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	FY 2006 Actual	FY 2007 Estimate	FY 2008 Approved	FY 2009 Approved
SPECIAL LINE ITEMS				
Public Regenerative Tissue Repository	0	0	1,000,000 ^{1/}	1,000,000 ^{1/}
Biotechnology	5,500,000	5,500,000	500,000 ^{2/}	500,000 ^{2/}
AGENCY TOTAL	5,500,000	5,500,000	1,500,000	1,500,000
FUND SOURCES				
General Fund	0	0	1,000,000	1,000,000
<u>Other Appropriated Funds</u>				
Health Research Account	5,500,000	5,500,000	500,000	500,000
SUBTOTAL - Other Appropriated Funds	5,500,000	5,500,000	500,000	500,000
SUBTOTAL - Appropriated Funds	5,500,000	5,500,000	1,500,000	1,500,000
Other Non-Appropriated Funds	10,167,500	10,668,800	14,513,800	14,513,800
TOTAL - ALL SOURCES	15,667,500	16,168,800	16,013,800	16,013,800

AGENCY DESCRIPTION — The commission advances medical research by contracting with individuals, organizations, corporations, and institutions in Arizona for projects that may advance research into the causes, the epidemiology and diagnosis, the formulation of cures, the medically-accepted treatment or the prevention of diseases including new drug discovery and development. Approximately half of the monies the commission receives are directed towards the prevention and treatment of tobacco-related disease and prevention.

In prior years, the funding for the Arizona Biomedical Research Commission was displayed in the Department of Health Services (DHS). In FY 2008, the commission received a General Fund appropriation of \$1,000,000 for a public regenerative repository. (For more information see the Department of Health Services’ Public Health Cost Center.)

In addition to the General Fund appropriation, the commission also receives funding through 2 non-appropriated sources: the Health Research Account of the Tobacco Tax and lottery revenues. Of the taxes levied on cigarettes, \$1 per pack is utilized for various health care initiatives, as approved by voter initiatives. Of the money collected, 5% is deposited into the Health Research Account. Monies in the Health Research Account are used for research on preventing and treating tobacco-related disease and addiction. The Arizona Biomedical Research Commission administers the Health Research Account.

The remainder of the commission’s non-appropriated funding comes from state lottery revenues. A 1996 voter-approved initiative allocated up to \$2,006,000, adjusted for inflation, from the state lottery to the Arizona Biomedical Research Commission. Monies are awarded to this fund after certain other lottery beneficiaries receive their

maximum allocation. The Arizona Biomedical Research Commission first received lottery revenues in FY 2004, and it has received its full allocation since FY 2005. In FY 2007, the Commission will receive \$2,439,300 from lottery revenues.

Special Line Items

Public Regenerative Tissue Repository

The Health and Welfare Budget Reconciliation Bill (Laws 2007, Chapter 263) appropriates \$1,000,000 from the General Fund for a new Public Regenerative Tissue Repository Special Line Item from FY 2008 through FY 2012. This funding is to be used to establish centralized public repositories of diverse types of human stem cells of nonembryonic origin for public use. The Arizona Biomedical Research Commission is responsible for establishing a competitive grant process to establish the repositories in Arizona, otherwise known as “cord blood banks” (due to the use of stem cells from umbilical cords).

Biotechnology

The budget provides \$500,000 from the Health Research Account of the Tobacco Tax for Biotechnology in FY 2008 and FY 2009. These amounts fund the following adjustments:

^{1/} Laws 2007, Chapter 263 appropriation of \$1,000,000.
^{2/} Laws 2002, Chapter 136 appropriation of \$500,000.

Transfer from Department of Health Services

The budget provides an increase of \$500,000 from the Health Research Account of the Tobacco Tax in FY 2008 and FY 2009 to shift monies from the DHS to the Arizona Biomedical Research Commission. Although this money has previously gone to the Arizona Biomedical Research Commission, previous Appropriations Reports included them in the DHS budget.

Shift Biotech Grants to Non-Appropriated Status

The budget provides a decrease of \$(5,000,000) from the Health Research Account of the Tobacco Tax in FY 2008 and FY 2009 to reflect the expiration of the original authorizing appropriation. This funding, however, will continue as non-appropriated monies. Laws 2002, Chapter 320 appropriated \$5,000,000 from Health Research Account of the Tobacco Tax annually from FY 2003 to FY 2007 for biotechnology purposes. According to the commission, Translational Genomics Research Institute (TGen) has been awarded \$5,000,000 annually through FY 2012 through the commission's non-appropriated grant program.

This line item provides funding to the Arizona Biomedical Research Commission for allocation to a nonprofit medical research foundation that specializes in biotechnology and that collaborates with universities, hospitals, and other public and private biotechnology businesses and research centers. These monies are being distributed to TGen.