

PUBLIC UNIVERSITIES

**Supplemental Information
Submitted by Oregon Council of Presidents to
Ways and Means Education Subcommittee, April 13, 2017**

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PUBLIC UNIVERSITIES STATE PROGRAMS

Supplemental Information

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Background

In 2013, as recommended in the Governor's budget, the Legislature separated the Educational and General (E&G) appropriation into two new categories:

- Public University Support Fund –direct operational support for students and institutions
- State Programs – institutes, centers and programs that address economic development, natural resource, and other issues, providing public service across the state
(Note that this is a separate category from the long-standing appropriations for Statewide Public Services, with distinct appropriations to the Agricultural Experiment Station, Extension Services, and Forest Research Laboratory.)

Engineering Sustaining Funds (formerly ETIC)

Formed in 1997 with the passing of SB 504, ETIC (the Engineering and Technology Industry Council) was established to provide a private-public partnership between OUS and the Oregon Graduate Institute (OGI). ETIC has been overseen since 2005 by the OUS Industry Affairs Department. The mission of ETIC is “to make post-secondary engineering and technology education a strategic resource that fuels the Oregon economy and creates opportunity for all Oregonians. It establishes success criteria and measurements for investments in these areas, makes specific investment recommendations, and monitors the results of these investments.”

Legislation passed during the 2015 session abolished ETIC (HB 2406)). Funding for ETIC previously was appropriated to the State Board of Higher Education for allocations in conjunction with recommendations from ETIC. For 2015-17, funding for sustaining funds resides with the Higher Education Coordinating Commission for allocation to the seven public universities.

As part of the transition from OUS to the HECC, what had been the Engineering and Technology Industry Council's (ETIC) Sustaining Funds (80% of its prior biennium funding) transitioned to the HECC. These engineering technology sustaining funds are intended to focus on the following three principles:

1. Sustain the progress which has been made by utilizing ETIC funding and meeting the productivity and outcomes historically examined by ETIC; particularly engineering and technology related graduates at the undergraduate and graduate levels, externally funded research and industry investment.
2. Provide a tactical linkage of engineering and technology programs to the labor force needs of Oregon industry by dedicating a portion of current funding

levels and funding growth on that linkage.

3. Encourage and deepen connections between universities and engineering and technology industry partners, and collectively advocating for additional private and public investment.

In furtherance of these three principles, the HECC convened a workgroup of representatives from four of the seven universities and OHSU and established the following allocation formula for the 2015-17 biennium. The funding formula for FY16 (Codified as [OAR 715-013-0062](#)) was as follows:

- a. 80% of funds will go to “Historical Funding,” which will be based on the proportional share of FY 15 Sustaining Funding levels. These funds will be held constant in future years and used as a base provided institutions maintain adequate performance.
- b. 20% will go to “Outcomes Funding,” which will be based on the proportional share of funding as recommended by the “Oregon Students, Oregon Jobs” employment-based funding model proposed by ETIC. Oregon Students, Oregon Jobs allocates funds based on the employment and wage rate of resident graduates employed in Oregon.

For FY17, this FY16 funding level serves as a base and any additional funds (estimated to be \$489,206) has been distributed to institutions who are below where their funding level should be based on the Oregon Students, Oregon Jobs model. The HECC will convene a workgroup to establish a long-term allocation formula, with an expected completion by the start of FY18.

Dispute Resolution – PSU & UO

In 2003, the Legislature passed SB 904, which transferred the programs of the Dispute Resolution Commission to the Oregon University System and abolished the Commission effective September 2003. Currently the University of Oregon (UO) and Portland State University (PSU) provide services that use this funding, allocated by agreement 65%/35% respectively. The HECC adopted [OAR 715-013-0066](#) to allocate these funds via this agreed-upon split.

- The UO School of Law administers the Oregon Office for Community Dispute Resolution (OOCDR) that provides mediation services and conflict resolution training to private parties. The OOCDR also provides funding and training support to 16 community dispute resolution centers, which serve 24 Oregon counties. Program highlights from the 2013-15 Biennial Report include:

- 14, 14,673 Cases mediated or facilitated
- 36,181 Oregonians used mediation services.
- 46,040 volunteer hours contributed to community mediation services
- 78% Settlement rate.
- 90% of clients indicated satisfaction with mediation experience.

Learn more: <https://law.uoregon.edu/explore/OOCDR>

- The PSU Hatfield School of Government administers the Oregon Consensus program, within the National Policy Consensus Center, to mediate disputes involving public bodies or public lands.

Learn more: <http://oregonconsensus.org/>

Oregon Solutions – PSU

Oregon Solutions grew out of the State of Oregon's Sustainability Act of 2001 (HB 3948). The program was first housed within the executive branch of state government, then, in January of 2002, was moved, in conjunction with the National Policy Consensus Center at Portland State University, to the College of Urban and Public Affairs at PSU. Oregon Solutions promotes a new style of community governance, one based on the principles of collaboration, integration, and sustainability. Oregon Solutions is a state-funded program that brings together local groups to solve local problems using sustainable methods. The program promotes collaborative efforts between government agencies, commercial businesses, and nonprofit organizations in support of Oregon's economy, environment, and communities. Oregon Solutions became a targeted program in the 2007-2009 biennium with funding provided in SB 5549.

Learn more: <http://orsolutions.org/>

Signature Research – OSU, PSU, UO

The 2003 Legislature allocated \$1,000,000 in support of a Signature Research Initiative (HB5077). The initiative funded the expansion of research programs in Multi-scale Materials and Devices to OSU, UO and PSU. The research focuses on integrating nanotechnology and micro-technology into product engineering and design. The overall mission of the initiative is to create high-wage jobs and quality economic development in the state. UO and OSU each receive 47.5% of the available funds and PSU receives the remaining 5%. HECC adopted [OAR 715-013-0064](#) to allocate these funds.

Labor Education Research Center (LERC) – UO

The Labor Education and Research Center (LERC) at the University of Oregon was established in 1977 by an act of the Oregon Legislature. LERC's mission is to:

- Provide direct, hands-on education, training, and consultation to workers and unions at the grassroots level.
- Encourage creative and critical thinking that empowers working adults to participate meaningfully in workplace and community affairs.
- Conduct applied research on issues related to work, employment, and labor relations.
- MAKE Oregon's workplaces safer by providing educational programs and conducting research on occupational safety and health issues.
- CONNECT the university to the broader community by making its resources more readily available to working Oregonians and labor organizations.
- EXPAND public awareness of Oregon's labor, working-class, and labor relations history.

Learn more: <https://lerc.uoregon.edu>

Population Research Center – PSU

The Population Research Center (PRC) is an interdisciplinary public service, research, and training unit for population-related data and research for the State of Oregon. The mission of PRC is to provide population data, information, and research analysis for Oregon and its communities. Service to the State of Oregon began in 1956 with the creation of the Oregon Population Estimates Program, which chartered PRC with preparing annual population estimates for Oregon cities and counties. The Center moved to Portland State University in 1965, and now includes the Oregon State Data Center. This appointment added the responsibility of acting as lead state agency in working with the U.S. Census Bureau to disseminate information at local levels. Additionally, PRC is designated as the lead state representative in partnering with the Census Bureau through the Federal-State Cooperative for Population Estimates (FSCPE), and as participants in the Federal-State Cooperative for Population Projections. As of July 1, 2013, Oregon law requires that the Population Research Center issue coordinated population forecasts for land use planning.

Learn more: <https://www.pdx.edu/prc/>

Institute for Natural Resources – OSU

Created by the Oregon Legislature with the Oregon Sustainability Act of 2001 (HB3948), the Institute for Natural Resources (INR) is a cooperative enterprise bringing the scientific knowledge and expertise of the Oregon University System and other Oregon higher education institutions to bear on natural resource management. INR provides research and policy support to state agencies and other organizations on a variety of natural resource issues, including environmental protection and watershed conservation. INR was first funded as a separate targeted program during the 2005-2007 biennium when funding was provided in HB 5153.

Learn more: <http://inr.oregonstate.edu/>

Clinical Legal Education – UO

The 2007 Legislature passed HB 2961, creating the Domestic Violence Clinical Legal Education Account. These monies were continuously appropriated to the Oregon University System for the funding of clinical legal education programs at accredited institutions of higher education that provide civil legal services to victims of domestic violence, stalking or sexual assault. Any respondent to a petition for marital annulment, dissolution or separation is charged a \$10 fee. These fees were deposited to the account to fund the program. From fiscal year 2008 through fiscal year 2011, the program was run through the Other Funds Limited area of the OUS budget. During the 2011 regular legislative session, the legislature passed HB2710, which transferred the Domestic Violence Clinical Legal Education Account to the General Fund and made the Clinical Legal Education program a General Fund funded Targeted Program within the OUS budget.

Any accredited institution of Higher Education in Oregon that provides civil legal services to victims of domestic violence, stalking or sexual assault may apply for the funds. As of fiscal year 2012, only the University of Oregon and Lewis and Clark University have applied for and received any funds. Lewis and Clark later discontinued its eligible services, so currently UO's Domestic Violence Clinic is the single applicant and recipient of these funds. The HECC adopted [OAR 715-013-0060](#) to assist with establishing the eligibility for and distribution of these funds. It is anticipated that the University of Oregon will receive all funds for this program for the upcoming biennium, as they are the only eligible institution currently applying for funding.

Learn more: <https://law.uoregon.edu/explore/family-law-domestic-violence-clinic>

Oregon Climate Change Research Institute – OSU

The Oregon Climate Change Research Institute (OCCRI) was established by the 2007 legislature (HB3543) in response to a report by the Governor's Advisory Group on Global Warming. OCCRI facilitates research, serves as a clearinghouse for climate change information, provides climate change information to the public in integrated and accessible formats, supports the Oregon Global Warming commission in developing strategies to prepare for and mitigate the effects of climate change on natural and human systems, provides technical assistance to local governments, and at least once each biennium, assesses the state of climate change science as it relates to impacts on Oregon. OCCRI resides in the OSU College of Earth, Ocean, and Atmospheric Sciences and consists of faculty and research staff at the University of Oregon, Portland State University, and Southern Oregon University, as well as several colleges and departments at OSU.

Learn more: www.occri.net

Oceangoing Research Vessel – OSU

This state-funded program provides ship days for the use of the R/V Oceanus in the research and study of Oregon's coastal waters. The passage of HB 3451(2013) established a Research Vessel Council comprised of seven members appointed by the President of Oregon State

University to include a trained scientist with at least five years of marine research experience and at least one member from certain state agencies, and at least one member with expertise in marine operations or marine education. The Council solicits and evaluates research proposals and schedules use of a research vessel for the selected proposals. The appropriation for the current biennium funds 20 days of ship use during the biennium, including fuel, supplies and labor.

Learn more: <http://ceoas.oregonstate.edu/oceanus/>

Fermentation Science – OSU

In 2013, the Legislative directed an additional \$1.2 million in funding to Oregon State University (OSU) to expand its fermentation science programs. Funding supports university research in all aspects of the production of high value wine, beer, cheese, breads, and distilled spirits all products of fermentation. It supports OSU's goal of being the first university in the nation with a working research winery, brewery, and distillery. The annual economic impact of Oregon's wine and beer industries is approximately \$5.5 billion.

Learn more:

<http://oregonstate.edu/foodsci/sites/default/files/pdfs/ferm-sciences-09-16-13.pdf>

State Programs Funding History	2007-09 Final*	2009-11 Final*	2011-13 Final*	2013-15 Final*	2015-17 LAB	2017-19		REQUEST
						ARB	GRB	
Ongoing State Programs								
Engineering Sustaining Funds (previously ETIC) ¹	\$37,280,000	\$30,981,350	\$27,387,573	\$29,030,827	\$24,451,274	\$25,744,445	\$25,205,902	\$26,383,000
Advanced Wood Products - OSU & UO ²					2,500,000	3,579,157	3,504,933	3,669,000
Dispute Resolution - 65% UO & 35% PSU	2,267,275	2,107,233	2,297,895	2,435,769	2,516,149	2,649,223	2,593,804	2,715,000
Oregon Solutions - PSU	2,600,000	2,416,355	2,061,637	2,185,335	2,257,451	2,376,843	2,327,122	2,436,000
Fermentation Science - OSU				1,200,000	1,239,600	1,305,159	1,277,857	1,338,000
Signature Research - OSU, PSU, UO	1,039,234	863,902	863,903	1,007,335	1,040,577	1,095,610	1,072,692	1,123,000
Labor Education Research Center - UO	696,936	649,089	657,542	656,867	678,544	714,430	699,486	732,000
Marine Research Vessels - OSU				300,000	619,800	652,580	638,929	669,000
Population Research Center - PSU	472,744	439,187	374,427	421,407	435,313	458,336	448,748	470,000
Institute for Natural Resources - OSU	459,675	427,196	364,484	386,353	399,103	420,210	411,420	431,000
Clinical Legal Education - Currently UO ³	231,678	331,750	318,450	337,557	348,077	366,486	358,820	376,000
Climate Change Research Institute - OSU	180,000	334,858	285,701	302,843	312,837	329,381	322,492	338,000
Profiling - PSU ⁴					250,431	263,676	258,160	270,000
Oregon Renewable Energy Center (OREC) - OT						985,000		985,000
	\$45,227,542	\$38,550,920	\$34,611,612	\$38,264,293	\$37,049,156	\$40,940,536	\$39,120,363	\$41,935,000
One-time Appropriations								
OSU Canola Study				\$ 679,000	\$ -			
OSU Ocean Acidification Study				250,000	-			
OSU Shellfish Research					500,000			
PSU INR- Western Juniper Research					100,000			
OSU INR Task Force Support					108,907			
EOU Wrestling program					300,000			
PSU Oregon Solutions Task Force					62,300			
OSU Endophyte					100,000			
OSU Marine Renewable Energy					800,000			
OSU ALS Scholarship					100,000			
				\$ 929,000	\$ 2,071,207			

* End-of-biennium actual appropriations inclusive of any mid-biennium reductions, Emergency Board (E-Board) actions, and one-time funding

¹ Beginning 2015-17, includes only "sustaining" funds

² 2017-19 Funding includes legislative phase in of \$936,900 - SB 5507 (2015)

³ Until 2011-13, funding was received through a special court fee. Beginning in 2011-13, funding was received through General Fund appropriations to the OUS. Historically, allocations were shared between UO and Lewis & Clark College through an application process and based on clientele served. Due to a change effective 2015 in Lewis & Clark's clinical programs, they will no longer be eligible for this funding.

⁴ Original 2017-19 Consolidated Funding Request omitted Profiling program, incorrectly assumed to be one-time

Eastern Oregon University - Economic Impact

- Third-largest employer in Union County
- Over 300 locally employed residents
- \$44 million budget results in \$110 million spent in the local economy
 - Business with vendors in Union, Baker, Umatilla, and Wallowa Counties exceeds \$4.1 million
 - Business with vendors in other counties statewide exceeds \$2.7 million
- Average postgraduate salary: \$37,200
- Operates Eastern Oregon Head Start
- Operates Small Business Development Center that has supported public health and alternative energy companies



Oregon State University - Economic Impact



\$2.232 billion – 2014 Oregon economic impact; 15% increase since 2011

▪ **Statewide 2014 economic impact:**

- \$1.334 billion in Benton and Linn counties
- \$898 million throughout the rest of Oregon* (**\$402 million in Portland region*)

▪ **31,660 jobs** – Created in 2014 by OSU activities

▪ **\$336 million** – FY16 OSU grant-funded research

▪ **\$750 million** – FY16 annual impact of OSU research

▪ **OSU-Cascades' projected statewide economic impact**

In 2024:

- \$197.8 million
- \$72.7 million in wages
- 2,083 jobs
- \$3.4 million/OR income taxes

In 2034:

- \$273.7 million
- \$98.6 million in wages
- 3,662 jobs
- 3,662 jobs

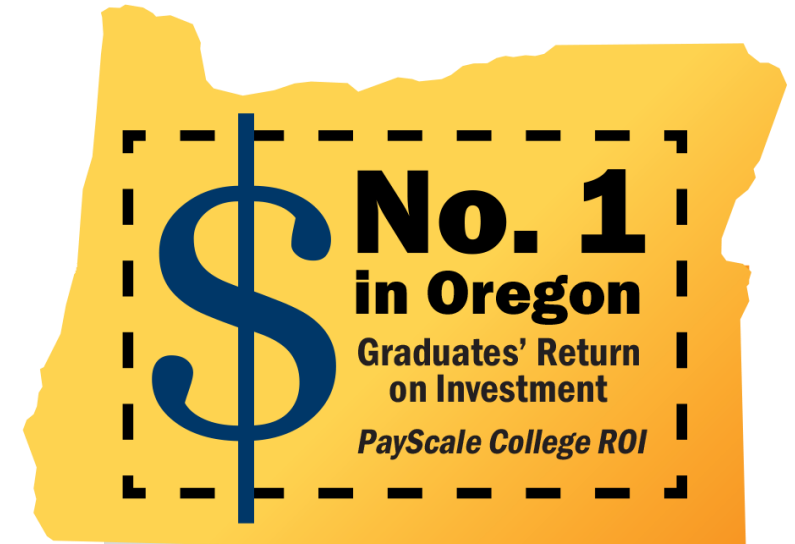
Oregon Tech - Economic Impact

Top 10 Employers in the U.S. (2016)

Boeing	250
Intel Corporation	239
Jeld-Wen	83
Providence Health & Services	53
Sky Lakes Medical Center	52
Kaiser Permanente	44
Daimler Trucks North America	43
IGT	43
Hewlett Packard Enterprise	39
Microsoft	37

- \$75 million annually and ~700 jobs in Klamath County
- \$32 million annually and ~ 300 jobs in Portland Metro

(EcoNW 2016)



Average graduate starting salaries of **\$57,000/year**

98% employed or enrolled in graduate school within 6 months after graduating

Portland State University - Economic Impact

Business Outreach Program: 20 Years of Success

Over
650
companies supported

Over
1,650
students placed as consultants

\$1 million
of student consulting services
provided (based on
\$3,000
per project)

Top 10 Employers of PSU Alumni:

- Intel Corp.
- Nike
- State of Oregon
- Portland Community College
- Providence Health & Services
- Oregon Health & Science University
- Multnomah County
- Kaiser Permanente
- City of Portland
- Portland Public Schools



Portland State
UNIVERSITY

Economic Value

Educator + Employer + Purchaser +
Researcher + Community Partner +
Workforce Provider + Business
Accelerator + Real Estate Developer =
\$1.44 Billion
(Economic Impact Report - 2014)

The Portland State
Business Accelerator
won "Best University
Accelerator in U.S."
in 2015.

Southern Oregon University - Economic Impact

- **85%** of graduates **employed** one year after graduating
- **78%** employed in **Oregon** and **2/3** in rural **Jackson/ Josephine Counties**
- **91% (\$95 Million)** SOU's expenditures **spent in Jackson/Josephine** county
- **\$195.4 Million/year** overall economic activity generated for Southern Oregon
- **1,767 Jobs** created directly and indirectly
- **\$26.3 Million** brought into the local economy from out of state
- **\$2.05 multiplier/** \$2.05 dollars created in local GDP for every \$1 spent by SOU



University of Oregon - Economic Impact

- **10,270** people employed by UO
- **22,852** total jobs created by UO activities
- **\$52.1** million spent by visitors
- **\$468** million in revenue generated from outside the state
- **\$9.1** million in licensing revenue created by UO in FY14
- **\$117** million in sponsored research projects
- **26** UO affiliated start-up companies



Western Oregon University - Economic Impact

- Completed four major construction projects since 2010 at a cost of approximately **\$80 million**, creating nearly **640 new jobs**
- 2016 salaries and benefits approximately **\$68 million**
- Paid to approximately **2,300** employees
- Approximately **2,200**, or 97%, of WOU employees live in Polk County and the surrounding region
- WOU generated **134 licensed teachers** in the 2015-2016 academic year, and is on track to generate **169 licensed teachers** in 2016-17

