been having problems finding people with the necessary skills and training. The new program at Lane is being developed with feedback from principals at these firms to make sure that students are being trained in appropriate areas.

In addition to the game development companies listed above, there are other local companies that use computer programming in education and simulation. These companies also need employees with the same sets of skills and are having problems finding enough of them locally. The list of these related companies includes Lunar Logic, Knowledge Metrics, Oregon Research Institute, Oregon Social Learning Center, Oregon Center for Applied Science, and Symantec. Employees from these companies are either in the current pilot series of courses or are pre-enrolled for next year.

As with the gaming companies, technical managers from these companies have been asked for input on our new program. The current advisory board for the proposed program includes Buzz Monkey, Lunar Logic, and representatives from the independent game development community. Conversations have been started with other companies, but they have not yet committed resources.

At the same time that there is a need for trained professionals in this area, the high schools in the county have been challenged by reduced funding and increased graduation requirements to be able to continue support for computer related courses. As an example, starting next fall, Springfield High School will no longer offer any separate computer related courses. Most of the smaller rural schools are in a similar situation.

Recognizing the need for computer related courses, Lane and the local school districts are collaborating to create courses under the auspices of the Regional Technical Education Consortium (RTEC). During the 2005-06 school year, a pilot set of classes was offered at Lane Community College in conjunction with faculty at Elmira and Thurston High Schools. There were a total of 47 students enrolled at Lane in the first term and an additional 30 in the two high schools. The 47 at Lane included students from South Eugene and Lowell High Schools.

The second course at Lane consisted of 32 students who had successfully completed the first class and were interested in continuing. In addition to the Lowell and South Eugene students who continued from the first class, two students from Elmira were added who had completed the course there. There would have been more high school students included in this program, but it was limited due to funding issues. The majority of the students in the second course are looking to go into computer programming and will be taking more classes at Lane or transferring to UO or OSU for further study.

Proposal
In April 2006, Lane applied to the State Board of Higher Education for approval to offer a one-year certificate in computer game programming. This is on track for approval and should be available for students graduating in 2007.

Lane is currently drafting an application for a two-year technical degree program in computer game development. This program will be multi-disciplinary and include courses in multi-media as well as computer science. If approved, this will be the only program of its type at a two-year school in Oregon and should attract students from outside the region as well as providing opportunities for Lane County students.

At the same time Lane Community College is working with RTEC to increase the computer related courses that can be offered to county high schools. For schools within commuting distance of Lane, high school students will be able to attend classes on the Lane campus and get both high school and college credit. Although there are transportation issues with this approach, we have been able to include students from Elmira to Lowell. Some school districts provide transportation. In other cases, students drive themselves or ride the LTD bus. To provide support for schools that are too far for students to travel to Lane and to allow students to participate without disrupting their school schedule, we are looking to develop on-line courses that would be provided by Lane and taught by Lane faculty, but taken by students using facilities at their home schools.

Lane Community College is committed to working with RTEC to make this happen and is making resources available. Due to financial issues at Lane, the resources are limited and, without external sources of help, progress will be slow. The cost of delays is that students will lose out on educational opportunities and that another two-year school will probably pre-empt the proposed degree program. If we are able to get this funding from Lane County, we will be able to accelerate the offerings to the county schools and will be able to apply for a degree program in the current approval window.

Therefore, we are requesting critical trigger funding to enable us to reach our goals this year. As stated earlier, if funded, the plan is to have five new courses taught at Lane 2006-2007, an approved degree program in place for the start of the 2007-2008 school year, at least one on-line course for the high schools by spring semester 2007, and students working in cooperative education positions with local companies during 2006-2007.

Alternate Funding

During the 2005-06 school year, Lane contributed $2700 for curriculum development money and 40% of a faculty position for the development of the pilot game program. Thurston and Elmira High Schools each contributed the time of a faculty member to teach a section of this program. In addition, Lane has been providing the cost of a RTEC coordinator and management overhead. Lane contributed $500 for textbooks for students during the pilot program. Tuition came from the school districts ($1855) and the Juan Young Trust Foundation ($825).

For the 2006-07 school year, Lane has committed 60% of a CIT faculty position and 20% of a multi-media faculty position for developing and teaching classes related to the proposed game development program. In addition, they have committed $5600 for curriculum development funding of related courses (computer architecture and computer networking). The CIT department is committed to spending an additional $10,000 for computer hardware and software that would be directly used by students in this new program. In addition, the college is providing tools and training for developing on-line courses. Funding for students will come from district funds, currently estimated at

$24,000 for 20 students for 3 terms. RTEC and managerial support will continue to be provided by Lane.

We have commitments from two local companies to provide paid internships for students in the game program. It is expected that as we develop more community connections that this level of funding will grow. We are also seeking money from corporate sponsors for additional hardware and software to support this degree program.

Lane has also recently received an $800,000 grant from NSF for a GIS program. Although this program is separate from the game development program, it will contribute to the college computer infrastructure. We are currently applying for two other large NSF grants that will provide funds to help computer science education at Lane.

Specific Deliverables

The two-year professional technical degree proposal has to be delivered to the appropriate bodies by September 2006 to be approved in December 2006 so that it can be offered the following school year. This proposal includes descriptions of what courses will be offered, what specific educational outcomes will be achieved, market analysis for employment of graduates, articulation pathways with the four-year schools in the state, and necessary supporting documentation.

The pilot two-class programming course needs to be completely re-written into a three term course and defined in such a way that additional sections can be taught by someone other than the original instructor. In addition, there is an introduction to computer game development course that is planned as a way for students to learn about this field. All of these classes need to be developed this summer and fall so they can be offered in the 2006-07 school year. Other courses that are being developed in parallel include one in computer architecture and a capstone course for the degree program.

In the multi-media area, there is already a course in the industry standard animation tool Maya, but it is necessary to develop a second course that would address game development. There is demand for this class for next year, but it also needs to be developed over this summer.

We need to develop the first of a planned series of on-line classes that can be used to teach computer concepts at the high schools. One of the first classes we plan to offer in this way is the introduction to game development course. Another effort this summer will be to create a series of min-courses to provide an easy pathway to computer literacy for students. The ultimate plan is to develop a series of four or five computer related courses that are on-line and available to county high school students via RTEC.

As part of the pathways project at Lane, we are working to implement a website that potential students can use to find out about possible career options. This will present information about courses, pre-requisites, and information from the state employment site

that shows job and income potentials. We want to get this website up and running this summer to provide a working tool to incoming students for the 2006-07 school year.

Proposal Budget Detail for 06-07

We are requesting at total of $49,000 delineated as follows:

For developing curriculum, Lane estimates it takes 100 hours of curriculum development time to develop a single course. To develop four courses in computer science and one in multi-media, it will cost a total of $14,000. The degree program will take about the same amount of time as a single course, so that is another $3,000. The website work will cost at least $5000 to complete this summer.

Finally, we are asking for one faculty member to be released from teaching one-third time next year to allow him to push through the degree approval process, create the on-line course, work with local businesses to keep our goals aligned with theirs, and help regional high schools to bring one-line classes to their students. This will cost $27,000. This final request is the most expensive, but it is critical if all the pieces are to be properly implemented on schedule.

Goal	County		Lane	
Curriculum Development	5 courses	$14,000	2 courses	$5,600
Degree Program Application		$3,000		
Website Development		$5,000		
Faculty time		$27,000		$70,000
Computer hardware and software				$10,000
TOTAL REQUEST		$49,000		

As noted under the Alternative Funding section of this proposal, the college is providing tools and training for developing on-line courses. Funding for students will come from local school district funds or donor support, currently estimated at $24,000 for 20 students for 3 terms. RTEC and managerial support will continue to be provided by Lane.

In conclusion

We have a time sensitive economic development opportunity to leverage community college, school districts, county government, business and industry efforts and financial resources to align to meet an emerging community need.

This proposal request to the Lane County Economic Development Subcommittee will be a catalyst to move the needed Computer Game Development Career Pathway forward. It builds on pilot efforts initiated in the 05-06 school year. It brings to fruition that Lane County and Lane Community College become the hallmark and statewide resource for education and training for computer game development.