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:

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