

February 5, 2024

**Dear Members of the Oregon Legislative Assembly:**

*Subject: Vote Yes on HB 4119.*

Thank you for your consideration of my opinion on this bill. As a reminder, the digest of this bill is, *“The Act adds protections for payments related to student athletes.”*

Name-Image-Likeness (NIL) deals are important and have drawn a great deal of attention. In my view, protecting student-athletes from powerful entities and ensuring a fair playing field is also important. I support the concept driving this bill and urge its passage.

In the same vein of protecting students when contracts, large sums of money, and powerful entities are involved, I want to bring to your attention another area of the higher education ecosystem which has the potential to also bring individual students and universities lots of money, but has not received nearly as much media attention as athletics and NIL deals: the venture capital organizations affiliated with a growing number of universities and their endowment foundations.

The idea is simple: the university-affiliated venture capital organization invests in students working with professors on projects with possible commercial vitality. The students and professors spin their ideas out from the halls of the university and into a for-profit company. They are able to obtain early stage financing with money invested by the university-affiliated venture capital organization, which now has some percentage stake in the business started by the students (and, possibly, professors).

Some business will be failures. Others may find success. But the goal, on average, is for there to be enough commercially successful businesses that invested money can be returned to the university-affiliated venture capital organization, which then turns around and gives back to the university or its endowment foundation.

It is my understanding that this de-facto (but legally separate) university-affiliated venture capital model was first pioneered by the elite-most universities, such as Stanford. At the University of Oregon the affiliated-yet-legally-distinct venture capital organization is called “Launch Oregon, LLC” and was started last year. Its board is composed of the following people:

- Anshuman “AR” Razdan, Launch Oregon Co-Chair, UO VP for Research & Innovation
- Paul Weinhold, Launch Oregon Co-Chair, UO Foundation President & CEO
- Kelly Bosch, UO Foundation CFO
- Robert E. Guldberg, UO VP and Robert & Leona DeArmond Executive Director of the Knight Campus
- Darren Johnson, UO Professor of Chemistry & Biochemistry
- Bob Komin, Investor, Board Member and Executive UO Foundation Trustee
- Laura Lee McIntyre, UO Dean of the College of Education, Castle-McIntosh-Knight Professor
- Jamie Moffitt, UO Senior VP for Finance and Administration & CFO
- Susan Stevens, Independent Director, UO Foundation Board Chair
- Bryan Wolf, Venture Investor & Consultant, UO Foundation Trustee

I know many of these board members personally. They are thoughtful individuals who want the very best for the University of Oregon. But there may come a time when the interests of the students diverge from the interests of the university, particularly if large sums of money get involved. While I do not believe legislative intervention is needed now, intervention may be needed in the future. I think it would behoove members of the House Committee on Higher Education to be aware of these newer developments in our research universities should legislative intervention and possible regulation become necessary at some point down the road.

University administrations are full of bright people who are creatively trying to find ways to solve the twin crises of uncompetitive employee pay and unaffordable student tuition at all of our public universities. Venture capital organizations de facto affiliated with the university is one such creative solution to partially address these twin crises. In my view, if nobody gets hurt by being involved with this de facto university affiliated venture capital organization beyond a student startup failing to gain commercial traction, then I call no harm, no foul. But if we see students and former students involved with these organizations getting the short end of the stick when their work leads to commercial success, like we've seen with student athletes, then perhaps some legal guardrails should be introduced in a later legislative session to make sure both students and institutions are benefiting from the students' efforts.

Thank you for your consideration,

A handwritten signature in black ink, appearing to read 'Sam Schwartz', with a horizontal line extending to the right from the end of the signature.

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Sam Schwartz, PhD Candidate  
Department of Computer Science  
University of Oregon