

TESTIMONY BEFORE THE JOINT WAYS AND MEANS COMMITTEE
EDUCATION SUBCOMMITTEE
House Bill 5031 – Oregon University System
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Co-chair Komp, Co-chair Monroe, and Committee Members, I am Michael Gottfredson, President of the University of Oregon. It is my pleasure to be with you today on behalf of Oregon State University (OSU), Portland State University (PSU), and the University of Oregon (UO) to discuss the mission and impact of Oregon's large universities.

I am delighted that my first opportunity to testify before the Ways and Means Committee is in a spirit of collaboration with our colleague institutions and in support of the Governor's budget.

I joined the University of Oregon just seven months ago after spending several decades as an administrator and faculty member at the University of Arizona and most recently at the University of California, Irvine.

As a newcomer, I appreciate the warm welcome I have received from Oregonians and especially the state's education, civic and business leadership. More importantly, I am heartened by the seriousness of purpose and sustained effort that you and other leaders bring to this state's efforts to improve opportunity for Oregonians and strengthen the state's educational offerings and the resources available. Thank you for your service.

Importance of mission differentiation

The state supports higher education based on a theory: the theory of the relationship between the government and individuals, and the idea that economic and social mobility for individuals results in the betterment of society. It's a simple perspective and one that we know to be true. It is the theory that impressed Abraham Lincoln, who took time out in the Civil War in 1862 to sign the Morrill Act, the legislation that created land grant universities and the national commitment to public research universities.

President Lincoln knew higher education was the key to individual social and economic mobility, and as a consequence, to the general public interests of our society. Access to education underlies the very idea of our democracy.

Large and small universities, research universities, urban-serving, land-grant, technical, professional and advanced degree programs, community colleges, apprenticeship programs, and two- and four- year institutions are all part of the confederation of post-secondary educational choices that must be available to Oregonians if the public interest envisioned by Lincoln is to be achieved. The breadth of these choices allows individuals to participate in higher education, to find their passion, define their purpose and then build the foundation for a life and a career. Mission differentiation enables Oregon to develop the economy, civic vitality and competitiveness that propels us forward.

Universities like Portland State, OSU and UO have built their missions on the promise that broad access to the highest quality educational experience will reap exponential economic and societal benefits for the entire state. As research universities, we share a common mission of teaching, research and service.

And, we have distinct missions: the land-grant program focus of Oregon State; urban-serving at Portland State; and the University of Oregon as a national university with a broad arts and sciences orientation and a professional program focus.

Research universities create unique educational opportunities and grow the state's economy

The faculty of Oregon's three research universities are expected to be actively engaged in research – basic research that grows the body of knowledge and brings the wealth of discovery through innovation to our state; applied research that directly impacts real world phenomena; and other scholarship that underpins public policy, business practices, advances in arts and culture, and our understanding of our world.

Our research universities maintain as central to our mission the commitment to teaching students and advancing Oregon's 40-40-20 educational attainment goals. Collectively, we awarded more than 18,000 degrees and certificates last year. To put that into sharper focus, Portland State, OSU, and UO produce 81% of the bachelor's degrees awarded by OUS institutions, 86% of the master's degrees, and all of the doctoral and first-professional degrees.

We couple our mission to educate students with university commitments to provide access for lower- and middle- income students through robust institutional aid, scholarships, and financial support. I speak for Oregon State, Portland State and UO when I say that our firm commitment is to enroll all eligible Oregonians. We seek not just to enroll eligible Oregonians but to inspire Oregonians to choose our institutions rather than seek their education outside Oregon. Research universities will attract high achieving students. Research grants create work and learning opportunities for students.

Beyond that, we believe emphatically that access to education must not depend upon economic status or stature. We cannot lessen our commitment to the education of Oregonians at the completion of their high school education – we must find ways to equalize the opportunity for a college degree. Please know our universities are not waiting for the state or federal government to address the problem of financial hardship. We are already making remarkable strides to reach more needy Oregonians than ever before.

We do that not only through coordinated admissions outreach to the state's schools but also through fundraising and financing for financial aid and scholarships. You'll hear in later sessions about programs like OSU's Bridge to Success and UO's PathwayOregon. These programs, along with financial aid to middle income Oregonians, help offset the financial hardship to families because of limited state support for need-based state aid and the shift in tuition costs to individuals.

Research universities are uniquely positioned to contribute to the state and do so in many ways – through the teaching opportunities a research university creates; outreach to the state; and the acquisition and generation of resources and economic activity, including company formation and job creation.

Portland State often uses the tag line "Oregon is our classroom," a wonderful description of the kind of impact a research university has on teaching and learning. A college of education located at a research university, for example, will not only educate the next generation of teachers but it will also contribute, as UO does, to the development of new methods of assessment and instruction that change the field itself. A school of engineering or urban studies will not only train engineers and planners in these

rigorous disciplines but will also, if located at a research university, develop, as Oregon State and Portland State have done, innovative ways to change the field of wave simulation or sustainability.

In short, states that invest in institutions with appropriately differentiated missions are more likely to have a prosperous economy. Only a strong system of post-secondary education can provide the civic infrastructure needed to build Oregon's future – excellent teachers and skilled professionals like accountants, social workers, architects, planners, and foresters, health care professionals, engineers and scientists.

Finally, research universities are rain makers and game changers. Research activities provide clear support for the Oregon economy. Collectively, OSU, PSU, and UO drew nearly \$400 million in external funding to the state of Oregon for research activity. OHSU's contributions nearly double the total to three-quarters of a billion dollars or nearly \$760 million in 2012. The ultimate impact of these awards extends far beyond the initial revenue and spending that would not otherwise be possible. Research yields innovations and creates jobs that result in a higher quality of life for Oregonians. At the University of Oregon, for example, companies with intellectual property ties to the university have generated at least \$40 million in combined revenue and employ more than 270 people.

Estimates of the economic impact of Oregon's research universities – including Oregon Health and Science University – indicate that they support \$10 billion of economic activity each year. This activity includes the personnel costs associated with the research but also infrastructure including the purchase of instrumentation and the construction of university facilities. At UO, for example, the \$65 million Lewis Integrative Science Building that we opened this fall was designed from the ground up for research collaboration but the act of its construction is evidence of the powerful attraction of research universities. The building drew philanthropic gifts to the state to allow for its construction. The construction jobs associated spending from the building buffered the Eugene-Springfield economy at a time when other economic activity, particularly construction, was suppressed by the recession.

Based on research activity alone, the return on the state's investment could not be achieved, and in fact is unrivaled, by any other investment the state could make. And the state's investment is realized in another important way – research universities like OHSU, UO, PSU, and OSU attract and keep the best minds in Oregon to work, to live, to create, to contribute and to stimulate the economy.

Our public mission is the keystone of the public research university

We achieve these results through collaboration. Collaboration is as much a state of mind as it is a state of place. The state of Oregon has all of the ingredients, particularly when we include the Oregon Health and Science University, and much of the impact of any of the best innovation economies in the country. Through collaboration, Oregon's public universities have been able to share the best minds, research equipment, and resources through several inter-institutional Oregon signature research centers. While different universities take the lead on some of these, each represents inter-institutional research efforts and world-class research agendas.

The Oregon Nanoscience and Microtechnologies Institute (ONAMI) – a collaboration between OSU, PSU, UO and the Pacific Northwest National Lab – focuses on growing research capacity and competitiveness, commercializing new technologies and supporting start-up companies. The Oregon Translational Research and Drug Development Institute (OTRADI), a consortium of OHSU, OSU, UO,

PSU and several Oregon-based biotech companies connects research, development and commercialization in the area of infectious diseases. The Oregon Built Environment & Sustainable Technologies (Oregon BEST) signature research center (partnering with OSU, OIT, UO, and PSU), connects research and commercialization efforts in areas of sustainable built environment and renewable energy. The Institute for Natural Resources (INR) – a partnership of OSU, PSU, and OUS – provides policy makers with current, science-based information to identify, investigate, and offer solutions to natural resources challenges. The Oregon Transportation Research and Education Consortium (OTREC) – a partnership between PSU, UO, OSU, and OIT – conducts research on sustainable surface transportation, educates current and future transportation leaders, and encourages real-world use of research results.

Many such collaborations take place routinely across the Oregon University System. UO alone has identified 140 collaborations with UO as one of the nexus points. The Orbis Cascade Alliance is an especially good example of a partnership between the UO and Pacific Northwest universities to strengthen member libraries through collaboration. For 17 years, UO served as the business agent for the Alliance, an alliance that has now expanded to include 37 academic libraries in Oregon, Washington, and Idaho, serving the equivalent of more than 258,000 full time students. Members include both public and private institutions as well as community colleges. It is an arrangement that grew out of necessity, interest and engagement, not a mandate, which is now recognized internationally as a leader in library collaboration.

Our public research universities also collaborate with the community and education partners to positively impact the state and college readiness. Our universities are engaged in a variety of education partnerships and actively working toward regional achievement compacts. Portland State, OSU and UO each work with local school districts, the community colleges, and business leaders through education partnerships to advance the college readiness of the areas surrounding our institutions. As presidents, we make a priority of these partnerships – we're proud of PSU's program known as SUCCESS Cradle to Career, Oregon State's Mid-Valley Partnership, and UO's Connected Lane County.

While collaboration is a key to our success, so is a portfolio approach to the absence of a single source of guarantee for access, affordability, or research that the state once had. Public research universities use multiple revenue streams to supplant what the state once provided (or what other states often provide in direct state-based research).

Our universities are impacting the state in many positive ways and we ask for your continued support. We have made effective and efficient use of our limited resources to produce benefits for Oregon. The governor's budget comes close to sustaining current service levels for post-secondary education and this support was affirmed and improved in some areas by the Co-Chairs' budget. This budget, combined with other policy initiatives to organize higher education and its governance, will be a welcome contribution to the operating budgets of our institutions of higher education.

Thank you for your attention. I am happy to answer any questions you may have.

Quick Facts on Oregon's Public Research Universities

Numbers...

Enrollment	Fall 2012 headcount	79,715	OSU	26,393
			PSU	28,731
			UO	24,591
Degrees & certificates awarded	2011-12	18,027	OSU	5,378
			PSU	6,735
			UO	5,914
Faculty	2011-12 headcount	3,670	OSU	1,084
			PSU	1,442
			UO	1,144
Sponsored activity	FY 2012	\$393 M	OSU	\$205 M
			PSU	\$69 M
			UO	\$119 M
Resident tuition & fees	2012-13, compared to peer average	17% below	OSU	20% below
			PSU	18% below
			UO	9% below

Oregon's rank among the 50 states...

Total federal R&D expenditures in public universities	FY 2010 (includes OHSU)	17 th
Total federal R&D per faculty in public universities	FY 2010 (includes OHSU)	7 th
Faculty salary	2011-12 public doctoral universities	45 th
Faculty compensation	2011-12 public doctoral universities	29 th

Sources: Oregon University System, *Fact Book 2012*; U.S. Dept of Education, *Digest of Education Statistics 2010*; *Chronicle of Higher Education*, Facts and Figures, Tuition and Fees 2012-13.