



Ways and Means Committee Budget Hearing
Economic Development and Natural Resources Subcommittee
January 12, 2021

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1 - Key Officials/Executive Management Team

Bob Quinn	Executive Director (<i>Key Point of Contact</i>) bob.quinn@scra.org /843-760-3262
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Fueling the Innovation Economy of South Carolina

Chartered in 1983 by the State of South Carolina, South Carolina Research Authority (SCRA) fuels South Carolina’s innovation economy by accelerating technology-enabled growth in research, academia, entrepreneurship, and industry.

ACADEMIA: SC Academic Innovations provides funding and support to advance multi-institutional, translational research and accelerate the growth of university-based startups.

ENTREPRENEURS: SC Launch mentors and funds technology-based startups that may also receive investments from SCRA’s investment affiliate, SC Launch, Inc. The program is open to qualified South Carolina companies in the Advanced Materials/Manufacturing, Information Technology and Life Sciences sectors.

FACILITIES: SC Facilities offers high-quality laboratory and administrative workspaces for technology-based startups and academic institutions to advance technology, as well as to grow and attract companies to South Carolina.

INDUSTRY: SC Industry Solutions facilitates and funds partnerships between and among startups, industry, and academia to identify potential solutions and form relationships.

SUCCESS STORY:



Columbia, SC
ZVerse

ZVerse, a Columbia-based digital manufacturing software company, is a Portfolio Company of SCRA’s investment affiliate, SC Launch, Inc. Like many companies, ZVerse initially became concerned they would need to lay off staff due to the pandemic. Instead, they made a bold step and pivoted their operations to begin using their CAD digital platform to produce reusable face shields. However, ZVerse soon became overwhelmed by the tremendous demand. SCRA’s SC Industry Solutions (SCIS) team quickly identified an existing inventory of polycarbonate sheets at Blue Ridge Thermoforming in Greenville, sufficient to produce about 40,000 test visors. They also contacted Zentura in Boiling Springs, which designs and produces an H-shaped die cutting tool that eliminated the concern of hole punches contaminating a surgical unit. Zentura also identified a company to custom make polycarbonate sheets, produced visor tooling in just three days, and delivered the first 1,000 visors within two weeks.

This rapid response by SCIS team and their partners resulted in the delivery of millions of visors and helped ZVerse quickly respond to the needs of healthcare professionals, first responders, and others while substantially growing the size of their staff. **ZVerse is now the largest supplier of reusable face shields in the nation.**

\$952,416,953

Annual Economic Impact of SCRA on South Carolina

5,251

South Carolina-based Jobs Supported by SCRA

>1.3 million ft²

Total Research, Lab, Collaboration, and Office Space Managed By SCRA

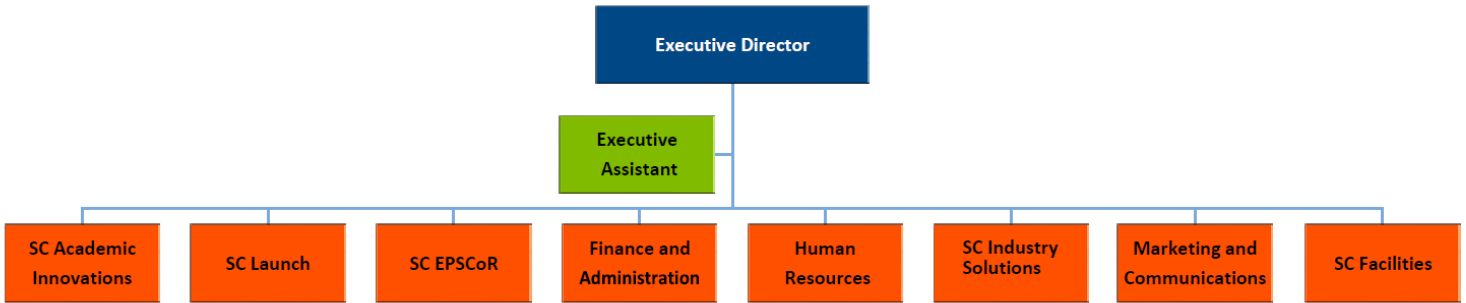
\$74,196

Average Salary of Jobs Created by SC Launch Companies

\$1,471,441,206

Follow-on Capital Secured by SC Launch Member Companies

ORGANIZATIONAL CHART Direct Reports



FTE Breakdown

<u>33</u>	Full-time Employees
<u>2</u>	Vacancies
<u>4</u>	Part-time Employees
<u>0</u>	Interns

4-Performance Update - Executive Summary

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SCRA and its partner entrepreneurs, industries, academic institutions, economic development organizations, and many others continued to fulfill the mission of fueling South Carolina's innovation economy, as well as responding to the global pandemic. SCRA provided an additional \$1.25 million in funding to help our companies produce solutions to fight the pandemic and to shore up some of our companies that were negatively impacted by the economic downturn.

SCRA continues to implement and operate within its FY2020-2022 Strategic Plan, which outlines high-level strategies for continued, long-term sustainability and impact for SCRA activities:

- Continue to build on the success of the SCRA-Academia Strategic Collaboration to stimulate additional economic growth in cooperation with Clemson University, Medical University of South Carolina, University of South Carolina, and other South Carolina comprehensive universities and technical colleges
- Increase access to capital for South Carolina companies
- Expand the recruitment, growth, and retention of technology-based companies
- Optimize mission-driven revenue to ensure the sustainability of resources and services
- Cultivate legislative support to advance strategic priorities
- Drive operational excellence

The Strategic Plan and the SCRA Growth Strategy are designed to guide and highlight support for each stage in business development from academic research to commercialization, from entrepreneurship to startup, and from startup to successful exit, all while also addressing the needs of our industry partners. SCRA's state-of-the-art facilities provide the infrastructure and support to heighten the possibility of success during each of these stages.

Other highlights of the past year include:

- Our annual impact on the state's economy was \$952.4 million in 2020.
- Acquisition of SC Launch, Inc., Portfolio Company, EnviroMix, by GEF Capital Partners, a private, global equity fund making investments in companies that promote resource efficiency and sustainability.
- Completion of SCRA's 20,000 square feet of laboratory and office space in the new 22 WestEdge facility and the occupancy of that space by Vikor Scientific.
- Successful launch of the South Carolina Business Incubator Association, which brings together the state's dozens of incubators to create an ecosystem that captures innovation from across the state and drives economic prosperity.
- Multiple success stories resulting from our COVID-19 Program such as Precision Genetics' rapid pivoting to provide COVID-19 testing within a matter of weeks and which now provides such services for major medical centers and others throughout the state and beyond.

SCRA's successes are a result of the strong partnerships with others who share SCRA's vision of South Carolina becoming a top innovation destination.

South Carolina Research Authority
5-Financial Update
Budget vs. Actual Report by Funding Source

State & State Incentivized Sources (\$M)				
	FY 2020 P	FY 2020	FY 2021P	FY 2021 YTD ⁽¹⁾
State Contribution	\$ -	\$ -	\$ -	\$ -
Contributed Land Sales	-	-	-	-
IPF Contributions	7.0	2.9	5.0	2.0
Subtotal State & State-incentivized Sources	\$ 7.0	\$ 2.9	\$ 5.0	\$ 2.0
Private & Other Non-State Sources (\$M)				
	FY 2020 P	FY 2020	FY 2021P	FY 2021 YTD ⁽¹⁾
Private Contributions	\$ -	\$ -	\$ -	\$ -
Investments: Return of Principal and Gains	4.0	4.0	7.0	-
Interest & Other	1.0	1.1	0.7	0.4
Debt Financing	-	-	-	-
Lease Revenues	3.8	3.6	4.6	2.8
Cashflow for Innovation Center Operations	0.4	0.4	0.4	0.2
Funds from (to) Reserves	2.9	4.7	(3.0)	0.8
Subtotal Private Sources Investments & Initiatives	12.1	13.8	9.7	4.2
Total Investment & Initiative Sources	19.1	16.7	14.7	6.2
Sources of Other In-State Expenditures: Contract Revenues	0.6	0.5	0.5	0.3
Total All Sources	\$ 19.7	\$ 17.2	\$ 15.2	\$ 6.5
Uses : In-State Expenditures (\$M)				
	FY 2020 P	FY 2020	FY 2021P	FY 2021 YTD ⁽¹⁾
Facilities Investment (including financing cost)	\$ 4.5	\$ 3.9	\$ 0.6	\$ 0.8
Direct Company Investment	2.1	2.1	1.9	1.0
Non-Return Based Investments	2.1	1.8	1.4	0.3
Innovation Center Operating Subsidies	0.6	0.6	0.6	0.3
Facilities Operating Expenses (excluding depreciation & interest)	1.5	1.5	1.8	0.7
Principal Payments on Debt	0.9	0.9	0.9	0.5
Industry Partners Amendment Services	1.2	1.2	1.2	0.6
University Research Funding	1.6	0.6	1.6	-
Research Parks Operating Subsidies	0.0	0.0	0.0	0.0
Subtotal Investments & Initiatives	14.5	12.6	10.0	4.2
Other: In-State Payroll	5.2	4.6	5.2	2.3
Other: In-State Contract Expenditures	-	-	-	-
Total In-State Uses	\$ 19.7	\$ 17.2	\$ 15.2	\$ 6.5
⁽¹⁾ The 6 month period ended December 31, 2020				

6 – Prioritized Summary of Budget Requests

N/A

7 – Proviso Request Summary

N/A