



# Innovation: A State-Level Legislative Analysis

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## Overview

The concept of innovation has become increasingly popular in both state and national level public policy discussions. Policy makers across America generally agree that innovation is intrinsically beneficial. Moreover, many states aspire to avoid the challenging problem that unfolds when innovation is not properly supported, that is “that many ideas which innovators produce waste away in the dark recesses of bureaucracy.”<sup>1</sup> Another difficult task, however, lies in

### defining the term *innovation*.

Briefly

defined, innovation is a noun referring to “the act of introducing something new.”<sup>2</sup> Others depict innovation as “putting ideas to work”<sup>3</sup> In a policy context, innovation may characterize “the process that translates knowledge into economic growth and social well-being” through a consideration of scientific, technological, organizational, financial, and commercial activities.<sup>4</sup>

Innovation may require both radical and incremental changes. In addition it may encompass both temporary and permanent courses of action. Depending upon the innovator’s objectives, the term innovation can represent an array of options. None of these concepts are mutually exclusive, yet it is important for policy makers to first, know what definition is being used, and second, agree about the nature of the definition.

In an effort to clarify its meaning in a public policy setting, this bulletin surveys state-level legislation regarding innovation in the 2007-2008 legislative session. To illustrate, the 110<sup>th</sup> Congress has 495 pieces of legislation in the current session that contain the keyword *innovation*.<sup>5</sup> Such information should serve as an indicator of the existence of policy dialogue around the topic of innovation. Survey results are displayed in *Table 1*.

## Major Findings

Aggregate data indicates that states are promoting innovation in a variety of areas. A key finding, however, is that states tend to focus their innovation legislation in one of three innovation areas: **funding, economic development, and educational initiatives.**

## Highlights:

- ❑ Innovation can be defined as “the process that translates knowledge into economic growth and social well-being”<sup>1</sup>
- ❑ The 110<sup>th</sup> Congress has 495 pieces of legislation that contain the keyword *innovation*.<sup>2</sup>
- ❑ State legislation proposed from 2007-2008 focused on fostering innovation through funding, economic development, and education initiatives.<sup>3</sup>

<sup>1</sup> Australian Research Council

<sup>2</sup> THOMAS, Library of Congress

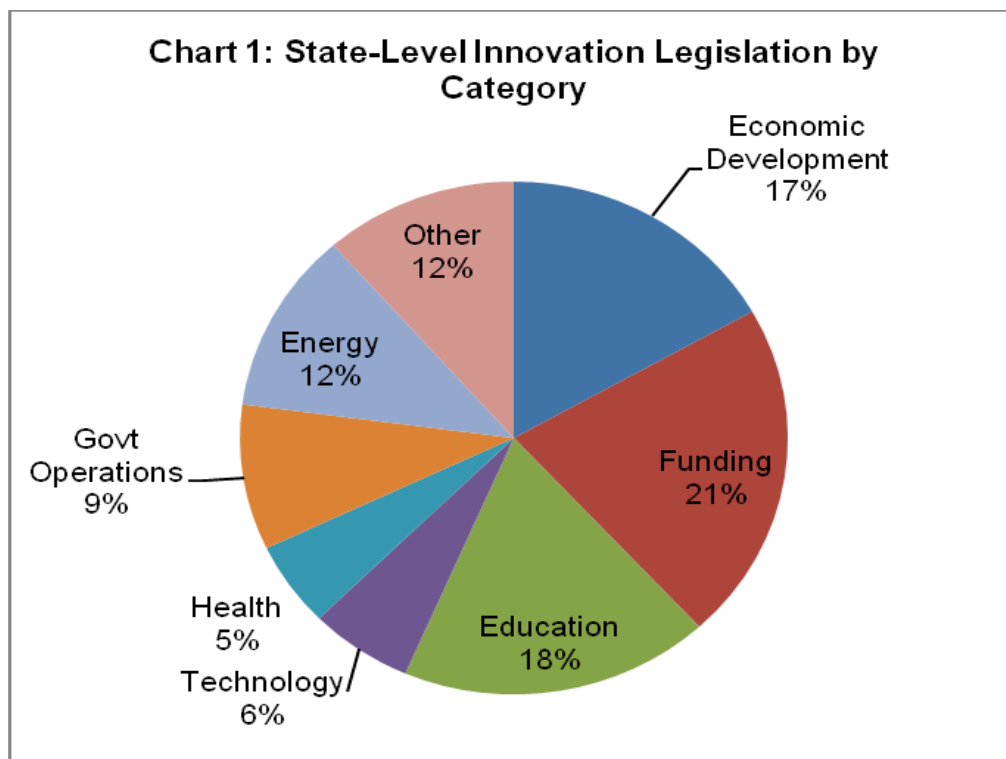
<sup>3</sup> OPAR Survey of Innovation Legislation

**Table 1: Innovation Legislation from 2007-2008**

	Introduced	Passed
AZ	1	0
CA	14	7
CO	3	2
CT	1	0
FL	10	2
GA	1	0
HI	27	0
IA	10	2
IL	2	1
KS	1	0
KY	1	1
LA	1	1
MD	2	0
MN	6	1
MS	1	0
NE	2	1
NJ	1	0
NY	6	1
OH	7	4
OK	4	0
OR	7	3
PA	3	0
RI	1	0
SC	5	1
TX	3	1
VA	1	0
VT	3	2
WA	3	2
WI	1	0
WV	2	1
WY	1	0
<b>TOTAL</b>	<b>131</b>	<b>33</b>

The following trends appeared after analyzing comprehensive data collected from individual state legislative websites:

- ❑ Thirty-one states have legislation related to innovation.
- ❑ Among the thirty-one states with innovation legislation, 131 bills relating to innovation were introduced in the 2007-2008 session.
- ❑ Of the 131 innovation bills introduced, 33 bills, or 25%, passed into law.
- ❑ The top three innovation areas account for 74 of 131 bills. With respect to each innovation area, there are 28 bills relating to funding, 24 bills relating to education, and 22 bills relating to economic development initiatives.
- ❑ The states proposing the largest amount of legislation related to innovation are: Hawaii (27 bills), California (14 bills), Florida (10 bills), and Iowa (10 bills).



## What is Georgia Doing?

On February 5<sup>th</sup>, 2008, the General Assembly of Georgia introduced a bill containing many provisions for Georgia's role in developing statewide innovation. The bill, HB 1095, is to be entitled the "Georgia Innovation Center Act."<sup>6</sup> Among other things, the Act calls for the establishment of the "**Georgia Innovation Center,**" an entity designed to encourage innovation through managing the "Georgia Venture Capital Fund" as well as other operations.<sup>7</sup>

Within the text of HB 1095, the General Assembly recognizes that "legislation is needed to help make Georgia a national leader in the area of science innovation and a desirable location for innovative educational and business entities to locate and grow."<sup>8</sup> Georgia currently lacks a center designated for the specific purpose of coordinating venture capital investment with scientific research, development, and commercialization.<sup>9</sup> The Georgia Innovation

Center will diversify the state economy through job growth and new businesses, and new investments in research and development will encourage scientific discoveries with the potential to promote “the health and welfare of Georgia’s citizens.”<sup>10</sup>

## Methodology

The research for this bulletin was conducted from September 26 through November 2, 2008. This brief was prepared for the purpose of the 2008 Legislative Roundtable.

Research was conducted by searching the websites of state legislatures and government agencies. Raw data was collected by systematically searching the legislation available on state legislature websites for the keyword *innovation*. Relevant legislation within a particular innovation area was included if the keyword *innovation* could be located within the bill’s title or text. Also, the keyword *innovation* must occur at least twice in the bill text to be included in the dataset. Only House and Senate bills were considered. Other legislative documents, such as committee reports and resolutions, were omitted.

Many bills could have been placed in one or more categories (economic development, education or energy). However, doing so would inflate the actual amount of legislation under consideration. Therefore, the researcher chose the most relevant category. Three states could not be searched due to technical errors on the state legislative website: Maine, Montana and New Mexico. This study did not capture activities in other states similar to those discussed in “*What is Georgia Doing?*”

## Endnotes

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<sup>1</sup> Brain Drain. *Harvard Business Review* [serial online]. August 2002;80(8):72-73. Available from: Business Source Complete, Ipswich, MA. Accessed October 9, 2008.

<sup>2</sup> “Innovation.” *The American Heritage® Dictionary of the English Language*, 4th ed. Boston: Houghton Mifflin, 2000. <<http://www.bartleby.com/61/>>. 9 Nov 2008.

<sup>3</sup> Levitt, T. (2002, August). Creativity Is Not Enough. *Harvard Business Review*, 80(8), 137-145. Retrieved October 9, 2008, from Business Source Complete database.

<sup>4</sup> “Innovation.” *Glossary of terms*. Australian Research Council. 9 Oct. 2008 <<http://www.arc.gov.au/general/glossary.htm>>.

<sup>5</sup> “Innovation.” *Thomas*. Library of Congress. 30 Sept. 2008 <<http://thomas.loc.gov/>>.

<sup>6</sup> The Georgia Innovation Center Act, H.B. 1095, 149<sup>th</sup> General Assembly of the State of Georgia (2008) (unenacted).

<sup>7</sup> Ibid

<sup>8</sup> The Georgia Innovation Center Act, H.B. 1095, 149<sup>th</sup> General Assembly of the State of Georgia, Section 1 (2008) (unenacted).

<sup>9</sup> Ibid

<sup>10</sup> Ibid

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