

March 31, 2023

Joint Committee on Tax Expenditures
Oregon State Capitol
900 Court Street NE
Salem, OR 97301

Co-Chair Meek, Co-Chair Nathanson, and Members of the Committee:

We are writing in support of HB 2092, particularly section eight which extends the University Venture Development Fund tax credit (found in ORS 315.640) two more years, from 2028 to 2030.

The University Venture Development Fund (UVDF) tax credit was authorized by the Legislature in 2007 and the tax credit is currently available to be claimed until 2028. UVDF helps make new research discoveries commercially viable. By providing tax credits to individuals and corporations who make cash gifts or donate publicly traded stocks, it raises money to support entrepreneurship programs, delivers opportunities to apply research to commercial activities, and funds efforts to transform novel concepts into products and services. The fund has provided incalculable benefits to the Oregon economy and to its residents and its impact can be felt far and wide.

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.

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 support 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

Here are a few examples of UVDF-funded initiatives that are improving the lives of Oregonians:

1. Helping youth recover from concussions at the University of Oregon

Concussions happen in an instant, but the speed and degree of recovery depends on decisions made over the weeks and months that follow. If concussions are managed properly, kids can avoid further injury, prolonged recovery times, and long-term effects. Thanks to help from the UVDF, UO researcher Ann Glang from the Center on Brain Injury Research and Training promotes best practices for concussion recovery. The center is also working to commercialize a school certification program for teachers and working to educate children about concussions.

2. Envisioning a better diagnostic test for infant hearing loss at the University of Oregon and OHSU

A research venture led by research associate Avinash Singh Bala and biology professor Terry Takahashi is exploring how pupils respond to sound, to create an infant hearing test, a critical unmet need in pediatric audiology. UVDF funding helped advance the research and the creation of startup company Perceptivo, which is developing a sound-induced pupil dilation method to use as a diagnostic test for infant hearing loss. The support from UVDF helped the research team win important grants from the Murdock Charitable Trust and the National Institutes of Health to support their ongoing investigation of hearing and the human pupillary response. Hearing tests begin at OHSU this summer.

3. Driving down emissions at Oregon State University

Bend based Onboard Dynamics is leading the climate-tech revolution with the introduction of its unique, patented natural gas compression technology developed at Oregon State University. This mobile, scalable, affordable technology platform enables our customers to achieve economic value and environmental benefits by simplifying the compression and movement of natural gas. Onboard has been able to leverage financial support from the U.S. Department of Energy, ONAMI (Oregon Nanoscience and Microtechnologies Institute), Oregon BEST, as well as strategic partners and private investors. The company was featured in the 2015 White House Demo Day.

4. Vaccine stability research at Portland State University

StoneStable, founded by PSU Biology Professor Ken Stedman and Kabir Bhatia, focuses on the need to get vaccines safely to remote parts of the world and addresses the issue of vaccine wastage. According to a World Health Organization report over fifty percent of all vaccines are wasted. A major factor contributing to the loss is the lack of refrigeration. Vaccines are biological products and must be transported at controlled temperatures. If at any point the “cold chain” between the production and the destination is broken, the vaccine quickly becomes ineffective. The difficulty is that in many parts of the world, particularly in developing and underdeveloped countries, maintaining a cold chain is impractical, if not altogether impossible. UVDF funding helped advance the research and brought together the subject matter expertise to improve the thermal and chemical stability of vaccines. The support from UVDF helped the program form partnerships with manufacturers and secure additional funding to advance this work.

We urge the committee to pass HB 2092 out of committee to extend this critical tax credit for two more years. Thank you.