

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass and Be Referred to the Committee on Ways and Means by Prior Reference
Vote:	6 - 0 - 0
Yeas:	Edwards, Girod, Monroe, Starr, Thomsen, Beyer
Nays:	0
Exc.:	0
Prepared By:	Patrick Brennan, Administrator
Meeting Dates:	3/7, 4/15

WHAT THE MEASURE DOES: Directs Oregon Business Development Department to develop and implement program to assist technology-based start-up businesses whose primary purpose is commercialization of university research. Establishes Oregon University Research Commercialization Fund and appropriates moneys in Fund to Department for program purposes. Requires report to legislative committees on economic development during 2015 Legislative Session regarding program implementation.

ISSUES DISCUSSED:

- Importance of business incubation for economic growth
- Examples of industry-intensive research at Oregon campuses
- Public-private partnerships
- Current system is scattered and would benefit from better coordination
- Importance of involvement of surrounding communities
- Importance of access to capital for startup companies
- Educational benefits of program
- Keeping highly educated individuals from leaving Oregon to start businesses
- Benefiting both individuals and the system as a whole

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Research performed at the university level generates ideas and breakthroughs that represent potential commercial and societal value, particularly in the areas of science and technology. The transition from academic research to commercially-viable business opportunity can benefit from management expertise, information resources, appropriate facilities and improved access to capital for fledgling companies. While the traditional model involved licensing university research, the “business accelerator” concept offers a more robust support structure for ventures building on university research.

Senate Bill 241 establishes the Oregon University Research Commercialization Fund, which will be used by the Oregon Business Development Department, in cooperation with the University of Oregon and Oregon State University, to provide financial assistance, proof of concept funding, subsidized office and laboratory space in proximity to university research facilities, execution and repayment of loan guarantees or extensions of credit for eligible businesses, purchase of technology and supplies, and provision for training and technical assistance, as well as assistance in identifying and connecting venture capital investment. The Fund is to be seeded by donations, moneys appropriated by the Legislative Assembly, investment earnings, and moneys from other sources.

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