

**March 18, 2021**

**Chair Teresa Alonso Leon  
House Education Committee**

**RE: Support HB 2441, extends the University Venture Development Fund (UVDF) tax credit**

Since 2007, the University Venture Development Fund (UVDF) has helped to convert the research conducted at Oregon's public universities into new businesses while providing student experiential education. HB 2441 extends the UVDF tax credit for donors who support the commercialization of promising university discoveries and campus-based entrepreneurial education.

Due to UVDF's success, over the last eight years, universities have raised nearly \$12 million from private sources to transfer new technologies developed at university labs into commercially viable products and startup companies. It is an important tool for moving innovations out of the lab and into the economy.

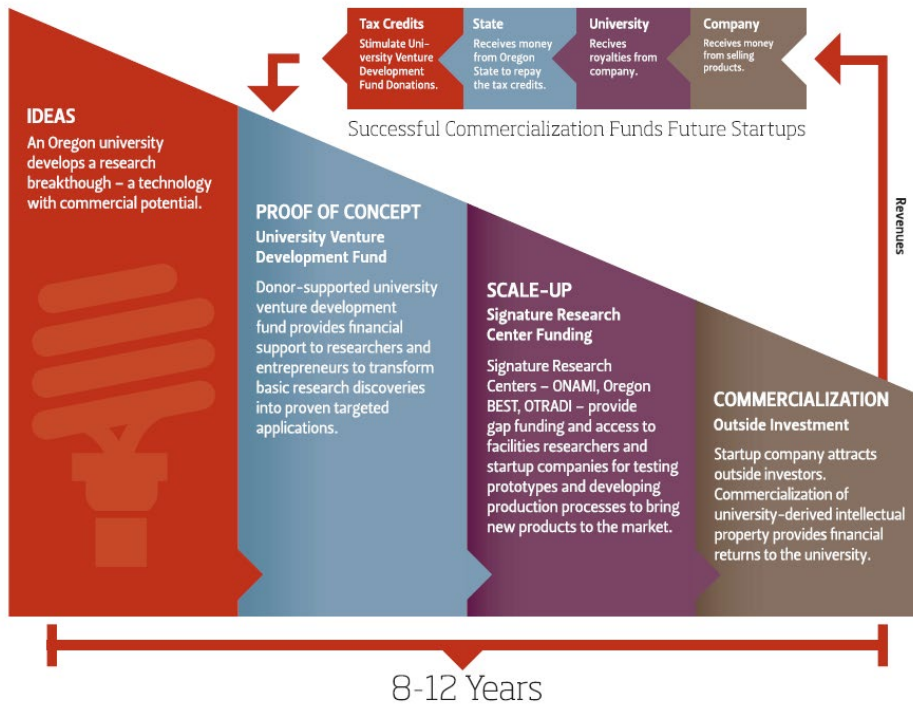
**How Does It Work**

Private donors give to university-managed funds aimed at promoting innovation, translational research, and incubating start-up companies. At each participating university, this fund creates jobs, stimulates the economy, and makes local communities stronger. State law provides that 20 percent of the licensing revenue received by the universities from UVDF funded firms will be returned to Oregon's Treasury, in order to regenerate the tax credits to continue the program.

The tax credits also generate new state income tax revenues by increasing employment through the supported businesses. New companies supported by the tax credit have created over 400 high wage jobs that generate \$1.45 million in annual tax revenues to Oregon. Total tax revenues generated over the last five years are estimated at \$4.62 million, and total tax revenue over the life of the program is \$16.32 million. This figure will continue to grow over time.

The UVDF tax credit is unique among all state tax credits because, in addition to generating new income taxes, universities repay the State Treasury with revenues generated by successful companies. This feature has resulted in over \$1 million being directly returned to the state.

## University Venture Development Fund



### Proof that UVDF works

- The UVDF has helped launch 108 startups.
- Over 7,000 students have been involved and received training on real-world case studies with support from UVDF.
- Nearly a dozen new entrepreneurial programs, supporting real world education experiences have been supported and/or established with funding from UVDF.
- 370 projects have provided proof of concept and resulted in 21 products to market so far.
- Over \$1 million has been paid back to the state allowing for the reuse of these credits.

One example of UVDF's economic development success is Eugene based company Dune's brand *Defunkify*, a line of high-performance and environmentally friendly detergent and cleaning products. The products and the company are based on work by chemistry researchers at the University of Oregon who work in surface chemistry and engineered materials. The UVDF created important support to launch the brand, which is now available in 1,000 retail stores nationwide.

Oregon's public universities request your Committee's support of HB 2441 and extension of this important and highly successful tax credit.