

Arizona Health Innovation Trust Fund



Submitted by the Opportunity Through Entrepreneurship Foundation in accordance with Ariz. Rev. Stat. § 41-177.

Submitted to:

The Honorable Katie Hobbs, Governor of the State of Arizona
The Honorable Warren Petersen, Senate President
The Honorable Ben Toma, Speaker of the House of Representatives

With a copy to the Arizona State Treasurer's Office

December 29, 2023

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From the Chairman of the Board

The Opportunity Through Entrepreneurship Foundation (OTEF) is pleased to submit its first Annual Report on the Arizona Health Innovation Trust Fund as required in accordance with Arizona Revised Statute § 41-177.

The Arizona Health Innovation Trust Fund (AHIT) was established by statute in 2022. The Arizona State Treasurer’s Office (ASTO) issued a request for proposal in 2022 to identify the Arizona based 501c3 entity that would receive AHIT distributions and perform the economic development activities prescribed in the statute.

OTEF’s AZAdvances Proposal was selected by ASTO and the State Board of Investment approved the endowment agreement between ASTO and OTEF on December 29, 2022. The Endowment Agreement includes a provision that the first AHIT distributions will be made 60 months after the first deposit. This provision allows fund investments to mature and allows the corpus to continue to grow. Beginning in FY2028, ASTO will distribute 4% of the 5-year average of the AHIT balance to OTEF to support the OTEF AZAdvances programs.

ASTO received its first appropriation of \$100,000 for AHIT in AZ FY2023.


During Arizona’s Fifty-sixth Legislature – First Regular Session, additional funding of \$50 million passed the Arizona Senate and subsequently \$10 million passed House Appropriations for the FY2024 budget. Unfortunately, other funding priorities took precedence, and no funding was appropriated in the FY2024 budget for AHIT.

SB1019 *appropriation; health innovation trust fund* has been pre-filed for consideration in Arizona’s Fifty-sixth Legislature – Second Regular Session. The bill provides for additional funds to be appropriated into the fund and memorializes the intention that AHIT shall steadily grow to ultimately maintain a permanent endowment balance of at least \$200 million.

While no funds were distributed to OTEF by ASTO from AHIT in CY2023, OTEF worked with the community to raise funds to support the AZAdvances workforce and entrepreneurial support programs to accelerate the growth of Arizona’s Health Innovation Sector.

In the report that follows, you’ll find information on metrics used to assess the growth of the sector and the AZAdvances programs that were delivered by OTEF and its partners in CY2023.

We are deeply appreciative of the opportunity to work with you to grow Arizona’s health innovation sector and to increase the economic and social impact of the sector in 2024 and beyond.


Joan Koerber-Walker
Chairman of the Board

Opportunity Through Entrepreneurship Foundation

Executive Summary

Established in 2022 by A.R.S. § 41-177, the Arizona Health Innovation Trust Fund (AHIT) is a permanent endowment fund that consists of monies continuously appropriated by the Legislature. The Arizona State Treasurer must annually allocate four percent of the monies in the Fund to an entity that satisfies the following requirements: 1) is a charitable organization; 2) provides entrepreneurial education, mentoring and support to persons in the health innovation and health care delivery sectors; 3) provides programs that support workforce development; 4) provides programs that support the development and commercialization of health innovation; and 5) has entered into an endowment agreement with the Treasurer that includes investment procedures, maturity timelines, other requirements established by the Treasurer and entity reporting requirements. The entity must annually submit the report, as prescribed by the Treasurer, to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Treasurer by December 31 each year (A.R.S. § 41-177).

The State Board of Investment approved the Endowment Agreement between ASTO and the Opportunity Through Entrepreneurship Foundation (OTEF) on December 29, 2023.

As the 60 months from first deposit milestone has not yet passed, no funds were distributed to OTEF by ASTO from AHIT in CY2023, OTEF worked with the community to raise funds to support the AZAdvances workforce and entrepreneurial support programs to accelerate the growth of Arizona’s Health Innovation Sector.

OTEF deployed \$93,500 of its own funds to support AZAdvances programming in CY2023.

- \$15,000 Paid Student Internships
- \$3,500 Merit Based Scholarship awards to Arizona Students
- \$75,000 Support to develop Arizona Based Health Innovations at Arizona small businesses.

As of November 2023, OTEF has received contributions from the community in 2023 totaling \$63,000 which will support AZAdvances programming in CY2024.

OTEF has no paid staff and benefits from Administrative and Operational support donated by the Arizona Bioindustry Association (AZBio).

Industry Metrics

According to TEconomy Partners, Arizona’s bioscience industry is growing rapidly and reached more than 36,000 jobs spanning 2,912 business establishments in 2021. Industry employment has grown by nearly 22 percent since 2018—twice the growth rate of the nation—with each of the five major subsectors adding jobs during the period. Arizona’s universities conducted \$602 million in R&D activities in bioscience-related fields in 2020, fueled in part by steadily increasing NIH awards to Arizona institutions since 2018. Venture capital investments in Arizona bioscience companies increased significantly in 2021, and during the 2018-21 period totaled \$565 million. Arizona inventors have been awarded 2,283 bioscience related patents since 2018, among the second quintile of states in patent activity.

Based on the TEconomy/BIO dataset, Arizona’s bioindustry generated \$38.54 billion of Economic Impact in CY2021.

Arizona’s health innovation community has embraced a goal to double this economic impact by 2033.

This data does not include Arizona’s broader healthcare workforce. When this is added, the total workforce exceeds 345,000 Arizonans.

The following metrics will be used to measure the growth of Arizona’s Health innovation Sector:

INDUSTRY METRIC	2021 (BIO)	2018 (BIO)	2016 (BIO)
# of BIO Establishments	2,912	2,160	1,310
BIO Employment	36,410	29,569	25,686
State Annualized Avg. Wage	\$ 61,693	\$ 51,476	\$ 48,081
BIO Avg. Wage	\$ 99,585	\$ 85,518	\$ 77,807
VC Funding \$M (3 Year Range)	\$ 565.2	\$ 349.4	\$ 296.4
Economic Impact \$B	\$ 38.54	\$ 32.67	\$ 23.16

¹ The U.S. Bioscience Industry: Fostering Innovation and Driving America’s Economy Forward – Arizona Fact Sheet, TEconomy/Biotechnology Innovation Organization, <https://s11759.pcdn.co/wp-content/uploads/2022/10/AZ-BIO2022-state-profile.pdf>

Reports generated by TEconomy Partners are normally issued every two years. The next report will be available in October 2024 and will reflect the 2023 data.

The TEconomy/BIO reports are generated for all 50 states and will allow for rankings, comparisons, and calculation of Economic Impact.

The following table includes the programmatic metrics based on OTEF/AZAdvances activities.

AZADVANCES PROGRAMS	2023
Funds from AHIT	\$ -
# Students Supported	65
# Scholarship Awards	6
Scholarship \$	\$ 3,500
# Internships	3
Internship Investment	\$ 15,000
Entrepreneurial Programs	1
Entrepreneurs Supported	\$ 22
Mission Related Investments	3
Mission Related Investment \$	\$ 75,000.00

Purpose of the Arizona Health Innovation Trust Fund

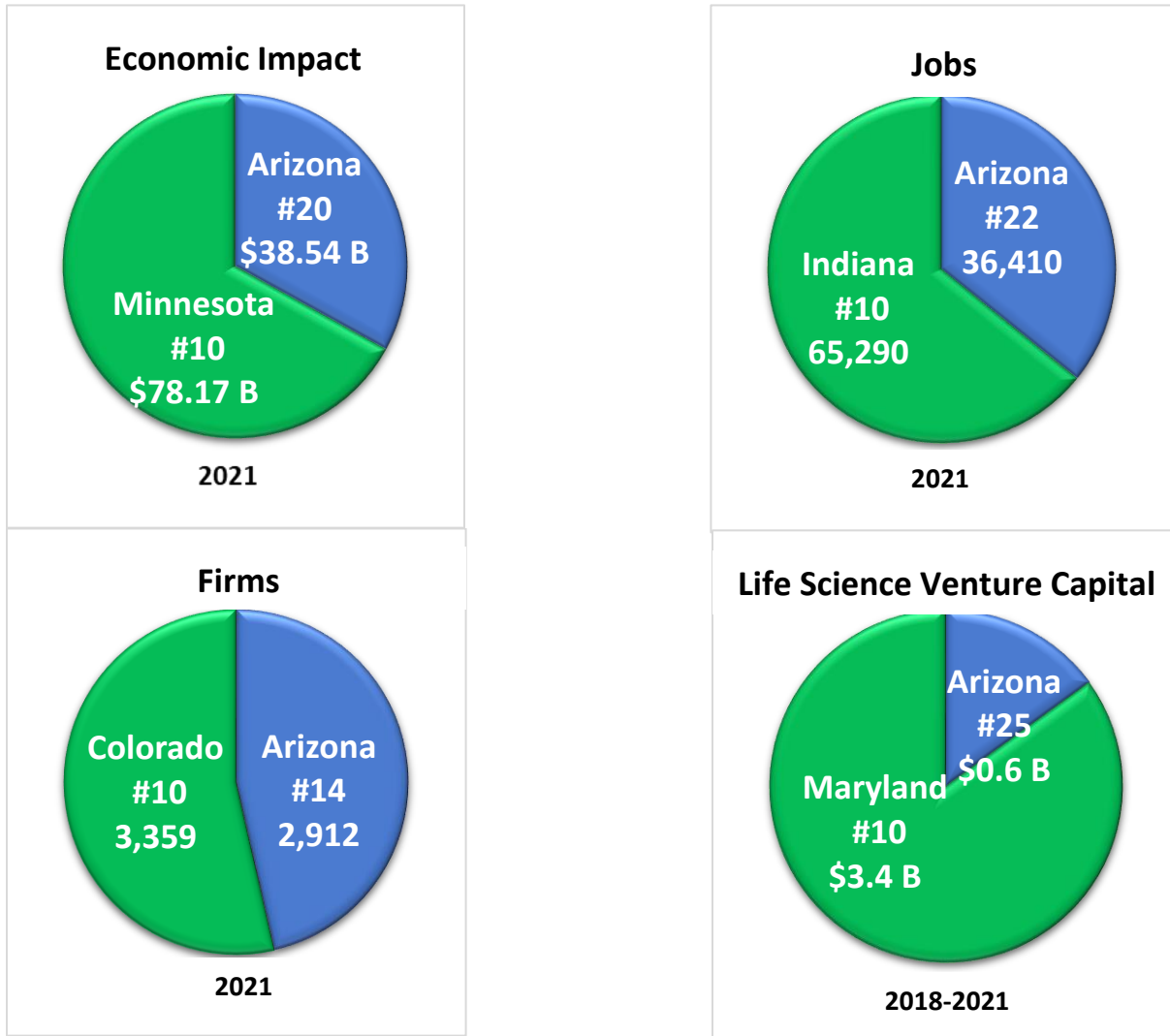
The purpose of AHIT is to accelerate the growth of Arizona’s health innovation sector.

The accompanying analysis provides perspective into the impact that AHIT can create relative to employment, income taxes, and overall economic impact when the sector reaches top-ten status.

Top Ten Life Science States in 2021

The images below show what Arizona and the top-ten life science states achieved in CY2021 as measured by key metrics of Economic Impact, Jobs, Firms, and Life Science Venture Capital.

These top-ten states are comparable by population to Arizona.

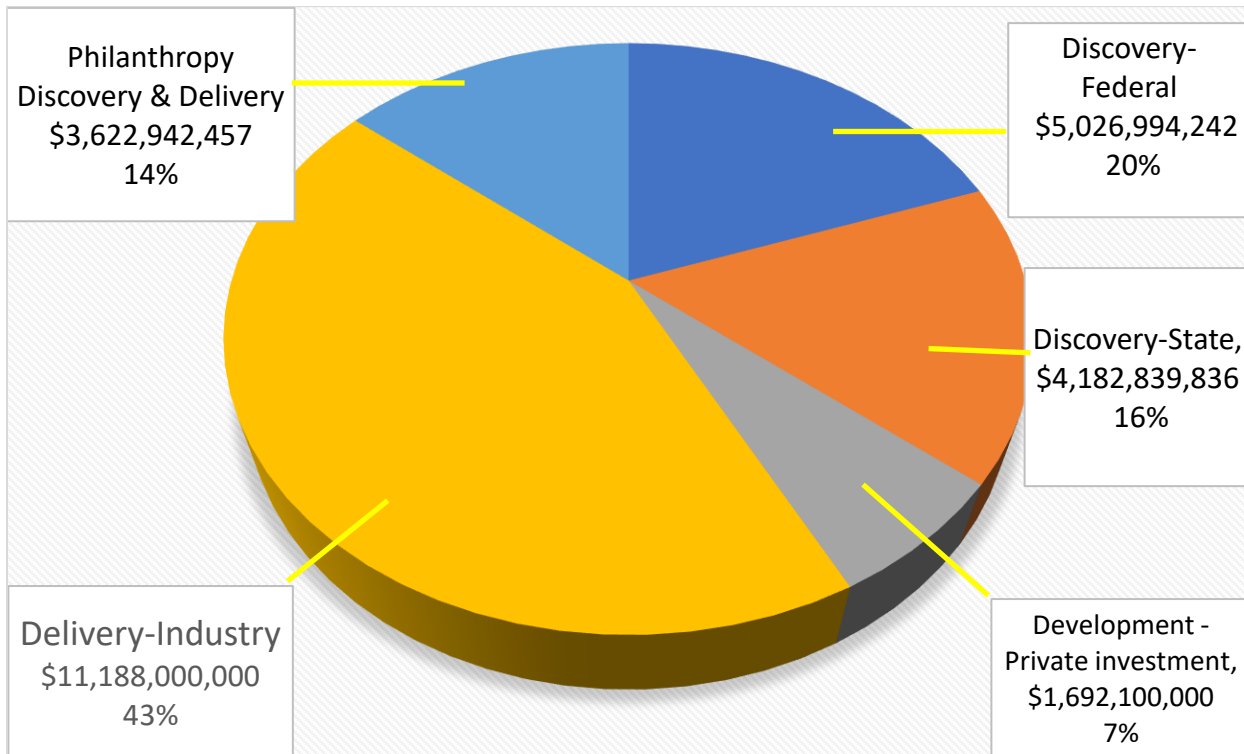


In 2021, the average annual wage for Arizona’s life science sector employees was \$99,585 as compared to Arizona’s private sector annual wage of \$61,693 ¹ The U.S. Bioscience Industry: Fostering Innovation and Driving America’s Economy Forward – Arizona Fact Sheet, TEconomy/Biotechnology Innovation Organization, <https://s11759.pcdn.co/wp-content/uploads/2022/10/AZ-BIO2022-state-profile.pdf>

Arizona’s growth across these key performance metrics is predicated on young Arizona life science businesses having access to the workforce, support infrastructure, and risk capital required to reach a maturity level where they can attract larger angel investments and then venture capital investments. This is what the Arizona Health Innovation Trust Fund was created to provide.

Past Investment Levels

Investments in building Arizona’s health innovation sector over the last 20 years exceed \$27 billion in Federal, State, Philanthropic, and Industry funding. The vast majority of these investments have supported the buildup of Arizona’s research enterprise (universities & institutes) as well as our health care delivery systems (hospital capacity and industrial infrastructure). Only 7% of these investments have gone to support the early-stage development process where discoveries begin the journey to become health innovations.



Sources: Arizona’s Bioscience Roadmap (Flinn Foundation); BIO/TEconomy Reporting; 990 Information Returns.

Most recently, in FY22 and FY23, the State of Arizona invested over \$350 million into its research enterprise through the Technology & Research Initiative Fund (TRIF) and Governor Ducey’s \$150 million allocation of Federal Funds to CAMI at the University of Arizona.

The economic analysis provided by Rounds Consulting Group for the University of Arizona related to the CAMI investment includes the following: “Based on the experiences of other regions that have invested in such an endeavor, the ongoing economic benefits from CAMI will be even more impressive. Once activity begins at the facility and in the broader community, an estimated 150-185 new businesses will either be started by entrepreneurs or will be based on new business expansion and location decisions within the first decade.”

The OTEF/AZAdvances programs, supported by our community and eventually by AHIT, are designed to help these new businesses grow.

Business Starts versus Business Growth

Business starts are simply the beginning of the development process. The impact created for the economy and for patients is dependent on these young companies being able to grow.

The Arizona Health Innovation Trust Fund is designed to be Arizona’s ongoing and continually growing development engine to drive business growth.

Arizona Health Innovation Trust Fund Timeline:



Based on data analysis of projected business starts and Arizona’s current collection of life science startup companies, Arizona needs approximately \$10 million each year to support its early-stage development activity.

The target for public and private funding into the corpus of the Arizona Health Innovation Trust Fund is **\$200 million**. Once this target level is reached and has matured, the annual 4% distribution from ASTO will yield \$8 million or more in distribution in the first year that ASTO makes its 4% distribution. This number will grow annually based on ASTO’s investment returns and provide ongoing support for Arizona’s growing health innovation sector.

Calculating the 4% Distribution

ASTO will begin its 4% distributions to OTEF, following a 60 month lock out period beginning on the date of the initial deposit into the endowment, this period is known as the 5-year lockout. During the 5-year lockout, no funds from the initial deposit or any subsequent deposits made during the 5-year lockout period, nor any investment earnings made on the deposits of the participant, will be available for distribution. This is to allow time for the funds to accumulate earnings and smooth out any market volatility.

Distributions will be set at 4% of the average market value of the Participants share in the fund for the previous 60 months as calculated on a calendar year basis ending December 31st. These distributions will be in monthly installments starting the next fiscal year that begins July 1st.

State Personal Income Tax Impacts

The following table summarizes the total economic impact in CY 2021 for Arizona as compared to the states ranking# 14 and #10 in Economic Impact (EI) as based on data reported by TEconomy Partners in its report [The US Bioscience Industry: Fostering Innovation and Driving America's Economy Forward](#). The report is based on TEconomy Partners data and analysis using U.S. IMPLAN Input-Output Model.

The Total U.S. Economic Impact for the Bioscience Industry (not including hospitals) was \$2.9 trillion. Each state’s share of Economic Impact is calculated by its percentage of Direct Labor Income as the relevant key driver. For Personal Income Tax comparison between states, Arizona’s 2.5% flat income tax rate was used.

Economic and Fiscal Impacts of the Health Innovation Workforce			
(Tax Revenue Calculated on Personal Income Tax only)			
Impact Type	AZ 2021	#14 State for EI 2021	#10 State for EI 2021
Economic Impact (EI)	\$38.54 Billion	\$56.98 Billion	\$78.17 Billion
Jobs	36,410	43,546	63,338
Direct Labor Income (Jobs x Avg Wage)	\$3,625,889,850	\$5,360,860,968	\$7,354,175.180
State Tax Revenues at 2.5% Personal income tax rate	\$90.65 Million	\$134.02 Million	\$183.85 Million
Increase in Personal Income Tax Revenue at 2.5% as compared to Arizona in 2021		\$43.37 Million	\$93.20 Million

State ranking in 2021: #20 – Arizona #14 – Washington #10 – Minnesota

Leaders across Arizona have provided significant financial support to establishing Arizona’s health innovation sector over the last two decades. As illustrated above, growing Arizona’s health innovation sector to a point of top-ten status can deliver significant economic benefits.

Improving health and quality of life for Arizonans

The Arizona Health Innovation Trust Fund is designed to support the workforce needs, to support small business starts and growth in the health innovation sector, and to provide the early development funding needed to advance health discoveries into the development process.

Cardiovascular disease is the leading cause of death both nationally, and in Arizona. The main components of cardiovascular disease are coronary heart disease, congestive heart failure, and stroke. In Arizona, heart disease and stroke claim the lives of more than 13,000 people each year. (Source: the Arizona Department of Health Services)

Cancer is the second leading cause of death in our state. According to the most recent data from the Arizona Cancer Registry and Office of Vital Statistics, over 150,000 Arizonans have received a cancer diagnosis since 2012. (Source: the Arizona Department of Health Services)

By 2050, the number of people aged 65 and older with Alzheimer’s or dementia is projected to reach 12.7 million. As of 2020, here in the Grand Canyon State, 150,000 individuals ages 65 and older were reported as having Alzheimer’s. Projections indicate that diagnoses will be upwards of 200,000 by 2025. (Source: 2022 report released by the Alzheimer’s Association)

Approximately 590,916 people in Arizona, or 10.7% of the adult population, have been diagnosed with diabetes. An additional 164,000 people in Arizona have diabetes but don’t know it, greatly increasing

their health risk. There are 1,893,000 people in Arizona, 34.5% of the adult population, who have prediabetes with blood glucose levels that are higher than normal but not yet high enough to be diagnosed as diabetes. Every year an estimated 49,345 people in Arizona are diagnosed with diabetes. (Source: American Diabetes Association)

The projected total cost of chronic disease from 2016-2030 in Arizona is \$1 trillion. In 2015, 4.2 million people in Arizona had at least 1 chronic disease, 1.6 million had 2 or more chronic diseases. Chronic disease could cost Arizona \$47 billion in medical costs and an extra \$18.6 billion annually in lost employee productivity (average per year 2016-2030). (Source: The Partnership to Fight Chronic Disease)

The chart below shows the leading causes of death for Arizonans in 2019 as reported the Arizona Department of Health Services.

Age-adjusted Mortality Rates^a for the Five Leading Causes of Death for Both Genders by Race/Ethnicity, Arizona, 2019

Rank	White non-Hispanic	Hispanic or Latino	Black or African American	American Indian or Alaska Native	Asian or Pacific Islander
1	Diseases of heart 140.4	Cancer 118.3	Diseases of heart 188.3	Diseases of heart 132.8	Cancer 98.4
2	Cancer 136.9	Diseases of heart 107.9	Cancer 173.5	Cancer 132.3	Diseases of heart 86.7
3	Unintentional injury 60.5	Unintentional injury 48.3	Unintentional injury 60.4	Unintentional injury 129.4	Cerebro-vascular diseases 23.2
4	Chronic lower respiratory diseases 43.7	Diabetes 34.6	Alzheimer's disease 44.8	Diabetes 91.4	Unintentional injury 22.9
5	Alzheimer's disease 33.6	Cerebro-vascular diseases 33.9	Diabetes 43.6	Chronic liver disease and cirrhosis 82.7	Diabetes 19.5

Note: ^a Number of deaths per 100,000 population age-adjusted to the 2000 U.S. standard.

Source: <https://pub.azdhs.gov/health-stats/report/ahs/ahs2019/pdf/text2b.pdf>

Arizona Health Innovators in our research institutes, universities, and small business enterprises are working diligently to discover new ways to diagnose and treat these conditions. Developing these discoveries into products and services that will make life better for people in Arizona today and in the future is why the Arizona Health Innovation Trust Fund was created.

It is also why it is so important to get the fund to its \$200 million target endowment as soon as possible.

Financial Statement Provided by ASTO

Appendix 1 contains the Financial Statement provided by ASTO as of November 30, 2023. As of that date, the initial investment of \$100,000 had grown to \$109,693.

Role of the ASTO

As set forth in the statute, the state treasurer shall administer the trust fund as trustee. The state treasurer shall accept, separately account for, and hold in trust any trust fund monies deposited pursuant to this section in the state treasury, which are considered to be trust monies as defined in section 35-310 and which may not be commingled with any other monies in the state treasury except for investment purposes. The state treasurer shall invest and divest, as provided by sections 35-313 and 35-314.03, any trust fund monies deposited in the state treasury, and monies earned from interest and investment income shall be credited to the trust fund.

The state treasurer also selects the 501c3 nonprofit entity responsible for delivering the programing and makes the annual 4% distributions as prescribed in the statute and the endowment agreement.

Role of the Opportunity Through Entrepreneurship Foundation

OTEF was selected by ASTO as the entity that:

- Provides entrepreneurial education, mentoring and support to persons in the health innovation and health care delivery sectors in this state.
- Provides workforce development programs designed to support the talent requirements of employers in the health innovation and health care delivery sectors in this state.
- Provides programs that support the development and commercialization of health innovation by businesses that are based in this state and that employ not more than one hundred employees.

The Opportunity Through Entrepreneurship Foundation (OTEF) was founded in Arizona in 2005 and was granted 501c3 status by the Internal Revenue service in 2006.

OTEF's obligation, to its donors, grantors, and to its exempt purpose a defined under section 501(c)(3) of the Internal Revenue Code, is that funds donated to support OTEF's exempt purpose or generated by OTEF activities and deposited into the trust will only be invested, distributed, and used consistent with its exempt purpose.

OTEF's exempt purpose is to develop, present, distribute and/or sponsor educational classes, programs and materials to the public in the area of business entrepreneurship, planning and management; to support and implement educational and/or operating programs designed to encourage students to explore careers in the areas of science, technology, engineering, and mathematics ("STEM Careers"); and to develop, implement, and operate programs designed to move health oriented scientific discoveries from concept to commercialization including; but not limited to mentoring and technical

support; mission related investments, grants, and other activities designed to promote advancements in health and stimulate economic development.

2023 Programs & Investments

In 2023, all OTEF programs and activities focused on our AZAdvances initiative and support of Arizona's Health Innovation Sector and specifically in the development of our future workforce and small life science companies.

Additional support was provided pro bono by the Arizona Bioindustry Association (AZBio) for staffing, fundraising, and administration.

AZAdvances Programs in 2023

Supporting Entrepreneurship

AZAdvances provided mentoring and technical support services to 22 Arizona based small businesses in the health innovation sector in 2023. AZAdvances received additional staff support on a pro bono basis from AZBio to support this effort.

The AZAdvances Health Innovation Showcase brought together over 200 investors and health innovators for a full day of educational keynotes and panel discussions. All sessions were recorded allowing health innovators from across the state to access the programs on-demand.

Developing Our Workforce

AZAdvances Talent™ is a statewide pilot program designed to develop the next generation of bioscience and healthcare leaders. AZAdvances received additional staff support on a pro bono basis from AZBio to support this effort. Funding support was provided by Barrow Neurological Institute, BIO, PhRMA, and Valley of the Sun United Way.

Educators in our high schools, community colleges and universities provide our students with the essential foundations that they will use in their future careers. Internships at life science and healthcare organizations provide a framework in the form of real-world experience. Students can apply what they have learned and explore how what they are learning leads to their future career paths and options.

AZAdvances Talent programs are designed to help talented Arizona Students explore and prepare for careers in the life science and healthcare sectors. The program has three components:

- **Connections** – 62 Arizona high school and university students participated in the Student Discovery Zone during Arizona Bioscience Week where they showcased their research projects to over 500 industry and business leaders.
- **Scholarships** – 6 students received scholarship awards based on the technical merit of their submissions participated in the Student Discovery Zone

- **Internships** - 3 students benefited from 3-month paid internship experiences with Arizona based small businesses that are developing health innovations. Interns were placed at Humabiologics (Phoenix), the HUG Clinic at Gateway Community College (Phoenix), and Reglagene (Tucson).

AZAdvances Talent programs provide added impact by making these opportunities equally available to all students and designing programs so that they are inclusive, accessible, and add value to student's learning experience.

Supporting the Development and Commercialization of Health Innovations

Mission related investments were made into three Arizona companies in 2023.

- **Anuncia Medical**, based in Scottsdale, Arizona, is a neurological device company solving the large unmet needs in cerebrospinal fluid (CSF) management and neurocritical care, through clinically validated, noninvasive, cost-effective, 'breakthrough' technologies that are designed to monitor and treat patients at home, or in-clinic. The company has now received FDA approval and is manufacturing its product in Arizona.
- **Aqualung Therapeutics Corporation**, based in Tucson, Arizona, and Jupiter Florida, is an early-stage biotech immunotherapeutics company which has developed an anti-inflammatory therapeutic platform for patients with life-threatening unchecked inflammation. Aqualung's science-driven approaches led to the identification of nicotinamide phosphoribosyltransferase (NAMPT) as a major contributor to the severity of potentially fatal inflammatory diseases.
- **Avery Therapeutics**, based in Tucson, Arizona, is a company dedicated to developing immunomodulatory biologic therapeutics to treat heart disease. The first product in their development pipeline is MyCardia, an adaptive biologic that promotes immunomodulatory repair, restoring cardiac function and improving quality of life.

AHIT Growth Opportunities

In addition to work being done by Arizona's elected leaders to provide additional state support for AHIT, OTEF is actively engaged in a fundraising campaign to provide both programmatic funding and to encourage private donations for AHIT.

Plans for 2024

- Continue fundraising activities.
- Funding for 3 student internships has been allocated for 2024.
- Continue entrepreneurial programs in partnership with AZBio.
- Additional mission-related investments based on funds available.

No funding from AHIT to OTEF is anticipated in 2024.

Appendix 1: Statement of Account (ASTO)

Office of the State Treasurer
1700 West Washington Street
Phoenix, AZ 85007

(602) 542-7800



Arizona Endowment Trust Statement of Account for the period ended November 30, 2023

Account Name: Arizona Health Innovation Trust Fund	Summary	Month	Fiscal YTD
Account Number: 3400000000			
	Beginning Value	\$ 102,310.77	\$ 108,874.90
	Change	7,382.12	817.99
	Ending Value	<u>\$ 109,692.89</u>	<u>\$ 109,692.89</u>

INVESTMENT PERFORMANCE (%)

	1-month	3-month	FYTD	ITD
Actual Return	7.08	(0.01)	0.60	9.59
Benchmark	7.09	(0.10)	0.53	9.31

Arizona Endowment Trust Statement of Account for the period ended November 30, 2023

Account Name: Arizona Health Innovation Trust Fund
Account Number: 3400000000

PORTFOLIO DETAILS

	Month	Fiscal YTD	Inception-to-date
Beginning Value	\$ 102,310.77	\$ 108,874.90	\$ -
Contributions	-	-	100,000.00
Distributions	-	-	-
Interest/Dividend Income	119.14	759.26	1,673.13
Other Income	-	-	23.17
Realized Gain/(Loss)	-	298.77	431.06
Unrealized Gain/(Loss)	7,262.98	(240.04)	7,565.53
Ending Value	<u>\$ 109,692.89</u>	<u>\$ 109,692.89</u>	<u>\$ 109,692.89</u>

Shares 8,603.87
Share Price \$ 12.7493

Appendix 2: A.R.S. 41-177. Arizona health innovation trust fund; purpose; annual report

A. The Arizona health innovation trust fund is established. The state treasurer shall administer the trust fund as trustee.

B. The trust fund is a permanent endowment fund that consists of monies appropriated by the legislature, earnings from the fund and gifts or grants donated or given to the fund.

C. Monies in the trust fund are continuously appropriated and are exempt from the provisions of section 35-190 relating to lapsing of appropriations.

D. The state treasurer shall accept, separately account for and hold in trust any trust fund monies deposited pursuant to this section in the state treasury, which are considered to be trust monies as defined in section 35-310 and which may not be commingled with any other monies in the state treasury except for investment purposes. The state treasurer shall invest and divest, as provided by sections 35-313 and 35-314.03, any trust fund monies deposited in the state treasury, and monies earned from interest and investment income shall be credited to the trust fund.

E. The state treasurer shall annually allocate four percent of the monies in the trust fund to an entity that satisfies all of the following requirements:

1. Is a charitable organization that is qualified under section 501(c)(3) of the United States internal revenue code for federal income tax purposes.
2. Provides entrepreneurial education, mentoring and support to persons in the health innovation and health care delivery sectors in this state.
3. Provides workforce development programs designed to support the talent requirements of employers in the health innovation and health care delivery sectors in this state.
4. Provides programs that support the development and commercialization of health innovation by businesses that are based in this state and that employ not more than one hundred employees.
5. Has entered into an endowment agreement with the state treasurer that includes investment procedures, maturity timelines and other requirements established by the state treasurer and entity reporting requirements, which must include how distributions from the trust fund are used and the social and economic impact of the use.

F. On or before December 31 of each year, the entity shall submit the report as prescribed by the treasurer to the governor, the president of the senate, the speaker of the house of representatives and the state treasurer and shall provide a copy of this report to the secretary of state.