



CURRENT ENVIRONMENT

- North Carolina is rapidly transitioning from an agricultural and traditional manufacturing economy to a knowledge- and innovation-based economy fueled by science & technology
- While the state’s economy has made tremendous progress, the per-capita income of its citizens is still below the U.S. average
- The levels of economic development and income vary considerably across the state, with most counties ranking well below average and only a small minority of counties ranking above average
- North Carolina can do more to increase and broaden the participation of its citizens in the New Economy
- Only through such steps will the state’s overall standard of living increase meaningfully

OSTI MISSION & ROLES

- The NC Department of Commerce’s Office of Science, Technology & Innovation (OSTI) plays a leading role in positioning North Carolina to compete in the New Economy
- ***OSTI’s mission is to improve the economic well-being and quality of life of all North Carolinians through advancing science, technology, and innovation***
- OSTI executes the statutorily defined powers and duties of the NC Board of Science, Technology & Innovation and the Department of Commerce’s economic development efforts, particularly those focused on small, high-tech, entrepreneurial, and innovative businesses; **it is the only office in the state that does so**
- Operationally, OSTI’s powers and duties fall into two broad categories—**strategic and tactical:**

ROLE	EXAMPLE
STRATEGIC	
• Evaluator & Advisor	Creating/using NC innovation indexes to evaluate and inform policy and programs
• Champion & Communicator	Leading/distributing NC technology roadmaps to chart the course for NC’s economic future
TACTICAL	
• Funder & Implementer	Developing/administering NC technology commercialization grant programs
• Convener & Facilitator	Organizing/leading NC technology conferences & workshops to catalyze businesses
• Recruiter & Retainer	Attracting/keeping high-tech, high-growth, entrepreneurial businesses to/in NC

OSTI STRUCTURE & BUDGET

3 Paid Staff:

- Executive Director
- Assistant Director
- Executive Assistant
- +
- Volunteer research associates & interns and In-kind support from Commerce colleagues

Annual Budget:

- \$332,505 (93% covers personnel)
- \$1MM-\$5MM (Grant programs funded through other budget lines)

OSTI PROGRAM PERFORMANCE

OSTI's accomplishments are long-lasting, significant and numerous:

1980s

- Directly responsible, through its board, for proposing for the NC School of Science and Mathematics, NC Biotechnology Center, First Flight Venture Center, and MCNC
- These organizations are the envy of—and are being emulated by—other states and nations

1990s

- Implemented several well-known strategic initiatives and benchmarking efforts, including NC Information Highway, Universal Service, NC Science & Mathematics Alliance, and *Vision 2030*
- These efforts supported and reinforced the infrastructure established during the previous decade

2000-Present

- Researching, analyzing, and preparing NC Innovation Indexes; leading and executing *NC's Nanotechnology Roadmap*, and developing and administering grant programs that help small, entrepreneurial businesses develop and commercialize technologies
- These programs have been responsible for:
 - Helping over 240 small businesses in 45 cities & 25 counties **create & sell high-tech products**
 - Creating or retaining **nearly 600 high-wage** private sector jobs
 - Enabling **technology/business partnerships among NC universities & businesses**
 - Enabling **85% of the businesses to remain operational in the state**
 - Helping businesses generate a **9-to-1 return on the state investment (ROI)** through attracting external private-sector investment

These impacts will increase as the small businesses grow, increasing sales and employees