

## Colorado Statistics

- 1** Nearly 600 bioscience companies are located in Colorado including biotechnology, medical device, diagnostic, agricultural-biotech, and pharmaceutical companies.
- 2** Currently, Colorado employs over 28,000 people in the bioscience industry, creating over 130,000 direct and indirect jobs, translating into over \$10 billion in payroll.
- 3** Average annual wage is \$83,994.
- 4** Total bioscience industry direct employment increased 11.2% from 2007 to 2012.
- 5** Total medical devices and diagnostics employment increased 23% between 2007 and 2012.
- 6** Colorado's medical device sector is the sixth-largest in the nation.
- 7** Colorado research institutions collectively spin out 20 new bioscience companies each year on average.
- 8** The State's Advanced Industry (formerly Bioscience Discovery Evaluation) Grant Program has awarded 235 bioscience related grants totaling more than \$37 million, creating 46 new companies, 426 direct jobs, and \$469.1 million in follow-on grants and investments.
- 9** In 2014, Colorado researchers were awarded \$310.9 million in grants from the National Institutes of Health, and granted over 560 patents on bioscience related subjects.
- 10** Colorado's bioscience companies raised more than \$280 million in funding in 2014.

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## 2016 State Legislation: Call to Action

- 1 Promote the Advanced Industries Accelerator Program:**  
Created by the Colorado General Assembly in 2013, the Colorado Advanced Industries (AI) Accelerator Program promotes the growth and sustainability of seven key industries, including bioscience. Modeled after the highly successful Bioscience Discovery Evaluation Grant Program (BDEGP), the AI Accelerator Program established matching grants focused on proof-of-concept research, early-stage capital and retention grants, and infrastructure initiatives to help support the seven industries. The bioscience industry has seen great success of the program with the creation of 46 new companies, 426 new jobs and follow-on investments of \$469.1 million from 2006-Q1 2015. The program has also been named a state legislative "best practice" by the national Biotechnology Innovation Organization (BIO). Over the past two years, high quality applications have increased dramatically, stemming from the increasing start-up culture in Colorado and excellent innovation underway. Accordingly, the Colorado BioScience Association supports the Colorado AI Accelerator Program and encourages future funding of the program while maintaining the funding allocated to the bioscience industry, which has achieved significant success.
- 2 Creation of the Agricultural Innovation Grant Program:**  
Agriculture is one of Colorado's leading industries and over the last few years there has been the emergence of a food and agricultural innovation cluster within our state. CBSA will work in partnership with other stakeholders to develop a state grant program with the goal to advance and grow this industry matching grant funds for proof-of-concept and feasibility studies as well as early-stage capital and business expansion, and the reimbursement of market development and promotion expenses.
- 3 Colorado State Budget:**  
While Colorado's economic conditions remain one of the strongest in the nation, our state is facing a difficult budget year due to Colorado's statutes and State Constitutional provisions that govern revenue and spending. As the Colorado legislature determines where and how cuts need to be made, CBSA will work to ensure key priorities and past legislative efforts made on behalf of the industry remain intact. Many of the anticipated budget cuts will directly impact Colorado's research institutions, which has been the catalyst for the majority of the state's bioscience industry. CBSA will work alongside our research institutions on any effort to help remedy the cuts to their institutions. Additionally, CBSA remains supportive of the effort to exempt the Hospital Provider Fee from counting as General Fund revenue. This would ensure state revenues do not exceed the TABOR limit this year and would avoid budget cuts on unrelated programs and services. The CBSA will also work to prevent erosive measures which threaten the growth and prosperity of the bioscience industry in Colorado, whether the measures impede innovation directly or create an unfriendly business environment to either grow or attract new companies to the state.
- 4 Cultivate Innovation:**  
Colorado is home to roughly 600 bioscience companies whose innovation and research have led to the successful development of new technologies and therapies which are transforming the way we treat patients for a wide range of once devastating diseases. Their success in getting new therapies and technologies to market relies on the ability to attract the private capital required to fund these challenging endeavors. This ability depends on a public policy environment that supports innovation and incentives, offering predictability on the path from research to market development. As new laws and regulations are proposed, CBSA will work to ensure these efforts will not impede research, place undue burden on the industry or have any unintended consequences as a result of their passage.

ColoradoBioScience  
ASSOCIATION

State Policy  
Priorities 2016



Promote Increased Access to Capital for Bioscience Companies

Promote a Supportive Tax, Business and Regulatory Climate

Encourage Economic Development

Support Higher Education and Promote University Research and Technology Transfer Activities

## Promote Increased Access to Capital for Bioscience Companies

### Explanation of Issue

Venture capital investments in Colorado bioscience companies totaled \$1.625 billion in the last five years with an additional \$10.166 billion in acquisitions. Colorado remains a competitive player within the bioscience industry, but there is a crucial lack of funding for early stage research, development and product commercialization within the state. There are only five bioscience investment firms in Colorado, requiring companies to seek out of state investors from both the east and west coasts to international markets.

The Colorado BioScience Association (CBSA) in concert with the Colorado General Assembly have focused on this critical gap over the past ten years. An example includes the creation of the Bioscience Discovery Evaluation Grant Program (BDEGP) in 2006 to grow and expand bioscience research and accelerate the development of new medical technologies. The program has had numerous successes since inception including the creation of 46 new Colorado companies resulting in 426 direct jobs, an additional \$469.1 million in grants and investments, and has awarded 285 grants totaling more than \$37 million. In 2013, the BDEGP model was expanded upon to create the Advanced Industry Accelerator Grant Program which now furthers the growth of seven high-tech industry clusters, including bioscience.

It is imperative for the state to continue to support the growth of the bioscience industry at its earliest stages in order to encourage the advancement of new company opportunities. Through the development of new state initiatives such as the Advanced Industries Accelerator Program and the Mile High Fund, the Colorado General Assembly continues to focus on the importance of high-technology and high-wage sectors that help shape the economy, one being the bioscience industry.

CBSA advocates for current and additional state bioscience capital funding programs that address these essential elements to help ensure a prosperous industry. CBSA believes the state needs to establish a sustainable venture capital funding program to grow emerging companies and to encourage additional investments within Colorado.

## Promote a Supportive Tax, Business and Regulatory Environment

### Explanation of Issue

Nearly every state in the nation is working to attract the bioscience industry through favorable policies. Colorado continually ranks in the top ten states for bioscience and is at risk of losing companies to other states or countries. A friendly tax, business and regulatory environment is crucial to remain competitive and grow the bioscience industry in Colorado.

Colorado's regulatory environment is currently controlled by Colorado's Department of Regulatory Agencies (DORA) consisting of over ten divisions focusing on protecting consumers and creating a flexible regulatory framework that promotes a fair and competitive business environment. Through the work of DORA, Colorado consistently ranks in the top five states for growth prospects, economic freedom, entrepreneurial activity, the number of start-up businesses per capita and the best states for doing business. Supporting the current activities of DORA and ensuring these agencies implement rules and procedures that protect consumers while also fostering a healthy business climate is crucial for Colorado to remain a top state to both live and conduct business.

Along with a business friendly regulatory environment, Colorado also provides a competitive tax structure that rewards investments and business innovation. Colorado currently ranks 9th according to the Small Business & Entrepreneurship Council's "Small Business Policy Index," primarily due to a fairly low corporate income and capital gains tax rate, low gas and diesel taxes, and a low workers compensation cost. However, Colorado has a relatively high property tax rate. There are many factors to these rankings that specifically impact the bioscience sector, one of the most important changes occurred in 2009 when the General Assembly successfully changed the state's tax structure to a single sales factor apportionment for corporate income tax.

In order for Colorado to maintain and increase jobs within the bioscience industry sector, a strong business climate is essential. The CBSA will work to prevent erosive measures that threaten the growth and prosperity of the bioscience industry in Colorado, whether the measures impede innovation directly or create an unfriendly business environment to either grow or attract new companies to the state.

The Colorado BioScience Association (CBSA) supports efforts to modernize the state's economic development incentives, develop new tax and business incentives and programs, and efforts to preserve and protect a positive business climate in which our companies rely. CBSA will engage on issues that threaten or enhance the state's tax, business and regulatory environment whether they present themselves as state legislation, local initiatives or ballot measures.

## Encourage Economic Development

### Explanation of Issue

Colorado has a competitive advantage over other states working to grow a bioscience cluster; the state has identified bioscience as a targeted industry, with continued growth in number of companies and employees. Colorado bioscience grew 11.2% from 2007 to 2012.

Currently the bioscience industry has nearly 600 companies with 28,000 direct employees and an average salary of roughly \$84,000. The multiplier of indirect jobs for each direct job is 3.5, totaling over 130,000 direct and indirect employees in the state.

Colorado is home to one of the largest concentrations of federally funded science and research labs in the nation; generating over \$2.3 billion in net economic benefit in FY 2012. Thirty federal labs are located in the state which have contributed greatly to the evolution of Colorado's bioscience industry. In total, these facilities accounted for 7,966 direct jobs in FY 2012.

At least eight of the 30 federal facilities conduct bioscience related research.

- Centers for Disease Control and Prevention/Division of Vector-Borne Infectious Disease (CDC)
- National Renewable Energy Laboratory (NREL)
- U.S. Department of Agriculture's National Center for Genetic Resources Preservation (NCGRP)
- Agricultural Research Service (ARS)
- Crops Research Laboratories (CRL)
- U.S. Department of Agriculture, National Wildlife Research Center
- Cooperative Institute for Research in Environmental Sciences (CIRES)
- National Institute for Standards and Technology (NIST)

It is important for Colorado to maintain these federal research centers to continue as a national leader in the bioscience industry and all high-tech sectors.

## Support Higher Education and Promote University Research and Technology Transfer Activities

### Explanation of Issue

While Colorado is known for its quality of life, the state is also recognized for its highly educated workforce, with the state ranking as the nation's second most highly educated state for residents with a bachelor's degree or higher according to the U.S. Census Bureau's 2014 report. The Milken Institute State Technology and Science Index 2014 report ranks Colorado's bioscience cluster 4th overall among the nation's top clusters. The national attention is a direct result of the extraordinary research and education being conducted within the state's academic institutions.

Our research institutions are leaders in innovation and new company creation. On average Colorado research institutions spin out 20 new bioscience companies each year collectively. Colorado State University research expenditures reached \$308 million in fiscal year 2014. Research faculty in the University of Colorado system secured over \$878.3 million in sponsored research funding during the 2014-2015 fiscal year. Colorado ranks 10th for academic research and development spending per capita.

Supporting higher education and promoting university research and technology transfer activities is a top priority for the Colorado BioScience Association. The CBSA advocates for retaining the programs that help advance research and development and technology transfer activities. The CBSA also supports workforce initiatives with all academic institutions to help create a talent pipeline of necessary employees for our growing industry. The top three priorities of CBSA to help support higher education and promote university research and technology transfer include:

- **Support ongoing initiatives at Colorado research institutions and develop partnerships between public institutions and private companies:** Through the infrastructure grants provided within the Bioscience Discovery Evaluation Grant Program (BDEGP) and now through the Advanced Industries Accelerator Program, the state's research institutions have created new programs that assist emerging bioscience companies in bringing new technologies to commercialization. The CBSA encourages the state to maintain and grow these programs and support the public institutions in developing more partnerships with the private sector.
- **Maintain current initiatives at Colorado's higher education facilities and promote increased funding:** CBSA supports the efforts of the Department of Higher Education and promotes the ability for Coloradans to access high-quality and affordable education. In order for the state to remain competitive in any facet, it's imperative to develop a highly educated workforce which stems from the support provided to our institutes of higher education. The CBSA encourages the state to preserve the current activities within our higher education institutes and supports an increase in their budget.
- **Encourage Science Technology Engineering and Mathematics (STEM) Education in K-12:** The United States as a whole has seen a steady decline in mathematics and science education. This has become a national crisis and one that Colorado needs to address. It is expected that Colorado will need to fill 232,000 STEM (Science, Technology, Engineering and Mathematics) related jobs by 2018. The CBSA supports efforts to enhance science, technology, engineering and math education and encourages the development of educational and internship programs.