EXISTING STATE PROGRAMS FOR LIFE SCIENCE INDUSTRY SUPPORT AND DEVELOPMENT

BUSINESS, ECONOMIC DEVELOPMENT AND LABOR APPROPRIATIONS SUBCOMMITTEE
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ISSUE BRIEF

SUMMARY

At the Business, Economic Development and Labor (BEDL) Appropriations Subcommittee meeting in June 2016, BioUtah will present on the successes and challenges of Utah's life science industry, including how the State can support economic development in the sector. According to their website, BioUtah is "an independent, non-profit 501(c)(6) trade association serving Utah's life science industry. [...] Members include organizations focused on research and development, manufacturing and commercialization or provide supportive services to life science technologies and treatments."

This issue brief identifies programs provided through the Utah Science Technology and Research (USTAR) Initiative and the Governor's Office of Economic Development (GOED) that currently support the life science industry or could be leveraged by the industry. The brief also identifies applicable tax incentive programs.

UTAH SCIENCE TECHNOLOGY AND RESEARCH (USTAR) INITIATIVE

Grant Programs:

Technology Acceleration Program (TAP)
TAP provides grants to accelerate the growth of early-stage Utah technology companies. A portion of the total award is provided up front and the remainder of the funding is released to the company upon achieving agreed-upon milestones.

Industry Partnership Program (IPP)
IPP provides matching grants for university research projects designed to address an industry partner's technology gap.

University Technology Acceleration Grant (UTAG)
UTAG provides grants to advance the commercialization of technologies developed by researchers at Utah higher education institutions.

University Seed Research Funding (USRF)
USRF provides small matching grants ($25,000-75,000) to assist university researchers to develop data and other precursor activities required to pursue larger, more commercially-oriented grants or other funding.

Support Programs:

SBIR-STTR Assistance Center (SSAC)
USTAR's SSAC assists Utah's small technology businesses by mentoring them through the federal application process. Other services offered by the SSAC include a matching service to identify Small Business Innovation Research/Small Business Technology Transfer (SBIR/STTR) calls for proposals that match Utah companies' capabilities, training for companies considering applying for funding, and connecting clients with the resources they need to be successful as an SBIR/STTR recipient.

Regional Outreach - South
USTAR South connects science and technology innovators, companies, and regional institutions (Dixie State University, Southern Utah University, Snow College, Dixie Applied Technology College, and Southwest Applied Technology College) across 11 counties with training, mentoring, research expertise, funding, and other local, state, and federal resources to commercialize technologies.

Regional Outreach - Central
USTAR Central works with entrepreneurs, innovators, university technology transfer offices, community partners, government agencies, economic development partners, and educational institutions to assist with the acceleration and commercialization of technologies in Utah. In order to support technology acceleration, USTAR Central focuses on product development, managing the portfolio of TAP companies, connections to capital, and strengthening the network of Utah science and technology companies.

Regional Outreach - East
USTAR East creates and maintains a technology ecosystem surrounding Energy/Water/CleanTech and other industries. The program works closely with both state economic development entities and Utah's research universities to create a cohesive and non-duplicative pipeline for technology commercialization. USTAR East also provides support for recipients of TAP grants and works with companies and researchers seeking IPP grants.

Incubation Programs:
USTAR manages two incubator programs focused on developing science and technology startups, particularly in the areas of life science and aerospace/defense. USTAR's incubator programs help early stage startups develop their minimum viable product, proof of concept, prototypes, and product validation and connect them with industry partners and funding opportunities.

GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT (GOED)

Life Sciences Cluster:
An economic cluster is defined as a key industry for economic development in Utah. The Life Sciences Industry Cluster -- as defined by GOED -- represents 961 companies and more than 26,900 jobs. These jobs pay an average of $62,337 per year. Utah has focused on four subsets in the life science industry: Medical Devices and Equipment; Drugs and Pharmaceuticals; Research, Testing and Medical Labs; and Biomedical Distribution.

Life Sciences Tax Credit:
In 2011, the Legislature authorized the Life Sciences Tax Credit with a three year life. The legislation authorized GOED to issue tax credits to qualifying life science and technology companies and investors in those companies. Eligible companies and investors submitted applications to GOED for tax credits totaling the $1.3 million authorized by the Legislature. The tax credit authorization was temporary and has since been retired.