President’s Message

Pandemic or no, we have all learned that we still need to stay the course no matter how choppy the waters may become. For the Arizona Technology Council, that meant pursuing a public policy agenda in a legislative session where lawmakers understandably had a lot of pressing matters to consider.

A key reason we continued to make our presence known at the Legislature instead of taking a break for COVID-19 was our representing a membership responsible for being a critical driver of Arizona’s economy. And while a number of our priorities didn’t get the final vote as we had hoped, we saw enough movement to remain positive when lawmakers return.

One of our priorities for the 2020 legislative session was to ensure proven economic development programs such as the Angel Investment Tax Credit and current levels of the Research and Development Tax Credit are reauthorized past their sunset dates of June 30, 2021. I’m happy to report that the Legislature granted an additional 10 years for the R&D tax credit, which places a value of 24% for the first $2.5 million in qualifying expenses and 15% for expenses in excess of that amount.

As for “mirror bills” in both the House and Senate to extend until 2031 the Angel Investment Tax Credit — formally known as the Small Business Investment Credit — these measures did not receive their final votes due to the session ending prematurely. But we haven’t given up. We are working to get the legislation passed in a special session dealing with economic recovery if one is called or reintroducing them in the next session.

Another House bill sought to obtain $3 million annually in state support for five years to cultivate a statewide Arizona STEM ecosystem by strengthening the learning opportunities offered by organizations across sectors, and fueling a strong, diverse talent pipeline by expanding business and education opportunities throughout the state’s rural and urban communities. The measure was scheduled to be heard in the Senate Appropriations committee but that hearing was canceled due to the Legislature halting normal business.

Another priority was to consistently and sustainably fund the state’s education system, including career and technical education district (CTED) programs. During the Great Recession, the Legislature cut fourth-year funding for CTED despite many school districts needing the money to support students pursuing industry certifications throughout their entire time in high school while balancing all of their academic requirements. While mirror bills made their way through the House and Senate, they did not get hearings in committees of the respective chambers.

As you can see, we came so close to getting support for the priorities we believe that under different circumstances would ultimately have made it through the Legislature. Good things come to those who wait. We can wait.
AZTechBase, a new platform unveiled by Arizona Technology Council, originally was designed to provide information about who we are as an industry. The timing couldn’t be better for this tool to help bring together our burgeoning technology ecosystem.

The Council partnered with the Arizona Commerce Authority and IT services firm AccountabilIT to launch AZTechBase, an online database of tech companies, people and investors with a presence here. The platform actually illustrates the great progress the state has made in becoming one of the nation’s top technology hubs.

The goal of AZTechBase is to further elevate Arizona’s technology ecosystem by providing accurate, current datasets and making the data easily accessible to the community. Currently, there are nearly 2,900 Arizona-based companies on the platform, which represents about a third of the state’s existing tech firms.

More importantly now, the platform helps support communication and interaction that has been limited by social distancing mandates in the midst of the COVID-19 pandemic. AZTechBase provides a virtual environment for technology leaders, businesses, investors, talent and economic development organizations to safely monitor the technology ecosystem, as well as collaborate and continue moving the industry forward.

AZTechBase provides a substantial benefit to Arizona’s economic development organizations as they recruit companies from out of state, as well as to companies in state searching for resources to start up or grow. Everyone has basic access to AZTechBase and can receive a premium membership through the Council — all at no charge. To take a test drive, go to www.aztechbase.com.

Premium membership provides users with additional accessibility, search functionality and customization options. This membership’s benefits include access to:
• A user-friendly dashboard to analyze high-level trends and gain insights by aggregating recent financing, acquisitions, average revenue and employee growth;
• Filters and a data export option to create customized reports by sector on revenue, size, years in business, growth and more; and
• Ability to discover, view and connect with emerging startups, established technology companies, people and investors.

The platform also plays a critical role in organizing data and industry insights gathered through the Council’s quarterly Arizona Technology Industry Impact Report to track the progress of companies, attract talent, and discover and connect with new companies and people. This quarterly report provides an update on several vital datasets, including technology career wages, number of technology jobs, venture capital, new technology companies/startups and Small Business Innovation Research (SBIR) awards.

To add your company and become a premium member at no charge, contact Membership at www.aztechcouncil.org. Individuals, companies and organizations on the site that want to update their profile can also contact the Service Desk at accountabilit.com.
2020 Vote TechSmart

Guide grades, endorses pro-technology Legislature candidates

To help its members and others make informed decisions during the legislative election season, the Arizona Technology Council has released its 2020 Vote TechSmart voter’s guide.

In order to provide guidance on Arizona legislators who support the technology industry’s agenda, the biennial guide includes the Council’s 2020 legislative endorsements. The support of these candidates is based on several factors, including the most recent two-year voting records of incumbents, written responses to a survey and interviews of new candidates.

Endorsements are focused on candidates for the state Legislature, and the Council backs only those candidates who support a technology agenda, so some districts may have no recommendation. The guide also assigns a letter grade (A – F) to each incumbent in the state’s 30 legislative districts.

“The Vote TechSmart guide is a critical resource to help educate our members for the upcoming election,” says Steven G. Zylstra, the Council’s president and CEO. “Elections are an important time to work to ensure the success of candidates who support enhancing Arizona’s standing as a technology center and help make it a place where not only large corporations but also startups are able to start, grow and thrive here.”

A digital version of the guide, which was published before the primary election, is available at www.aztechcouncil.org/vote_techsmart.

In an effort to provide complete transparency, the guide features a detailed overview of the review process by the Council’s Public Policy Committee followed by an in-depth explanation of the endorsements. The voting guide also includes a summary of the state’s 2020 public policy efforts, which include:

• Expanding access to investment capital.
• Supporting tax policy to incent research and development investments.
• Advocating for enhanced technology infrastructure.
• Improving Arizona’s public education system from pre-kindergarten through postsecondary with technology-based and blended learning.

To stay current on politics and policies affecting the state’s technology industry, visit the Technology Advocacy and Public Policy page on the Council’s website at www.aztechcouncil.org/public-policy.

Quarter Notes

Technology Industry Impact Report shows sector growth in Q1 2020

Employment growth in the technology sector along with wages totaling more than $20 billion are just a few examples of the good news highlighted in the latest quarterly Arizona Technology Industry Impact Report released by the Arizona Technology Council.

Specifically, data from the Q1 2020 report revealed a steady 3.45% growth in technology sector employment, with the wages exceeding $20.9 billion. Also, a Supply Chain Gap Analysis added to the report showed 76% of Arizona’s technology industry supply chain purchases — a $4.5 billion value — are sourced in-region.

“Our Q1 2020 industry report shows that Arizona’s technology industry continues to grow steadily,” says Steven G. Zylstra, the Council’s president and CEO. “While we do anticipate a downturn due to the disruptions caused by the COVID-19 pandemic, our technology sector has become well-diversified, which will allow us to recover quickly.”

One of the most encouraging findings in the Q1 2020 report is that 29% of science, technology, engineering and math (STEM) graduates are staying in Arizona to work. This is attributed to:

• 9,563 technology companies operating in Arizona
• More than 197,000 total technology jobs
• A 5.42% rise in technology wages over the past year
• Average annual industry wages of $86,303 — 1.1 times the national average

Additional findings of the Q1 2020 report include:

• The Arizona technology industry had a 3.74% job growth over the past year.
• The state boasted two of its strongest years for venture capital investment — $944 million in 2018 and $864 million in 2019.
• The state received more than $38 million in total tax contributions from Arizona technology firms.

The Council offers its quarterly Technology Industry Impact Report to provide its members, partners, leadership and the community at-large with an update on economic development related to the state’s technology sector. The quarterly report based on an analysis of data from a variety of sources is compiled by eImpact, an organization that creates web-based, data-reporting solutions designed to help cities, industries and planners drive effective policy, create new growth and engage stakeholders.

Download or view the complete report on the Arizona Technology Council website at www.aztechcouncil.org/q1-2020_tech-report.
Parents: Help Is Here
Resource directory supports STEM learning at home

Faced with school closures due to the COVID-19 pandemic, families looking for quality resources to support their students learning at home now have help with the online STEM Resource Directory from the SciTech Institute.

The comprehensive directory compiles educational opportunities in a single place, organized clearly by audience and topic.

“We want to help parents and children find other ways to explore the wonder and intrigue of science and technology,” says Jeremy Babendure, executive director of the SciTech Institute, an educational nonprofit organization focused on cultivating, promoting and enhancing science, technology, engineering and math (STEM) education and awareness in Arizona and beyond.

The annual Arizona SciTech Festival, a collaboration of more than 800 organizations collectively holding events in more than 50 communities across the state, normally helps to generate enthusiasm and strengthen Arizona’s STEM culture through hands-on activities. This year, however, the pandemic cut the festival season short, so SciTech Institute stepped up to create a single set of resources to help fill the void.

The directory offers families access to a wealth of engaging content in an easy-to-navigate format that is fun to search and explore. SciTech’s mascot Nova showcases the site’s main categories: Science; STEM Careers; Coding & Problem-Solving; Environmental Education; Virtual Field Trips; Try This at Home; STEMonstrations; Art, Music, Videos & Learning Games; Resource Hubs; Language Arts; Math and Social Studies.

The directory features engaging and interactive content from local organizations, including the Arizona Science Center, Phoenix Zoo, Office of the Maricopa County School Superintendent, Boeing, Phoenix Public Library, Arizona State University and i.d.e.a. Museum.

Families also can explore zoos, nature centers, aquariums, museums and national parks from around the world. Provided are links to content from leading national and international organizations, including National Geographic, PBS Kids, NASA, Mystery Science, The Kennedy Center, Microsoft, DK and Crayola. Also featured are webinars to enjoy, scientists you can connect with and hands-on activities to try at home.

To tour SciTech Institute’s STEM Resource Directory, visit scitechinstitute.org/resources. Plans call for this “virtual festival of learning” to continue growing to support STEM education and collaboration throughout the pandemic and beyond.
Renewable Energy Hike

Council makes case for boosting Arizona’s standard

The coronavirus pandemic has dramatically altered our economic landscape both nationally and here in Arizona. Climbing back onto the state’s perch as one of the most dynamic and fastest-growing economies in the country is going to take hard work and innovation.

Fortunately, what remains constant is our foundation as a technology and innovation hub. This is especially true in our renewable energy sector.

Renewable energy is a powerful solution to restoring economic security at a time when residents need it most. That is why Arizona must get on a fast track toward modernizing our energy rules.

In a move toward this goal, the Arizona Technology Council has called upon the Arizona Corporation Commission to increase the state’s Renewable Energy Standard and Tariff (REST) to at least 50% renewable energy by 2030 and 100% carbon-free by 2050. At press time, a public hearing on the matter was scheduled for Sept. 24 in Tucson.

Technology plays a huge part in this endeavor. Arizona’s innovation ecosystem is making electric and autonomous vehicles, testing zero-emission semi-trucks, building the solar grid, installing energy-efficient devices, flying electric airplanes, and making global advancements in water technology, just to mention a few examples of the clean-energy space.

In March, the business nonprofit entity Ceres published a report that for the first time measured the impact of Arizona’s renewable energy standard since it was established in 2006. The report found REST has provided significant economic and environmental benefits, including scaling investments and driving down energy costs through technology. Solar industry investments alone were pegged at almost $12 billion, which has stimulated job growth and market development.

The time to invest in renewables is now, especially when our economy needs solutions so badly. Clean energy helps businesses save money, hedge against volatile fuel prices and stay competitive. In fact, a 2017 analysis issued by Ceres and other groups showed clean energy saved 190 companies nearly $3.7 billion in 2016 alone, freeing up significant capital that could be reinvested into our businesses, students, employees and local communities.

It’s important to know that even Arizona Public Service, our state’s largest utility, already took a major step forward in putting forth a goal to reduce carbon emissions, committing to 45% renewable energy by 2030 and 100% clean energy by 2050. Raising REST to reflect these more ambitious energy rules would ensure APS’ goals become reality. It also would send a clear signal to the market and give certainty to utilities and customers in the state.

Renewable energy is the answer to moving toward a cleaner, more prosperous and healthy future.

Time to enroll in Association Health Plan

October marks the period for renewing participation in the Arizona Technology Council’s Association Health Plan (AHP), as well as securing a quote for your company.

The AHP was launched last year in partnership with Blue Cross Blue Shield of Arizona. It targets Council member employers with fewer than 100 employees.

When multiple small businesses join together as one association, they can take advantage of affordable health plans that can help attract and retain top talent. “The ability to provide comprehensive group coverage allows us to make it practical for more companies to save on their benefits program and invest the money back into talent, R&D and growth.” says Steven G. Zylstra, the Council’s president and CEO.

The ability to offer AHPs to its members comes after the Council’s support of SB1085, which passed the Arizona Legislature in 2019. The Council’s Public Policy Committee rallied the business and technology community to support the bill introduced by Sen. Kate Brophy McGee.

For more information or to get a quote, visit aztechcouncil.org/ahp.

Newest Board Member

Three-year term for Tech Park Arizona leader

Carol A. Stewart, associate vice president, Tech Park Arizona, The University of Arizona, has been elected to the Arizona Technology Council’s board of directors. She was elected unanimously to serve a three-year term at the Council’s quarterly board meeting held in July.

“Her leadership, skill set and extensive experience will help advance our agenda, which is designed to grow Arizona’s technology industry and break down barriers that inhibit success,” says Steven G. Zylstra, the Council’s president and CEO. “Carol’s election also pushes us closer to our goal of achieving gender parity on our board, a critical initiative for myself and the Council.”

Stewart is also president of The University of Arizona Center for Innovation, a technology business incubator network serving the university, Tucson and the international community. Previously, she served as the CEO of the Association of University Research Parks, which represents 200 research parks (80% of which are located in the United States and 20% international). In this role, she collaborated with numerous leaders worldwide to build and grow university-related research parks through education, unification and collaboration.

The Council’s board of directors serve an advisory and fiduciary role by representing the interests of the state’s technology industries in the Council’s strategic planning and ongoing operations. The current board includes 33 members representing a diverse set of organizations.

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GOVERNOR’S CELEBRATION OF

INNOVATION

Celebrating Arizona’s innovative tech ecosystem.

Wednesday, Nov. 4

4:00 – 5:00 PM | Virtual Tech Showcase
5:00 – 5:15 PM | Opening Remarks
5:15 – 5:45 PM | Keynote Speaker
5:45 – 7:30 PM | Awards Presentations

Register: www.aztechcouncil.org/event/gcoi2020