

2009 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2720 **STATUS:** Original
SUBJECT: Allocates Lottery Funds to the Oregon Innovation Council for specific purposes.
GOVERNMENT UNIT AFFECTED: Economic and Community Development Department, Oregon University System
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REVIEWED BY: Steve Bender, Paul Siebert
DATE: March 2, 2009

	<u>2009-2011</u>	<u>2011-2013</u>
EXPENDITURES:		
Lottery Funds – See Comments	\$ 20,450,000	\$

EFFECTIVE DATE: July 1, 2009

GOVERNOR’S BUDGET: This bill is not anticipated by the Governor’s recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

ANALYSIS: HB 2720 allocates \$20,450,000 Lottery Funds to the Oregon Innovation Council (Oregon InC), and establishes the following expenditure limitations for projects funded through Oregon InC:

- \$3.5 million for research and development of ocean wave energy;
 - \$1.9 million to enhance the international competitiveness of the food processing industry;
 - \$700,000 to enhance the economic opportunities for seafood companies;
 - \$750,000 to the Oregon University System for training, research and development of value-added manufacturing processes;
 - \$5.7 million to the Oregon Nanoscience and Microtechnologies Institute;
 - \$2.8 million to the Oregon Translational Research and Drug Development Institute;
 - \$3.2 million to the Oregon Built Environment and Sustainable Technologies Center; and
 - \$1.9 million to increase the efficiency, sustainability and competitiveness of the forest industry.
- \$20.45 million total Lottery Funds.

The Governor’s recommended budget for the Economic and Community Development Department (OECDD) includes a slightly different allocation of Lottery Funds for Oregon InC initiatives, totaling \$20,499,000. That allocation is included in HB 5008, the budget bill for OECDD.

Since Oregon InC is not a state agency, and cannot directly receive state funds, the bill should be revised to clarify that the funds will be allocated to OECDD for distribution to Oregon InC.