



Ways and Means Committee Budget Hearing
Economic Development and Natural Resources Subcommittee
January 22, 2020

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1 - Key Officials/Executive Management Team

Bob Quinn	Executive Director (Key Point of Contact) bob.quinn@scra.org /843-760-3262
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Christine Dixon Thiesing	Director, SC Academic Innovations christine.thiesing@scra.org /843-789-5302
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John Sircy	Director, Finance and Administration john.sircy@scra.org /803-733-9069
Jill Sorensen	Director, SC Launch jill.sorensen@scra.org /843-760-3331
Vacant	Director, Marketing and Communications

Fueling the Innovation Economy of South Carolina

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

ACADEMIA: SC Academic Innovations

SCRA works with the state's academic institutions to create the framework for technology-based economic development. Through collaborations, SCRA is supporting research funding via multi-institutional grants, academic startups, capital investments and public-private partnerships.

ENTREPRENEURS: SC Launch

Early-stage companies are provided mentoring and grants and may be eligible for investments from SC Launch, Inc., through SCRA’s SC Launch Program. The program is open to qualified South Carolina companies in the Advanced Materials/ Manufacturing, Information Technology and Life Sciences sectors.

FACILITIES: SC Facilities

SCRA’s Innovation Centers offer state-of-the-art facilities for emerging companies and academic institutions. They provide wet labs, research facilities and collaboration spaces essential to advance technology, as well as to grow and attract companies to South Carolina.

INDUSTRY: SC Ventures

SCRA engages with industry leaders to understand their needs that can be addressed by technology-based solutions. Through a network of innovators and researchers in South Carolina’s entrepreneurial and academic communities, SC Ventures’ team identifies potential solutions and facilitates relationships.

SUCCESS STORY:



Charleston, SC
Engage Talent

ENGAGE Talent offers the first Total Talent Intelligence™ platform that accurately assesses the impact of people on business performance. ENGAGE combines AI predictive models with data from 40,000 external sources to deliver the most holistic and validated talent intelligence

worldwide. Market-leading companies depend on ENGAGE to improve talent acquisition, candidate engagement, competitive intelligence and labor market analytics.

In the last four years, the company has received two investments totaling just over \$287,000 from SC Launch, Inc. This year, ENGAGE was recognized as the “Most Interesting AI Company in HR Technology” by HR Examiner. In October 2019, ENGAGE was acquired by Workforce Logiq, a global provider of workforce management software and services to large corporations. This acquisition will equip Workforce Logiq customers with proprietary benchmarks in real-time intelligence to more quickly and affordably find, engage, hire and retain top candidates. ENGAGE will continue to operate out of Charleston, SC.

\$694,383,897

Annual Economic Impact of SCRA on South Carolina

4,141

South Carolina-based Jobs Supported by SCRA

1,327,250 ft²

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

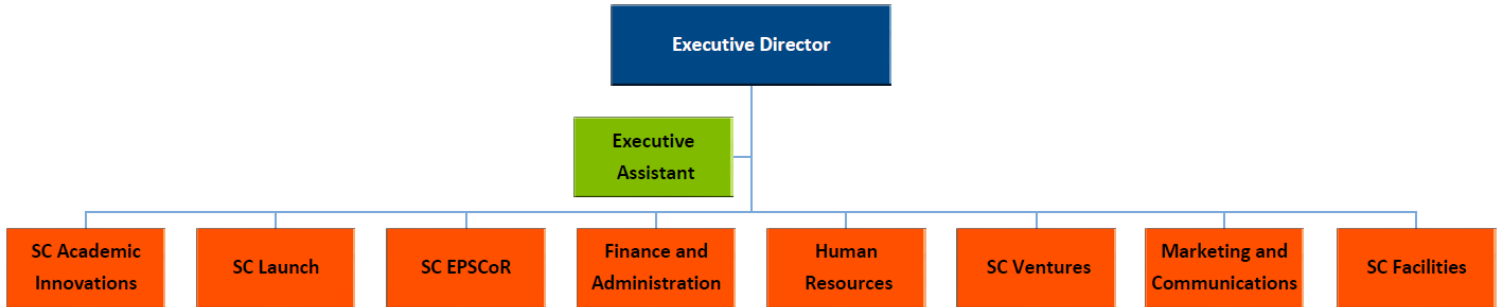
\$71,413

Average Salary of Jobs Created by SC Launch Companies

\$1,141,975,684

Follow-on Capital Secured by SC Launch Client Companies

ORGANIZATIONAL CHART Direct Reports



FTE Breakdown

<u>32</u>	Full-time Employees
<u>2</u>	Vacancies
<u>5</u>	Part-time Employees
<u>0</u>	Interns

4-Performance Update - Executive Summary

6

South Carolina Research Authority is dedicated not only to fueling near-term growth in the state's innovation economy, but also to devising strategies to drive economic expansion for the long haul.

A year-long process culminated in development of the SCRA Fiscal Year (FY) 2020-2022 Strategic Plan. Based on input from internal and external stakeholders, the plan outlines six major strategies to heighten the long-term sustainability and impact of SCRA activities:

- Continue to build on the success of the SCRA-Academia Strategic Collaboration to stimulate additional economic growth in cooperation with Clemson University (Clemson), Medical University of South Carolina (MUSC), University of South Carolina (UofSC) and many comprehensive universities and technical colleges
- Increase access to capital for South Carolina companies
- Expand 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 development priorities
- Drive operational excellence

This plan is paired with an SCRA Growth Strategy designed to amplify support through each stage of the research and commercialization continuum—from the development of translational technologies within the state's academic institutions through company launch, growth and exit.

Other highlights of the past year include:

- Annual impact on the state's economy of \$694 million
- South Carolina General Assembly passage of legislation signed into law by Gov. McMaster increasing the annual limit on contributions to SCRA's Industry Partnership Fund from \$6 million to \$9 million
- Acquisition of SC Launch, Inc., Portfolio Company, ENGAGE Talent, by Workforce Logiq, a global provider of workforce management software and services
- Execution of a 10-year sublease for 100% of SCRA's 20,000 square feet of laboratory and office space in the new 22 WestEdge facility in Charleston
- Successful launch of the South Carolina Medical Device Alliance, funded with a multi-institutional grant from the U.S. Economic Development Administration
- SCRA partnership with Rolls-Royce Power Systems/MTU America, Delta Bravo and the South Carolina Manufacturing Extension Partnership (SCMEP) on a Predictive Analytic capability for fracking engine testing

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

State & State Incentivized Sources (\$M)				
	FY 2019 P	FY 2019	FY 2020 P	FY 2020 YTD ⁽¹⁾
State Contribution	\$ -	\$ -	\$ -	\$ -
Contributed Land Sales	-	-	-	-
IPF Contributions	6.0	1.9	7.0	1.2
Subtotal State & State-incentivized Sources	\$ 6.0	\$ 1.9	\$ 7.0	\$ 1.2
Private & Other Non-State Sources (\$M)				
	FY 2019 P	FY 2019	FY 2020 P	FY 2020 YTD ⁽¹⁾
Private Contributions	\$ -	\$ -	\$ -	\$ -
Investments: Return of Principal and Gains	-	4.4	4.0	-
Interest & Other	0.8	1.6	1.0	0.7
Debt Financing	-	-	-	-
Lease Revenues	3.3	3.3	3.8	1.9
Cashflow for Innovation Center Operations	0.4	0.4	0.4	0.2
Funds from Reserves	3.5	1.4	2.9	1.9
Subtotal Private Sources Investments & Initiatives	8.0	11.1	12.1	4.7
Total Investment & Initiative Sources	14.0	13.0	19.1	5.9
Sources of Other In-State Expenditures: Contract Revenues	0.5	0.7	0.6	0.3
Total All Sources	\$ 14.5	\$ 13.7	\$ 19.7	\$ 6.2
Uses : In-State Expenditures (\$M)				
	FY 2019 P	FY 2019	FY 2020 P	FY 2020 YTD ⁽¹⁾
Facilities Investment (including financing cost)	\$ 0.5	\$ 0.5	\$ 4.5	\$ 0.3
Direct Company Investment	1.8	1.8	2.1	1.1
Non-Return Based Investments	2.1	1.8	2.1	0.1
Innovation Center Operating Subsidies	0.6	0.6	0.6	0.3
Facilities Operating Expenses (excluding depreciation & interest)	1.5	1.4	1.5	0.7
Principal Payments on Debt	1.0	0.9	0.9	0.5
Industry Partners Amendment Services	1.2	1.2	1.2	0.6
University Research Funding	0.9	1.0	1.6	0.3
Research Parks Operating Subsidies	0.0	0.0	0.0	0.0
Subtotal Investments & Initiatives	9.6	9.2	14.5	3.9
Other: In-State Payroll	4.9	4.5	5.2	2.3
Other: In-State Contract Expenditures	-	-	-	-
Total In-State Uses	\$ 14.5	\$ 13.7	\$ 19.7	\$ 6.2
⁽¹⁾ The 6 month period ended December 31, 2019				

6 – Prioritized Summary of Budget Requests

N/A

7 – Proviso Request Summary

N/A