



May 1, 2020

**Joint Budget Committee
Colorado General Assembly
200 E Colfax
Denver, CO 80203**

Dear Members of the Joint Budget Committee,

On behalf of the Colorado BioScience Association (CBSA), we are writing to urge you to protect the Advanced Industries (AI) Accelerator Grant Program, a program that was created to drive job creation and innovation across seven research-intensive industries and is vital to the economic development of our state. We are very concerned that a recent recommendation proposed by Joint Budget Committee staff would eliminate the main funding source for the program, devastating the growth of these industries and the jobs created.

CBSA represents over 720 life sciences organizations across Colorado that drive innovations, products, and services to improve and save lives. Our state is the center of life sciences for the Rocky Mountain Region, directly employing 30,000 people and spinning out an average of 20 new life sciences companies each year. The industry is largely comprised of small, early-stage companies that play a crucial role in the development of breakthrough technologies and therapies that are leading to improved patient outcomes and reduced health care costs. For these companies, access to early stage funding through programs like the AI Accelerator Grant Program is essential to support company growth and the commercialization of innovative technologies.

The AI Accelerator Grant Program drives innovation in bioscience, aerospace, advanced manufacturing, electronics, energy and natural resources (including cleantech), infrastructure engineering, and technology and information. The program has a strong track record of success that is demonstrated through new job and company creation, follow-on investments, and scientific advancements. In particular, the program has played a critical role in the growth and sustainability of Colorado's life sciences ecosystem. Since the program's inception in 2006 (then called the Bioscience Discovery Grant Evaluation Program), there have been over 450 life sciences-related grants, generating over \$972 million in follow-on capital and investments. The program has also created 975 jobs and 81 new companies for the life sciences sector.

While our community recognizes that the state is facing extremely difficult budget decisions, we hope you will consider the economic value of the AI Accelerator Grant Program and how it could aid our state's economic recovery. First, the program requires a two-to-one match of funding, so it actually brings money into Colorado's economy. To date, the AI Accelerator Grant Program has brought over \$794 million into the state through outside investment. Additionally, the seven advanced industries are key drivers of both the U.S. and Colorado economies. Together, they account for nearly 30 percent of the state's total wage earnings, 30 percent of the total sales revenue, and almost 35 percent of the state's total exports. Making significant funding cuts to a program that supports these key sectors is shortsighted and will likely have ripple effects for the state.

The industries supported by the AI Accelerator Grant Program are also critical in the fight against COVID-19. Many companies in these sectors are researching and developing new, innovative products or pivoting existing manufacturing operations to address the state's needs during this challenging time. The recommendations from JBC staff would eliminate a vital source of funding for many of these industries and make it harder for emerging companies to commercialize novel technologies.

In closing, we ask you to preserve this valuable funding for the Advanced Industries Accelerator Grant Program and reject the recommendation to repeal SB11-47. The program is a critical investment that drives innovation and accelerates commercialization of new technologies, creating a strong ecosystem for advanced industries in Colorado.

Thank you for your time and consideration.

Sincerely,



Jennifer Jones Paton
President & CEO
Colorado BioScience Association



Emily Roberts
Vice President
Colorado BioScience Association