

## Fiscal Highlights

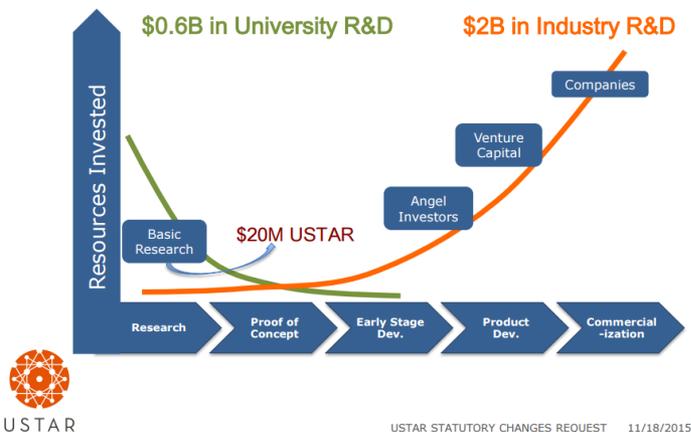
### USTAR's Proposed Budget Changes - Clare Tobin Lence

The Utah Science Technology and Research (USTAR) Initiative has undergone budget reorganizations in the 2014 and 2015 General Sessions, following legislative audits. Currently, funding is allocated across three line items: USTAR Administration, Technology Outreach and Innovation, and University Research Teams. USTAR has proposed statutory changes for the 2016 General Session that would further modify its budget structure, based on a recent assessment by outside consultants.

The first proposed change addresses funding of university research teams. Prior to FY 2015, research team funding was allocated 60 percent to the University of Utah and 40 percent to Utah State University. Starting in FY 2015, funding was appropriated by research team -- of which there are 12 at the University of Utah and five at Utah State University -- allowing more flexibility for USTAR to adjust funding based on team performance, rather than a default allocation. For the 2016 General Session, USTAR has proposed allowing other state universities to compete for research funding that was not previously committed to USTAR faculty. The proposal would reduce the percentage of total USTAR funding going to university research from 82 percent to 50 percent.

Funding reduced from university research would be reallocated to the Technology Outreach and Innovation Program (TOIP), increasing TOIP funding to 45 percent of USTAR's total budget. TOIP would offer new programs, such as pre-seed funding to support early stage companies through the "valley of death" -- the point in between basic research funding and angel investing, where many fledgling companies fail. TOIP would also work to develop new industry partnerships to align researchers with the needs of Utah's main industries.

### WHERE TO TARGET USTAR EFFORTS



**Figure 1: USTAR proposes targeting funding where the green curve (representing basic research funding) and the orange curve (representing private investment) are both low; this "valley of death" is a point at which many early-stage companies fail due to limited funding opportunities.**

Total funding for USTAR, as well as funding for the Administration line item, would remain the same. USTAR anticipates that these changes would clarify USTAR's mission as an economic development organization rather than simply a source of research funding, and accelerate return on investment to the State by supporting and investing in technologies and companies that are closer to successful operation.