

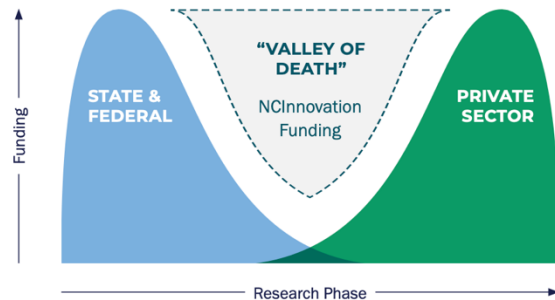
Why is government-sponsored university research important?

“These institutes are a manifestation of the uniquely American free-market approach to technological advancement...bring[ing] together the Federal Government, industry, and academia, positioning us to leverage the full power and expertise of the United States innovation ecosystem.” – *Trump White House, 2020*

- The university-to-industry pipeline has been central to American economic and technological dominance for decades.
- American universities *incubate* discoveries, then the **private sector commercializes** them.

What is NCInnovation’s role ?

- ▶ NCInnovation offers grants to university researchers so they can advance their research breakthroughs **to the point of commercial viability.**
- ▶ These grants focus on a critical phase of the university R&D sequence known as the **“valley of death,”** after a concept has been shown to work in a lab, but before the private sector will engage.



Why does any of this matter in North Carolina?

1. University research is the foundation of American innovation and technological dominance, and North Carolina has a world-class university system that generates applied research across the state... not just in RTP.
2. North Carolina’s research successes are dying on the vine in the absence of a bridge between federal grants and readiness for private venture capital. **VCs do not fund proofs of concept;** they fund commercially viable products, and that’s what NCI is helping regional universities create.
3. The federal research funding model is evolving, paying for performance and the likelihood of commercial success... *this is precisely what NCInnovation does.*
4. Through shrewd fiscal policy, North Carolina has sufficient reserves to use an endowment model, not annual appropriations, to create value out of the intellectual property it already owns.
5. Long-term recovery in Western NC will be a generational task; NCInnovation can be an enduring source of economic development. NCI is part of – not at the expense of – Western NC recovery.



Five Things to Know about NCInnovation

1 NCI is a regional economic development tool using existing applied research.



- NCI prioritizes regional university applied research. When a technology enters the commercial market, that means jobs and revenue for the surrounding region.
- Some of the US's best innovations were incubated on college campuses *and then* commercialized by the private sector.

2 NCI bridges the “valley of death” between federal and private-sector funding.



- The private sector does have a role to play in commercializing university research, but *it will not invest until a proof of concept has demonstrated success at scale.*
- Without a bridge, this “valley of death” consumes university IP the state created and owns... but is not monetizing.

3 NCI supports university applied research that impacts the real world.



- NCI supports applied research: *think widgets, not white papers.*
- From lithium refining to PFAS filtration to electric grid resiliency, NCI backs research with real-world commercial, strategic, and national security implications.
- Federal research funding is prioritizing outcomes – tangible results, not process – and especially results that improve American competitiveness. This is NCI's model.

4 NCI funds research from endowment income, not annual appropriations.



- NCI is not “spending” \$500 million; it is using reserve funds to deploy interest and investment income from an enduring endowment, which now stands at \$515 million *after returning \$5 million in support to UNC System institutions.*
- \$26 million in private commitments fund NCI's administration and overhead.

5 NCI is part of, not at the expense of, long-term recovery in western North Carolina.



- 150+ UNC researchers submitted applications requesting \$90 million in FY25 grants.
- With NCI grants, researchers in western North Carolina have a chance to commercialize their research success and create local economic development in their communities.