



Ways and Means Committee Budget Hearing
Economic Development and Natural Resources Subcommittee
January 22, 2025

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1- List of Key Officials

Bob Quinn President & CEO (**Key Point of Contact**)
bob.quinn@scra.org/ 843-327-4753

Nadim Aziz Director, EPSCoR
nadim.aziz@scra.org/803-766-8757

Matt Bell Executive Director, SC Launch, Inc.
matt.bell@scra.org/864-504-2444

Russell Cook Chief Program Officer/Director, Academic Innovations
russell.cook@scra.org/803-730-7201

Randy Cutts Director, Facilities
randy.cutts@scra.org/843-412-5110

Adrienne Grimes Director, Marketing and Communications
adrienne.grimes@scra.org/ 843-277-7295

Catherine Hayes Director, Industry Solutions
catherine.hayes@scra.org/ 843-709-2553

Yolanda Lewis Director, Human Resources
yolanda.lewis@scra.org/803-335-7765

Lee MacIlwinen Director, SC Launch
lee.macllwinen@scra.org/803-622-5317

Laura Terry Senior Director, Finance and Administration
laura.terry@scra.org/803-683-3458

Fueling the Innovation Economy of South Carolina

Chartered in 1983, South Carolina Research Authority fuels South Carolina's innovation economy by accelerating technology-enabled growth of academia, entrepreneurship, and industry.

ACADEMIA: Academic Innovations

Accelerates academic research and its commercialization through grant funding and coordination of resources to ensure developments meet the needs of South Carolina's industry.

ENTREPRENEURS: SC Launch

Supports entrepreneurs and technology startups that are on a strong growth track through grant funding, coaching, and investing via SCRA's investment affiliate, SC Launch, Inc.

FACILITIES: Facilities

Provides lab and administrative space for technology startups and academic institutions.

INDUSTRY: Industry Solutions

Connects industry to entrepreneurs and innovators through matchmaking opportunities that promote growth and funds relocation costs for technology-based companies moving to South Carolina.

SUCCESS STORY:**SCRA Awards Almost \$4 Million to SC Colleges and Universities**

Photo Credit: Coastal Carolina University

\$1.33B

Annual Economic Impact of
SCRA on South Carolina

6,624

South Carolina-based Jobs
Supported by SCRA

1.4M ft²

Total Research, Lab,
Collaboration, and Office Space
Owned and/or Managed By
SCRA

\$92K

Average Annual Salary of SCRA
Member and SC Launch, Inc.
Portfolio Companies (59%
Higher Than the Statewide
Average)

>\$2.9B

Follow-on Capital Secured by
SCRA Member Companies and
SC Launch, Inc. Portfolio
Companies

SUCCESS STORY CONTINUED

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The start of the new three-year SCRA-Academia Collaboration Team (SACT) grant cycle in 2024 was a significant success. SACT grants provide financial support to develop commercially relevant technology from the state's colleges and universities. Such outcomes generate tangible solutions that have the potential to create lasting economic and societal benefits, including life-saving innovations in cancer vaccines and new ways to treat neurodegenerative diseases.

The Academic Innovations Program awarded \$3,860,000 to Clemson University, Coastal Carolina University, the College of Charleston (CofC), the Medical University of South Carolina (MUSC), and the University of South Carolina (USC).

Grantees for Track One: Lab to Market will bring academic-owned technologies to the market.

- Clemson is developing a highly compacted hydrogen fuel cell prototype that is longer-lasting and more energy-efficient.
- MUSC is bringing three important innovations into the marketplace: a cancer vaccine, an antibiotic-eluding implant device, and a burn-wound gel.
- USC is developing better ways to treat neurodegenerative diseases.

Grantees for Track Two: Capacity Building will expand the institution's ability to advance innovation.

- Coastal Carolina will be expanding its processes to conduct research and development in biomedicine and kinesiology.
- CofC will be expanding its collaboration with interdisciplinary teams and industry partners to conduct research and development in engineering solutions for global logistics.

In FY 2024, SCRA:

- Contributed \$1.33 billion to the state's economy.
- Supported 6,624 South Carolina-based jobs. The average annual salary of those employed by our Member and Portfolio Companies was almost \$92,000, 59% higher than the statewide average.
- Funded Member and Portfolio Companies and academic institutions a total of almost \$ 5.5 million.
- Owned and/or managed almost 1.4 million square feet of laboratory, office, and collaboration space.
- Enabled over \$2.9 billion in follow-on funding for Member and Portfolio Companies that received grants and/or investments since the inception of SC Launch, Inc. and the SC Launch Program in 2006.

Also, in FY 2024, SCRA implemented the second year of its FY23-25 Strategic Plan. Here are highlights from the financial, customer, internal, and employee perspectives:

- **Financial:** Surpassing the goal of raising \$9 million for the Industry Partnership Fund, a tax credit program that helps fund SCRA and SC Launch, Inc. programs and services.
- **Customer:** Surpassing the customer service satisfaction goal of reaching a net promoter score of 45 with a score of 77. A score above 20 is considered good, and above 50 is considered excellent.
- **Internal:** Surpassing the goal of 12 business days to fund a grant with an average of only nine business days.
- **Employee:** Being named one of South Carolina's Best Places to Work for the 14th consecutive year and placing eighth in the smaller business category.

Other 2024 highlights include:

- Being named a strategic partner by the South Carolina Department of Commerce for the federally funded SC Nexus Tech Hub initiative and leading its Entrepreneurship and Innovation Exchange (eiX) project.
- Partnering with the University of North Carolina Charlotte, Clemson University, and others on the National Science Foundation-funded CLEANcarolinas initiative, which is growing an advanced energy innovation ecosystem in South Carolina and North Carolina.
- Onboarding six new program staff members, four in the SC Launch Program and two in the Industry Solutions Program.
- Hosting the most well-attended SCRA Annual Summit to date, with a new session called the Backstage Pass that demonstrated how startups are accepted as Member Companies and awarded grant funding.

3- Budget Request Summary

N/A

4-Proviso Request Summary

N/A

5-Financial Update

(Budget vs. Actual for current YTD and one prior fiscal year, and current carry forward balance)

Budget vs. Actual Report by Funding Source

State & State Incentivized Sources (\$M)

	FY 2024P	FY 2024	FY 2025P	FY 2025 YTD ⁽¹⁾
State Contribution	\$ -	\$ -	\$ -	\$ -
Contributed Land Sales	-	-	-	-
Industry Partnership Fund (IPF) Contributions	9.0	9.2	9.4	6.4
Subtotal State & State-Incentivized Sources	\$ 9.0	\$ 9.2	\$ 9.4	\$ 6.4

Private & Other Non-State Sources (\$M)

	FY 2024P	FY 2024	FY 2025P	FY 2025 YTD ⁽¹⁾
Private Charitable Contributions	\$ -	\$ -	\$ -	\$ -
Innovation Center Lease Revenues	5.6	5.5	6.1	2.8
Contract Revenues	0.8	1.2	1.2	0.4
Investment Income	1.0	1.8	0.9	1.3
Funds from (to) Reserves	0.4	(0.7)	0.3	(4.2)
Subtotal Private Sources Investments & Initiatives	7.8	7.8	8.5	0.3
Total All Sources	\$ 16.8	\$ 17.0	\$ 17.9	\$ 6.7

Uses: Expenditures (\$M)

	FY 2024P	FY 2024	FY 2025P	FY 2025 YTD ⁽¹⁾
Salaries and Benefits	6.1	6.0	6.7	3.0
Facilities Expense	5.5	5.3	5.3	1.5
Grants to Startups and Academic Institutions	3.4	3.3	3.5	0.7
Information Technology, Legal, Accounting, Professional Fees	0.9	1.5	1.5	0.9
Other Program Expenditures	0.7	0.7	0.9	0.6
Contributions to SC Launch, Inc.	0.2	0.2	-	-
Total Uses	\$ 16.8	\$ 17.0	\$ 17.9	\$ 6.7

⁽¹⁾ Forecast for 6 month period ended December 31, 2024

6-FTE Information

<u>35</u>	Full-time Employees
<u>2</u>	Vacancies