



Oregon

Tina Kotek, Governor

Higher Education Coordinating Commission

Office of the Executive Director

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Salem, Oregon 97302

www.oregon.gov/HigherEd

April 18, 2023

Co-Chair, Senator Lew Frederick

Co-Chair, Representative Susan McLain

Joint Committee on Ways and Means, Subcommittee on Education

Dear Co-Chairs Frederick and McLain,

Thank you for the opportunity to answer questions that arose during the **April 17, 2023** Higher Education Coordinating Commission presentation to the Ways and Means Subcommittee on Education. All our responses are to questions that arose at the conclusion of this presentation.

Representative McIntire asked HECC whether HECC wished to add any other topics, themes, or ideas to our presentation. Our presentation tries to show the impacts of higher education and funding on students and institutions. In illustrating these effects, we show data on student completions, costs, and benefits. This data does not convey all the long-term benefits of a robust, equitable, low-cost, and expansively accessible higher education system. While the “higher education as workforce preparation” argument is immediate and important, it misses some dramatic societal effects.

College graduates earn more (and pay more in taxes) than their non-completing peers. They are more insulated from unemployment during economic downturns. They are more likely to volunteer. They contribute more money to charity. They vote at higher rates. They are less likely to utilize social safety net programs. They are less likely to smoke. They are less likely to be incarcerated. They donate blood more frequently.

In short, higher education contributes to a more economically and civically prosperous society, and funding it as a public good has vast and varied benefits outside of employment and the economy.

When HECC talks about the 40-40-20 goal, and creating a vibrant future Oregon, this statement is not only intended to convey the need to build demand for a future economy, but demand for a more robust civic and cultural life. These are goals the legislature has recognized in [ORS 350.001-350.009](#), but which are rarely elaborated upon in detail.

Second, we wish we could do more, and do better, but the realities of state budgets are constraining. We are funded to pursue each of our statutory mandates, and often at amounts that are minimally required to achieve those mandates. We do not, for example, have strategic funding pools that would allow us to incentivize innovation and collaboration. We do not have excess resources to pursue significant amounts of independent research or position papers that would provide more detailed guidance to policy makers and institutions. We operate, as many other agencies do, on outdated technology systems. And so, as lawmakers often prod the agency to do more, we recognize that there is so much more that we could, and arguably should, be doing to guide higher education and workforce investment and policy, but do not do, because of insufficient funding or statutory authority, as well as current demands in excess of capacity.

Senator Frederick asked about the impact of institutional research. The HECC does not track the impact of institutional research. However, the Agency produces legislatively required evaluation reports for each public university every two years and these reports include research activity as reported by the institutions, and as evidenced by research expenditures. Appendix A contains the excerpts from these reports, and HECC encourages you to ask the institutions about research activity as they appear before you in the coming presentations.

Co-Chair Frederick asked about the states from which nonresident students at the universities arrive, and Co-Chair McClain asked where Oregon students go after they leave postsecondary institutions. In fall 2022, Oregon public universities enrolled 31,491 students from other states and territories and an additional 4,889 students from other countries. Among admitted undergraduates, the largest shares of nonresident students came from neighboring states and states with large populations. These include California (42%), Washington (15%), Colorado (4%) and Texas (4%). Appendix B shows a complete list. Most students from Oregon remain in the state after graduation, as indicated by their later employment in Oregon. Among Oregon resident students who earned a bachelor's degree in 2014-15, 64% were employed in Oregon five years after graduation. Similarly, 64% of Oregon resident community college students who completed a certificate or degree in 2014-15 were employed in Oregon five years after completion. We note that the percentage of Oregon graduates who remain in the state is likely higher, as these Oregon employment rates exclude graduates who are self-employed or not in the labor force. In addition, a growing number of Oregon students remain in Oregon by attending an out-of-state degree-granting school, primarily online. In 2021-22, 2,628 Oregonians were enrolled in college or university this way. Finally, we know that some Oregonians attend colleges and universities in other states, and the Oregon Longitudinal Data Collaborative identified 8.7% of Oregon high school graduates who earned credentials in other states. Of these, less than five percent were employed in Oregon the year after they graduated. More detailed information about the regions of the country where Oregon graduates live can be found in the [Postsecondary Employment Outcomes Tool](#) generated by the U.S. Census Bureau in partnership with the HECC. A fact sheet explaining this tool can be found [here](#).

If you have further questions, please do not hesitate to contact Kyle Thomas, Director of Legislative and Policy Affairs, at kyle.thomas@hecc.oregon.gov or at 503-480-9596.

Sincerely,

A handwritten signature in black ink that reads "Ben Cannon".

Ben Cannon
Executive Director

Appendix A: Research Expenditures at Public Universities

The University of Oregon was admitted in 1969 to the Association of American Universities (AAU), an organization of leading research universities devoted to maintaining a strong system of academic research and education. The University of Oregon is among 65 AAU universities, both public and private, and one of just two in the Pacific Northwest. The University of Oregon is among the 131 U.S. universities categorized in the top-tier designation of "Doctoral/Very High Research Activity" in the most recent Carnegie Classification of Institutions of Higher Education. For FY20 and FY21, UO reported total research expenditures of \$137.4 million and \$153 million respectively.

Oregon State University is the State's land grant university and is only one of two universities in the U.S. to also have Sea Grant, Space Grant and Sun Grant designations. OSU is the only university in Oregon to hold both the Carnegie Foundation's top designation for research institutions and its prestigious Community Engagement classification. It has 11 colleges, 13 Agricultural Experiment Stations and the Forest Research Laboratory (several sites and collaboratives), 35 county offices of OSU Extension Services, the Hatfield Marine Sciences Center in Newport, OSU-Cascades in Bend and the newly opened Portland Center.

OSU ranked as Oregon's largest public research university with a record \$449.9 million external funding (including multi-year contracts) for fiscal year 2019-20. Federal funding of \$301.3M accounts for 67 percent of OSU's FY2020 research grants and contracts. OSU's engagement with business and industry in FY2020 totaled \$36.8M — the fifth consecutive year that exceeded \$30M. Sources include technology licensing, contracts for testing, support through the Agricultural Research Foundation and research gifts through the OSU Foundation. OSU received \$4.1 million in licensing and royalty income.

Total research expenditures for FY2020 were \$275.5 million. Research expenditures slowed in the second half of FY2020, given the challenges of conducting research during the pandemic, but they still increased by 9 percent overall compared to FY2019. This follows a trend of 3 percent and 9 percent increases in the previous two years.

Portland State University's external funding from research grants and agreements in FY19 totaled \$66.5 million in awards received. The value of grants and agreements increased to \$66.8 million in FY20 (award values fluctuate concurrent with biennial allotments for state-funded projects). Research expenditures, meanwhile, decreased during this time, reaching \$61.5 million in FY20.

Between FY16 and FY20, technologies and services developed by PSU faculty and students and licensed to external organizations generated \$4.7 million in revenue. Outside entities entered into 123 unique license agreements to deploy or develop university-owned intellectual property, and the university was issued 60 patents.

In the past two years PSU has focused on expanding its research portfolio. Among its activities are the launch of two new university-wide research centers, the Homelessness Research and Action Collaborative and The Digital Cities Testbed Center. PSU houses the \$45 million

Transportation Research and Education Center (TREC), one of five national centers funded by the U.S. Department of Transportation.

Eastern Oregon University reported total research expenditures of approximately \$417,799 in 2019-20 and \$226,984 in 2020- 21.

Oregon Tech reported total external grant awards of approximately \$14 million in 2017-18; this increased to, and stabilized at \$17 million for each of the years 2018-19, 2019-20 and 2020-21

Southern Oregon University reported total research expenditures of approximately \$553,310 in 2019-20, an increase from the previous year. For 2020-21 SOU reported total research expenditures of approximately \$621,673.

Western Oregon University had total expenditures of close to \$11.7 million in new awards for 2019-20. For 2020-21 WOU received a total of \$3.9 million in external funds.

Appendix B: Number and percent of nonresident students at Oregon public universities, by state of origin and student level.

| | Admitted undergraduates, nonresident | | All students, nonresident | |
|----------------|--------------------------------------|---------|---------------------------|---------|
| | Number | Percent | Number | Percent |
| California | 10,572 | 41.7% | 11,937 | 37.9% |
| Washington | 3,707 | 14.6% | 4,511 | 14.3% |
| Colorado | 1,102 | 4.3% | 1,276 | 4.1% |
| Texas | 938 | 3.7% | 1,165 | 3.7% |
| Hawaii | 887 | 3.5% | 963 | 3.1% |
| Oregon | 735 | 2.9% | 1,264 | 4.0% |
| Idaho | 502 | 2.0% | 632 | 2.0% |
| Nevada | 468 | 1.8% | 561 | 1.8% |
| Illinois | 465 | 1.8% | 588 | 1.9% |
| Arizona | 401 | 1.6% | 523 | 1.7% |
| New York | 320 | 1.3% | 494 | 1.6% |
| Alaska | 290 | 1.1% | 342 | 1.1% |
| Minnesota | 276 | 1.1% | 374 | 1.2% |
| Florida | 266 | 1.0% | 405 | 1.3% |
| Pennsylvania | 260 | 1.0% | 376 | 1.2% |
| Utah | 247 | 1.0% | 376 | 1.2% |
| Virginia | 240 | 0.9% | 329 | 1.0% |
| Georgia | 225 | 0.9% | 291 | 0.9% |
| Unknown | 222 | 0.9% | 454 | 1.4% |
| New Jersey | 207 | 0.8% | 283 | 0.9% |
| Michigan | 206 | 0.8% | 296 | 0.9% |
| Ohio | 199 | 0.8% | 316 | 1.0% |
| North Carolina | 190 | 0.7% | 268 | 0.9% |
| Massachusetts | 181 | 0.7% | 266 | 0.8% |
| Maryland | 172 | 0.7% | 244 | 0.8% |
| Montana | 160 | 0.6% | 252 | 0.8% |
| Wisconsin | 158 | 0.6% | 231 | 0.7% |
| Missouri | 147 | 0.6% | 204 | 0.6% |
| New Mexico | 141 | 0.6% | 199 | 0.6% |
| Tennessee | 127 | 0.5% | 180 | 0.6% |
| Connecticut | 101 | 0.4% | 139 | 0.4% |
| South Carolina | 96 | 0.4% | 126 | 0.4% |

| | Admitted undergraduates, nonresident | | All students, nonresident | |
|-------------------------|--------------------------------------|---------|---------------------------|---------|
| | Number | Percent | Number | Percent |
| Indiana | 94 | 0.4% | 144 | 0.5% |
| Kansas | 83 | 0.3% | 116 | 0.4% |
| Iowa | 73 | 0.3% | 113 | 0.4% |
| Louisiana | 71 | 0.3% | 102 | 0.3% |
| Oklahoma | 68 | 0.3% | 91 | 0.3% |
| Wyoming | 64 | 0.3% | 93 | 0.3% |
| Alabama | 62 | 0.2% | 94 | 0.3% |
| Arkansas | 62 | 0.2% | 95 | 0.3% |
| Nebraska | 61 | 0.2% | 87 | 0.3% |
| Kentucky | 57 | 0.2% | 90 | 0.3% |
| New Hampshire | 45 | 0.2% | 65 | 0.2% |
| South Dakota | 36 | 0.1% | 45 | 0.1% |
| Military Zip Code 090-0 | 33 | 0.1% | 39 | 0.1% |
| American Samoa | 32 | 0.1% | 32 | 0.1% |
| Northern Mariana Islan | 29 | 0.1% | 30 | 0.1% |
| Mississippi | 28 | 0.1% | 33 | 0.1% |
| North Dakota | 28 | 0.1% | 45 | 0.1% |
| Vermont | 28 | 0.1% | 45 | 0.1% |
| Maine | 27 | 0.1% | 47 | 0.1% |
| Military Zip Code 962-9 | 27 | 0.1% | 30 | 0.1% |
| District of Columbia | 23 | 0.1% | 47 | 0.1% |
| Unknown/Invalid US sta | 19 | 0.1% | 19 | 0.1% |
| West Virginia | 17 | 0.1% | 25 | 0.1% |
| Rhode Island | 16 | 0.1% | 22 | 0.1% |
| Guam | 15 | 0.1% | 17 | 0.1% |
| Delaware | 13 | 0.1% | 18 | 0.1% |
| Puerto Rico | * | 0.0% | 23 | 0.1% |
| Marshal Islands | * | 0.0% | * | 0.0% |
| Palau | * | 0.0% | * | 0.0% |
| Federated States of Mic | * | 0.0% | * | 0.0% |
| Virgin Islands | * | 0.0% | * | 0.0% |
| Military Zip Code 340 | * | 0.0% | * | 0.0% |

Source: HECC analysis of student data. Students shown from Oregon reside in Oregon but do not meet university residency requirements.

* Indicates fewer than 10 students, with exact number suppressed to protect student confidentiality