



ARIZONA STATE SENATE
Forty-ninth Legislature, First Regular Session

PROGRAM PRESENTATION

Arizona 21st Century Competitive Initiative Fund - Science Foundation Arizona

Background

The Arizona 21st Century Competitive Initiative Fund (21st Century Fund) was established by Laws 2006, Chapter 334. The statutory purpose of the 21st Century Fund is to: 1) build and strengthen medical, scientific and engineering research programs and infrastructure with an emphasis on bioscience and 2) actively engage scientific research, academic and medical institutions.

The 21st Century Fund is administered by the Commerce and Economic Development Commission (CEDC), which is part of the Arizona Department of Commerce (ADOC), through a Memorandum of Understanding with Science Foundation Arizona (SFAz). SFAz is a nonprofit corporation.

SFAz determines specific grant recipients and evaluates grant proposals based on peer review by experts in the appropriate scientific fields. Recommendations are reviewed by the SFAz board of directors, whose members have experience in the fields of science, technology, industry, and reviewing and funding research.

SFAz grant programs fall into five different areas or investment programs:

- 1) Graduate Research Fellowships: Scholarships of up to \$40,000 for qualifying first-year science, math and engineering top graduate students.
- 2) Competitive Advantage Awards: Grants of \$100,000 to \$400,000 to assist Arizona based researchers with highly competitive research proposals to leverage into larger federal grants.
- 3) Strategic Research Groups: Investments in research institutions to cultivate partnerships between industry and research institutions. The purpose of these investments is also to attract major federal research center funding or large group grants.
- 4) Small Business Catalytic Funding: Investments in technologies being developed at research institutions that allow the inventor to build a spin-off company. The investments will provide the opportunity to grow to the point where venture capital and federal research awards can support technology commercialization.
- 5) Science, Technology, Engineering and Math Education: Promotes teacher recruitment, training and retention, generates interest in math and science among preschool through high-school students, and encourages college students to pursue degrees in related fields.

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Fiscal Information

Laws 2006, Chapter 334, appropriated \$35,000,000 from the state General Fund (GF) into the 21st Century Fund in FY 2005-2006.

The General Revenues Budget Reconciliation Bill (Laws 2007, Chapter 260) appropriated \$25,000,000 from the GF into the 21st Century Fund for each fiscal year from FY 2007-2008 to FY 2010-2011. The monies are further appropriated from the 21st Century Fund to the CEDC, which oversees expenditures from the fund. The appropriations are nonlapsing.

Laws 2008, Chapter 291, amended laws 2007, Chapter 260, by reducing the FY 2008-2009 GF appropriation into the 21st Century Fund to \$22,500,000 and increasing the appropriation in FY 2010-2011 to \$27,500,000.

FY 2008-2009 Budget Action

Eliminated the \$22,500,000 GF appropriation to ADOC for the 21st Century Fund.

Committee Activity

The Committee on Commerce and Economic Development met Tuesday, January 20, 2009, and reviewed Science Foundation Arizona – 21st Century Competitive Initiative Fund and received testimony. The topics discussed were:

- Science Foundation Arizona
 - Fund balance
 - Intellectual property
 - Job creation – return on investment
 - Future growth – high tech businesses and jobs in Arizona

Attachments

Power Point slides from JLBC's program presentation on Arizona 21st Century Fund on January 20, 2009.

Prepared by Senate Research

February 2, 2009

GK/jas