

**Resolution of the Board of Directors in Support of the Passage of
Proposition 4 related to the Creation of Additional National Research
Universities in Texas**

The Greater Houston Partnership supports the passage of Proposition 4 (HJR 14-2) related to the creation of additional national research universities in Texas. The Partnership encourages our members to provide information to their employees concerning the impact of the Constitutional Amendment which will be on the ballot on November 3, 2009.

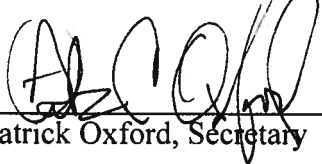
The ballot language is as follows:

“The constitutional amendment establishing the national research university fund to enable emerging research universities in this state to achieve prominence as major research universities and transferring the balance of the higher education fund to the national research university fund.”

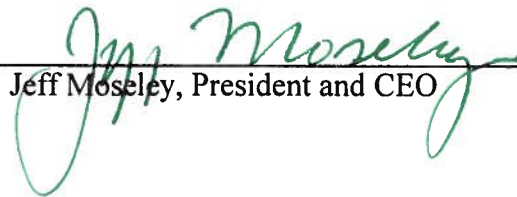
The Partnership’s stated position expressed in the 2009 Legislative Agenda was to support the designation of the University of Houston as Texas’ next Top-Tier One University. With the passage of HB 5/SJR 35, the bill creates a competitive funding process for National Research University (Tier One) status.



Daniel G. Bellow, Chairman



Patrick Oxford, Secretary



Jeff Moseley, President and CEO

MEMORANDUM

DATE: September 2, 2009

TO: Board of Directors

FROM: Lori Veters, Chairman, Education Policy and Workforce Development Advisory Committee

SUBJECT: Resolution in Support of the Passage of Proposition 4 related to the Creation of Additional National Research Universities in Texas

RECOMMENDATION

The Greater Houston Partnership supports the passage of Proposition 4 (HJR 14-2) related to the creation of additional national research universities in Texas. The Partnership encourages our members to provide information to their employees concerning the impact of the Constitutional Amendment which will be on the ballot on November 3, 2009.

The ballot language is as follows:

“The constitutional amendment establishing the national research university fund to enable emerging research universities in this state to achieve prominence as major research universities and transferring the balance of the higher education fund to the national research university fund.”

The Partnership’s stated position expressed in the 2009 Legislative Agenda was to support the designation of the University of Houston as Texas’ next Top-Tier One University. With the passage of HB 5/SJR 35, the bill creates a competitive funding process for National Research University (Tier One) status.

BACKGROUND

The Houston region has one private university with national research status.

- 1) Texas loses more than 10,000 high school graduates per year who attend doctoral granting universities in other states, while recruiting only 4,000 per year from other States to Texas. This brain drain-a net loss of nearly 6,000 highly qualified students per year is large and has increased by 54% in the last 6 years;
- 2) Texas has 8% of the U.S. population but only 5% of federal research and development (R&D) funding and only 5% of the nation’s venture capital investment. If Texas received just its population-based share (8%), that would be \$3.7 Billion more each year; and

- 3) The dearth of top-tier universities hurts Texas' largest cities. Houston, for example, is the 4th most populous U.S. city and the 6th most populous U.S. metro. Among the 10 most populous U.S. metros, Houston ranks 1st in economic growth (as reflected by annual GDP growth rates) and 5th in total GDP. The city of Houston has only one private Tier One university, Rice University. With \$69.8 million research expenditures in FY 2007, Rice University ranks 45th out of the nation's 274 private academic institutions and 150th out of the nation's 662 public *and* private academic institutions. On a state level, Texas ranks 3rd in the U.S. for research expenditures at universities and colleges, at \$3.4 billion in FY 2007; 61.2% of those Texas research expenditures originated from the Houston area.
- 4) West University Place, which is home to Rice University, ranks 5th among U.S. suburban areas in proportion to the population 25 or older that hold a bachelors degree or higher: 79.5% of West University Place adults have at least a bachelors degree. West University Place also ranks 6th among suburban areas in proportion to the population 25 or older with a masters degree or higher: 44.9 % of West University Place adults have at least a masters degree.
- 5) California has nine Tier One universities (six are public), New York has seven, and Virginia, with a population of 7 million, has 3. In contrast, Texas with a population of 24 million has only three Tier One universities (University of Texas at Austin, Texas A&M University and Rice University).
- 6) One of the primary criteria for Tier One or national research university status is the amount of its research expenditures. Most acknowledged Tier One universities have more than \$100 million in annual research expenditures.
- 7) Eligibility for National Research University Funding requires, among other criteria, \$45 million annual expenditures for specified research. The multiplier effect of these research expenditures is a significant economic plus for the community.

FISCAL IMPACT

Economists estimate that every \$10 million in annual research spending creates about 334 jobs, adding \$8.6 million in wages to the regional economy. According to the report, after drawing \$500,000 in added state and tax revenue and generating \$13.5 million in local sales, the total amount results in a 226% return on investment.

IMPLEMENTATION

The Partnership will provide awareness and information to our Members relaying our support of Proposition 4 and the positive impact the creation of additional national research universities will have on this region.

RESOURCES REQUIRED

This recommendation can be implemented with available Partnership staff and within the current operating budget.