

REVENUE: No revenue impact

FISCAL: May have fiscal impact, statement not yet issued

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| Action: | Do Pass and Be Referred to the Committee on Ways and Means by Prior Reference |
| Vote: | 5 - 0 - 0 |
| Yeas: | Deckert, George L., Monnes Anderson, Starr, Metsger |
| Nays: | 0 |
| Exc.: | 0 |
| Prepared By: | Janet Adkins, Administrator |
| Meeting Dates: | 2/21, 2/28 |

WHAT THE MEASURE DOES: Allocates funds to the Oregon Innovation Council from the Administrative Services Economic Development Fund (lottery revenues) for the 2007-09 biennium for the following purposes:

- Accelerating private sector collaboration to promote Oregon traded sector industries (\$5 million)
- Supporting the development of the ocean wave energy industry (\$5.2 million)
- Assisting the food processing industry in international competitiveness (\$3.7 million)
- Enhancing opportunities for seafood companies (\$900,000)
- Increasing capacity of the Oregon University system to support value-added manufacturing (\$3.372 million)
- Supporting the Oregon Nanoscience and Microtechnologies Institute (\$10 million)
- Establishing Bio-Economy and Sustainable Technologies Center (\$3 million)
- Establishing the Translational Research and Drug Development Institute (\$7 million)

Declares an emergency, effective on passage.

ISSUES DISCUSSED:

- Oregon Innovation Council application and screening process
- Highlights of the projects, returns on investment
- Collaborative and public-private nature of the research and development
- Levels of risk
- Role of government and private sector
- Necessary research infrastructure

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The Oregon Innovation Council was established by the 2005 Legislative Assembly (SB 838) to act as an advisory board on innovation and research competitiveness. The emphasis of the council is on moving technologies from basic university and private research to commercialization. The same legislation allocated \$7 million for the creation of a signature research center, the Oregon Nanoscience and Microtechnologies Institute (ONAMI), which has worked with private parties and state universities to establish applied research facilities at the University of Oregon, Oregon State University, and Portland State University.

The Innovation Council has reviewed proposals for the next biennium and recommends the allocations in SB 581. The bill allocates additional lottery funds to ONAMI and two new signature research centers, the Bio-Economy and Sustainable Technologies Center and the Translational Research and Drug Development Institute, which will operate several centers and projects. Other specific allocations include wave energy development, seafood companies, value-added manufacturing, and the food processing industry. Depending on the project, the funds will support siting and permitting costs, higher education faculty compensation, production subsidies, technical support, expansion and modernization of facilities, research and development, promotion, marketing, and administration. The council sees these projects and areas as the best opportunities for university-public-private partnerships to achieve economic growth and return on investment. Separate legislation (SB 580) directs creation of the two new signature research centers.

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This summary has not been adopted or officially endorsed by action of the committee.