

HB 2582 -1 STAFF MEASURE SUMMARY

House Committee On Higher Education and Workforce Development

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 3/14, 4/18

WHAT THE MEASURE DOES:

Establishes University Research Fighting Fund to provide state moneys to public universities or Oregon Health and Science University when universities seek federal research grants. Defines qualifying grants as federal research moneys offered to post-secondary institutions on a competitive basis and with requirement that post-secondary institution must provide additional moneys from private industry, state or other sources in order to receive federal moneys. Requires institutions to notify governor of application, and apply to the Higher Education Coordinating Commission (HECC) for moneys from University Research Fighting Fund. Specifies application must include detailed description of how qualifying grant would contribute to economic development and commercialization of products or ideas, assist in the solution of local, state, national or international problems, further innovation or create or advance general knowledge, information and well-being. Requires HECC develop process for application review and award decision-making. Requires HECC to ensure an institution does not receive fund moneys until the institution is awarded federal qualifying grant. Specifies there is no limit on number of applications for which institution may be awarded fund moneys. Establishes monetary award limits per application or per biennium for certain applicants and purposes. Requires HECC to report fund awards to Legislative Assembly each calendar quarter. Directs fund moneys to be continuously appropriated to HECC for purpose of carrying out Act provisions. Requires ending balance following transfer of General Fund moneys to Oregon Rainy Day Fund to be transferred to University Research Fighting Fund to ensure fund balance is equal to \$20,000,000. Appropriates \$20,000,000 out of General Fund to HECC for biennium beginning July 1, 2017, for deposit into University Research Fighting Fund. Declares emergency, effective on passage.

REVENUE: Has minimal revenue impact.

FISCAL: Fiscal lite issued.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Deletes \$20,000,000 appropriation and requirement to transfer General Fund ending balance to University Research Fighting Fund to ensure fund balance is equal to \$20,000,000. Deletes emergency clause. Requires Legislative Fiscal Officer, in consultation with Legislative Revenue Officer, to report to Joint Interim Committee on Ways and Means no later than January 15 of each even-numbered year, the General Fund ending balance from prior biennium following transfer to Oregon Rainy Day Fund. Requires Legislative Assembly to consider this report during regular session held during an even-numbered year, and to determine whether to transfer amount necessary to ensure University Research Fighting Fund balance is equal to \$20,000,000. Requires Legislative Assembly to use the report to determine whether to transfer an amount necessary to ensure balance of University Research Fighting Fund is equal to \$5,000,000 in 2018, \$10,000,000 in 2020 and \$15,000,000 in 2022. Creates sunset on January 2, 2023.

REVENUE: Has minimal revenue impact.

FISCAL: Fiscal lite issued.

BACKGROUND:

The federal government issues tens of billions of dollars of research grant opportunities to universities each fiscal year. Top granting agencies include the Department of Defense, Department of Health and Human Services (primarily National Institutes of Health), Department of Energy, National Aeronautics and Space Administration, National Science Foundation, Department of Commerce (National Institute of Standards and Technology and National Oceanic and Atmospheric Administration) and the Department of Agriculture. Many federal grant opportunities require matching funding from private industry, state, or other non-federal sources, and commonly carry a four-to-one match ratio. Typically, the most competitive grant applicants can demonstrate a commitment of matching funds.

Currently, Oregon researchers can pursue state matching funds through the biennial state budget process. Researchers can alternatively demonstrate state commitment by obtaining a letter from the governor that indicates support for a research proposal, and a commitment to pursue financial support. Oregon universities report that the budgeting process is often too lengthy to support timely, competitive grant applications, and that a gubernatorial letter of support is not always sufficient to demonstrate state commitment to federal grant-awarding agencies.