

ECONOMIC AND COMMUNITY DEVELOPMENT

Team Leaders: David A. Diepenbrock, Diepenbrock Elkin, (916) 492-5048, dad@diepenbrock.com

Ryan Loofbourrow, Sacramento Steps Forward, (916) 577-9785,
rloof@sacstepsforward.org

Matt Yancey, Sacramento Municipal Utility District, (916) 732-7354,
matt.yancey@smud.org

Larry Burkhardt, City of Sacramento, (916) 808-1955,
lburkhardt@cityofsacramento.org

Issue Contact: Matt Yancey, Sacramento Municipal Utility District, (916) 732-7354,
matt.yancey@smud.org

INCREASED SUPPORT FOR BASIC AND APPLIED RESEARCH

Requested Action:

- Support the Administration's proposed increase in federal investments in research

Background:

Recently, federal investment in research has eroded while other nations are pouring enormous resources into research, creating an innovation deficit in the U.S. While the impact of this deficit may not be immediately obvious because the research that leads to advances do not happen overnight, the consequences of failure to invest are inevitable: fewer U.S.-based scientific and technology breakthroughs, fewer U.S.-based patents, and fewer U.S. start-ups, products and jobs.

The Capital Region's *Next Economy: Capital Region Prosperity Plan* is a call to action to "mobilize private industry, government, academic and civic leadership to focus on a set of common strategies and actions to accelerate job creation and new investment in California's Capital Region" with the goals of supporting research, innovation, entrepreneurship, diversifying the regional economy and improving the business climate for economic growth.

Restoring and expanding the federal investment in basic and applied research is essential to achieving the ambitious goals of the nation and are primary to expanding and diversifying the Sacramento economy envisioned by the "Next Economy." The region has built the foundation for an innovation/entrepreneurial ecosystem that is poised to leverage additional research investments and new knowledge to bring new technologies to the market place and to grow business, jobs and prosperity.

The Sacramento region enjoys a broad and established network of educational and research institutions, which includes UC Davis, Sacramento State, seven community colleges, numerous vocational, professional and private schools (including medical, law and business schools), and local campuses of colleges headquartered elsewhere in the nation. The combined enrollment of these institutions is approximately 192,000 students: a higher adult participation rate compared to other parts of the state and nation. This education and knowledge-creation cluster creates over \$1.1 billion in annual economic impact for the Sacramento region.

These institutions actively collaborate with a critical mass of other key research, innovation, entrepreneurial, venture capital and makerspace partners, which makes the Sacramento region a key to a national strategy to close the innovation deficit and bolster out nation's economic and national security for decades to come.

As such, federal investment in Sacramento research institutions in excess of \$500 million in 2015 has led to many positive outcomes, including improved agricultural and nutrition programs, increased tech transfer from federal labs and development of potential preventative tools from pandemic threats. Federal agencies providing support to research efforts in the Sacramento region include US AID, National Institutes of Health, USDA and Department of Energy.