

HB 2582 A STAFF MEASURE SUMMARY

House Committee On Higher Education and Workforce Development

Action Date: 04/18/17

Action: Do pass with amendments
and be referred to Ways and Means by prior reference. (Printed A-Eng.)

Vote: 9-0-0-0

Yeas: 9 - Alonso Leon, Bynum, Clem, Heard, Johnson, Reardon, Reschke, Sollman, Whisnant

Fiscal: Fiscal impact issued

Revenue: Has minimal revenue impact

Prepared By: Laura Kentnesse, LPRO Analyst

WHAT THE MEASURE DOES:

Establishes University Research Fighting Fund (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 with requirement that additional matching moneys be provided by private industry, state or other sources. Requires institutions to notify governor of application and apply to Higher Education Coordinating Commission (HECC) for moneys from Fund. Specifies application must include detailed description of how qualifying grant would contribute to economic development and commercialization of products or ideas, assist in solution of local, state, national or international problems, further innovation, or create general knowledge, information and well-being. Requires HECC develop process for application review and award decision-making. Establishes monetary award limits per application or per biennium for certain applicants and purposes. Requires HECC to report Fund awards to legislature on quarterly basis. Directs Fund moneys to be continuously appropriated to HECC. 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, General Fund ending balance from prior biennium following transfer to Oregon Rainy Day Fund. Requires legislature to consider report during even-numbered year regular session and to determine whether to transfer amount necessary to ensure Fund balance is equal to \$20,000,000. Requires legislature to use report to determine whether to transfer amount necessary to ensure balance of Fund is equal to \$5,000,000 in 2018, \$10,000,000 in 2020 and \$15,000,000 in 2022. Sunsets January 2, 2023.

ISSUES DISCUSSED:

- State investment would allow Oregon public research universities to be more competitive for federal research grants
- Investment in university research has been demonstrated to drive long-term economic development and improve educational experiences
- Research offers experiential learning opportunities and sometimes financial stipend support for students

EFFECT OF AMENDMENT:

Deletes \$20,000,000 appropriation and requirement to transfer General Fund ending balance to 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, General Fund ending balance from prior biennium following transfer to Oregon Rainy Day Fund. Requires legislature to consider report during even-numbered year regular session and to determine whether to transfer amount necessary to ensure Fund balance is equal to \$20,000,000. Requires legislature to use report to determine whether to transfer amount necessary to ensure balance of Fund is equal to \$5,000,000 in 2018, \$10,000,000 in 2020 and \$15,000,000 in 2022. Sunsets January 2, 2023.

BACKGROUND:

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

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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 funds from private industry, state or other non-federal sources and commonly carry a four-to-one match ratio. Typically, the most competitive grant applicants are able to 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.