

NC STATE

External Affairs, Partnerships and Economic Development

Annual Report



2023

2024

Contents

Overview	3
Partnerships	5
Economic Development	19
Small Business and Technology Development Center (SBTDC)	24
State and Local Relations	28
Federal Affairs	37

Overview

NC State's Office of External Affairs, Partnerships and Economic Development (EAPED) works to position NC State as one of the top public research universities in the state of North Carolina and the United States. EAPED's strategic focus on building and managing relationships and economic development partnerships enhances local and global engagement, resulting in new jobs and investment for North Carolina. EAPED works with a variety of internal and external constituencies to advocate for NC State in achieving its three-tiered mission of teaching, research, and extension and engagement. The Office aligns five areas into one organizational structure: Partnerships, Economic Development, the Small Business and Technology Development Center (SBTDC), State and Local Relations, and Federal Affairs.

Leadership Team

Julie Smith | Vice Chancellor, EAPED

Mark Schmidt | Associate Vice Chancellor, Partnerships

Tom White | Director, Economic Development

Byron Hicks | Assistant Vice Chancellor and
State Executive Director, SBTDC

Matt Peterson | Director, Federal Affairs

EAPED builds and maintains strong partnerships with industry, government and nonprofit organizations, including those on Centennial Campus; the Economic Development Partnership of North Carolina; NC Department of Commerce; UNC System Office and its constituent institutions; the North Carolina Community College System; United States Congress; North Carolina General Assembly; Office of the Governor; Council of State; Wake County (and other counties throughout North Carolina); City of Raleigh; and NC State faculty, staff and students.

Year in Review



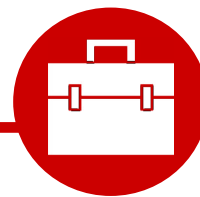
134

Corporate,
Government
and Nonprofit
Partners

56%

Increase in
Directed Gifts
Funding

*Managed by the
Office of Partnerships*



\$3.5B

Capital
Investment

2,296

Jobs
Created

*Through Economic
Development Collaborations*



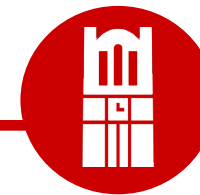
198

Businesses
Started

6,687

Clients
Served

*Resulting from the SBTDC's
Business Counseling Services*



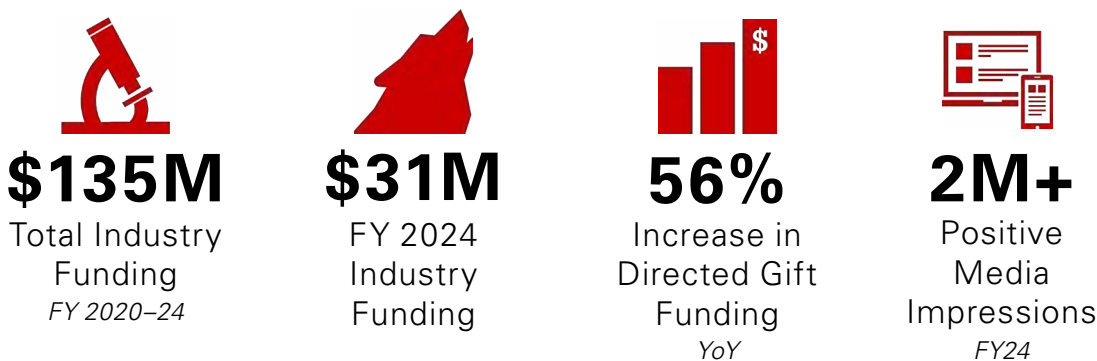
\$600M+

Direct Appropriations
Secured by State
Relations

*House Bill 259,
2023 Appropriations Act*

Partnerships

Highlights



In FY 2024, the Office of Partnerships supported \$28.4 million in industry sponsored research, and \$2.8 million in directed gift funding (56% increase over the previous year). While sponsored research offers industry partners mutually agreed upon outcomes for investing in NC State innovation, directed gifts provide opportunities such as sponsoring senior design projects, lecture series or business competitions, among others. All of the engagements developed by the Office of Partnerships result in a meaningful return on investment for both the company and NC State.

Overall funding this year totaled \$31 million. The Office of Partnerships grew strategic partnerships with FUJIFILM Diosynth, the Novo Nordisk Foundation and Under Armour, among others. The office managed 34 prospects and secured 11 new partners, resulting in a 32% conversion rate. FY24 was an important year of investment in the future. The Office of Partnership’s focused on positioning the overall university for long-term effectiveness. Specifically, we worked to improve institutional alignment through the Corporate Relations Task Force. The primary outcome was for the Office of Partnerships to serve as the central hub coordinating partnerships across NC State. In addition, the task force recommended we lead the facilitation of a new Principals Committee to review strategic opportunities, as well as a broader Working Group to share best practices. These efforts will help optimize corporate engagement at the university — examining how partnership opportunities are routed across each of the functions who engage with corporate partners, as well as at the college level. By improving process clarity, we can better communicate opportunities internally and externally. This will better position NC State for the many strategic opportunities ahead.

In support of implementing the task force recommendations while continuing to manage a growing partnerships portfolio, the Office of Partnerships made critical hires. We onboarded Brian

Hawkins, who now provides sole focus to developing the Novo Nordisk Foundation relationship, and we added a new partnership developer to the team. Additionally, the Office of Partnerships recently selected a candidate for a new assistant vice chancellor position.

In FY24, the Office of Partnerships allocated significant effort to help NC State secure large-scale grant awards (e.g., CLAWS and Bezos Center for Sustainable Protein). These highly selective national research awards require partnering commitments to launch as well as to meet growth targets over the multi-year grant periods. To strengthen NC State's submissions, our team identified and secured relevant collaborators. Industry partnerships associated with these grants will result in additional funding opportunities for NC State in the years ahead.

The below chart shows a five-year comparison for key partnership metrics. While this highlights the work of the Office of Partnerships, the Corporate Relations Task Force's vision is to ultimately implement metrics that are reflective of partnerships across all of NC State. This will be possible through implementing the Corporate Relations Task Force outputs. Additionally, this approach aims to improve NC State's positioning in external benchmarks, including the National Science Foundation (NSF) Higher Education Research Data (HERD) rankings.

Category	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Partners	117	121	124	126	134
Prospects	35	40	49	39	34
New Partners	11	8	14	12	11
Sponsored Research Funding	\$24 million	\$20 million	\$22 million	\$32 million	\$28 million
Directed Gift Funding	\$1.2 million	\$1.7 million	\$1.5 million	\$1.8 million	\$2.8 million

Industry-funded research is one way to benchmark our current standing against peer institutions. The latest data from NSF (released December 2023) ranks NC State 7th nationally, among public universities without a medical school. Industry research expenditures make up 9% of NC State's total \$583 million portfolio. When comparing among key peers, Georgia Tech's industry expenditures make up 7% of its total research portfolio, 6% of Virginia Tech's, and 9% of Purdue's. In addition, NC State (\$53 million) ranks ahead of nearby UNC-Chapel Hill (\$49.7 million), even though NC State doesn't have a medical school. NC State has landed in the top 10 for several years and consistently

performs well for industry funding across a variety of measures.

To improve our ranking moving forward, there is a need to expand our efforts across the university to strategically streamline funding opportunities, which will increase this segment of NC State's portfolio. The Corporate Relations Task Force's outputs will serve this need.

The majority of the 134 partnerships we manage result in new products entering the marketplace. On average, each year the university receives 275 invention disclosures, files 100 new patents and executes 150 licensing agreements. The Office of Partnerships works closely with the Office of Research Commercialization and our corporate partners to ensure each side is aligned towards bringing research discoveries to market, while considering practical business realities. The latest nationwide analysis ranks NC State second among all U.S. public universities in research technology transfer and commercialization.

Sponsored Research	
1. Laboratory for Analytic Sciences (LAS)	\$8.5 million
2. USDA	\$6.9 million
3. Novo Nordisk Foundation	\$2.2 million
4. NOAA National Weather Service*	\$3.5 million
5. City of Raleigh	\$868,509
TOTAL FY24 Sponsored Research: \$28 million	

**For historical consistency, this number reflects NOAA's total funding across all departments, the majority of which comes from the North Carolina Sea Grant College Program.*

Directed Gifts	
1. Cisco	\$741,786
2. Under Armour	\$520,000
3. TreeCo	\$420,935
4. National Fish and Wildlife Foundation	\$239,994
5. Bayer Crop Science	\$159,500
TOTAL FY24 Directed Gifts: \$2.8 million	

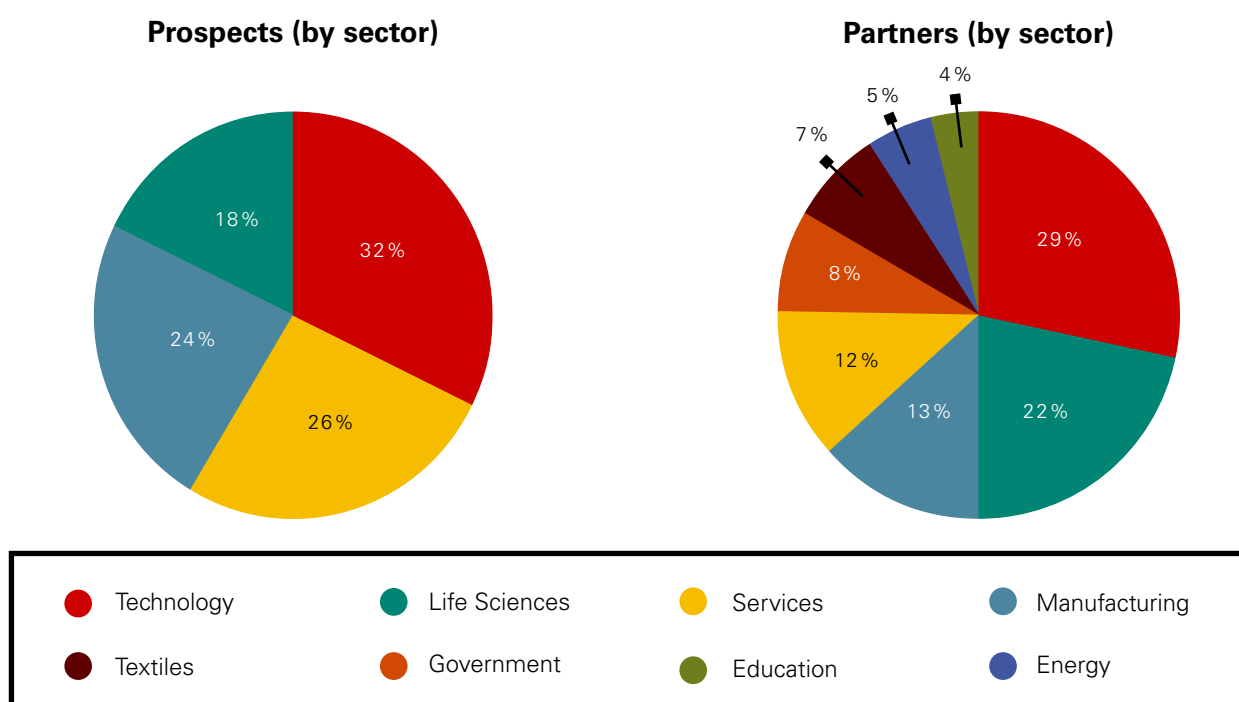
Below are a few of the interdisciplinary funding opportunities managed by the Office of Partnerships.

LAS: LAS issues an annual call for proposals where tailored responses are submitted by NC State researchers, university collaborators and corporate partners. This year, LAS distributed a total of \$8.5 million to NC State. LAS also celebrated its ten-year milestone in FY24. Over the last decade, LAS has deployed \$86 million in funding across 460 research projects, hired more than 200 NC State students, and collaborated with more than 20 industry and academic partners each year.

USDA: USDA invested \$6.9 million in NC State research across the Colleges of Agriculture and Life Sciences and Natural Resources. The funding is focused on new research projects in 10 different departments, as well as three centers including the Center for Geospatial Analytics, Center for Integrated Fungal Research and Center for Integrated Pest Management.

Novo Nordisk Foundation: In FY24, the Office of Partnerships hired a dedicated liaison to manage and grow the Novo Nordisk Foundation partnership. In addition to managing the three actively funded projects, which total ~\$60 million, we are strategically growing the partnership by identifying several opportunities including targeting new interdisciplinary research areas and building new partnerships within the Danish ecosystem (e.g., universities, ICANN, venture and Kalundborg Educational Campus — NC State was the only non-Danish entity to participate).

City of Raleigh: The Office of Partnerships laid the groundwork for NC State's partnership with the City of Raleigh – establishing an MOU in 2016 and jointly creating the annual Smart Cities Conference. Since then, the City's Smart Cities initiative has resulted in joint projects with NC State researchers spanning several colleges. This work is now largely coordinated through Vice Chancellor Marc Hoyt and NC State's Office for Information Technology.



Consistent with FY23, FY24 partnership activity was strongest across technology and life sciences sectors. Technology-based companies continue to represent the largest portion of both prospects and partners. In addition, we saw an increase in both manufacturing and life sciences companies. These trends align with the region's target industries for economic development, growing momentum for mutually beneficial partnerships. The Office of Partnerships also continues to develop an institutional strategy for key areas of opportunity within the regional economic development landscape (e.g. biomanufacturing).

Building Strategic Partnerships

The Office of Partnerships works alongside 134 partners — ranging from early-stage startups to large enterprises listed on Forbes' Global 1000 — to make the process of doing business with NC State as easy and effective as possible. This requires our staff to provide the agility, speed and responsiveness industry collaborators expect.

While the data reveals significant contributions in areas like research funding, the impact of our office is represented by more than quantitative metrics. Below are a few examples of how we serve as a catalyst for developing effective university-industry partnerships.

Under Armour



August 2023: Under Armour leadership visited NC State to meet with Chancellor Woodson and key collaborators.

From Under Armour's innovation center on Centennial Campus, we continue to grow the partnership through collaborations with faculty and students. The master research agreement, which we cosigned last year, has also helped streamline new opportunities.

In August 2023, Under Armour's founder and CEO visited campus to meet with Chancellor Woodson and key collaborators. The visit served to strengthen the strategic partnership and outline shared goals for the future.

In early 2024, Under Armour announced the launching of a new fiber developed through the partnership with NC State. The company worked with the Nonwoven Institute's fiber spinning experts and Celanese over the course of two years to fine tune the production process for what is an innovative new alternative to spandex. The new fiber, called Neolast, unlocks the potential to recycle stretch fabrics while offering significant performance benefits. NC State provided the equipment and expertise to bring the fiber to reality (from pilot development to commercial product).

Led by the Office of Partnerships, NC State and Under Armour have jointly created a strategy team to help the company drive innovation, and to enable NC State to become a Southeast extension of their headquarters in Baltimore. Our team visited Under Armour's headquarters in November 2023 to learn more about the company's culture and brand. We are currently working on implementing phase I of the larger strategy, which was developed by both teams. Topics span branding, design and prototyping, and curriculum and workforce development through student engagement.

FUJIFILM Diosynth Biotechnologies



Renderings of FUJIFILM Diosynth's new facility in Holly Springs, which is set to create 1,400 jobs along with a \$3.2 billion investment.

The Office of Partnerships continued to strengthen NC State's partnership with FUJIFILM Diosynth. Building on the master research agreement we cosigned last year, new collaborations are aimed at innovating manufacturing processes focused on water, energy and materials.

NC State is working alongside the company to help advance their sustainability goals and provide a trained workforce for the Holly Springs site. With FUJIFILM Diosynth's new facility set to open by 2025, College of Design experts in landscape architecture and environmental planning are helping design an innovative sustainable site development plan for the overall corporate campus. The partnership supports FUJIFILM Diosynth's goal for the Holly Springs site to be carbon net-zero by 2030.

Led by the Office of Partnerships, NC State was a key driver in FUJIFILM Diosynth's economic development expansion, which was announced in April 2024. The project will create an additional

680 jobs and \$1.2 billion in capital investment to expand the Holly Springs site. This brings FUJIFILM Diosynth's total investment in Holly Springs to more than \$3 billion with 1,400 new jobs created. This continued growth will enable even more collaboration opportunities into the future.

Novo Nordisk Foundation



Wilson College of Textiles Associate Professor Sonja Salmon working inside her lab with a student. Salmon is the lead researcher on NC State's most recent NNF-funded project.

The Novo Nordisk Foundation (NNF) has now invested more than \$60 million in NC State research. As NNF's dedicated liaison to the university, the Office of Partnerships continues to strengthen and grow the partnership. Brian Hawkins was hired in August 2023 as Program Director with principal responsibility for the NC State/NNF relationship. This year, his strategy to sustain and increase NC State's engagement with NNF has consisted of four main areas:

- 1. Support execution and expansion of currently funded programs (AIM-Bio, CCRP and BIG):** In FY24, all three programs submitted proposals to extend or expand their engagement with NNF. Brian continues to work with NNF's scientific staff and AIM-Bio leadership at NC State to develop new concepts that are strategically aligned to the NNF 2030 strategy. In the meantime, a no-cost extension was approved for AIM-Bio to allow project activities to continue at an attenuated rate through the end of 2025 (this also enables retention of key support staff).

The CCRP team, led by Amy Grunden, submitted a supplement proposal to the CCRP (~\$7.6M) in partnership with Cambridge University and National Institute of Agricultural Botany (UK) in March 2024. Initial feedback from reviewers was very positive and we expect to hear a funding decision on this proposal imminently. Additionally, NNF solicited four white papers from NC State's Plant Sciences Initiative for potential collaborations with Wageningen University (Nether-

lands). Two of these have been pulled for further development, and one (led by Alex Woodley) has been identified as an opportunity for co-funding with a U.S. foundation partner.

Finally, the BIG team was asked to collaborate with a group from the National Renewable Energy Laboratory on their NNF-solicited proposal on enzyme-enabled carbon capture in January 2024. This proposal is currently on its second submission round and under review.

- 2. Develop new internal opportunities to put forward to NNF:** In addition to providing support for current NNF awardees, Brian has engaged with faculty across several colleges to identify areas of strength within NC State that align with NNF's strategic funding priorities. These areas include viral vector-enabled biomanufacturing (Menegatti and Daniele), self-driving labs (Abolhasani), bio-electrochemical systems for carbon sequestration and materials synthesis (Call, see also below), more efficient greenhouse farming (Sederoff), and carbon-negative hydrogen production (Li). All of these are in various stages of concept development with a goal of submission to NNF.

Brian is also working to position the incoming Bezos Center for Sustainable Protein for projects and collaborations that are competitive for support from NNF.

- 3. Expand the scope of NC State's Danish collaborations (with particular focus on DTU):**

We have had several engagements with DTU in the past year, following on from the strategic partnership agreement signed in May 2023. First, DTU Provost Rasmus Larson visited NC State in October 2023. The Office of Partnerships programmed the series of meetings, which included visits to the Lake Wheeler Road Field Laboratory, the Plant Sciences Building and the Golden LEAF Biotechnology Training and Education Center (BTEC), as well as meetings with faculty experts in defense research, quantum computing, cybersecurity, AI and autonomous vehicles.

Brian also visited DTU twice this year; in October 2023 in connection with the AIM-Bio Symposium and in January 2024 in connection with the International Cellular Agriculture Network (ICAN) workshop. On both visits he had extensive discussions with his DTU counterpart Ellen Als about collaborative opportunities; Brian and Ellen are also in regular contact virtually. Highlights from this interaction include providing support for Doug Call's (CCEE) collaborative proposal with Anne Meyer and Peter Westh at DTU for DTU's Research Alliance program (submitted May 2024) and for Joshua Pierce's (Chemistry, Integrative Sciences Initiative) participation in DTU's Green Challenge in June 2024, which served to catalyze his meetings with a broad range of potential collaborators at DTU for both the Chemistry Department and Integrative Sciences Initiative. All of these collaborations are in areas of strategic interest to NNF, particularly under the sustainability focus area.

- 4. Comprehensively understand NNF's funding strategy and its implementation:** In parallel to the AIM-Bio development efforts, Brian has worked closely with Henning Jorgensen (NNF Senior Scientific Manager) to better understand NNF's strategic priorities around biomanufacturing and how this may align with its interest in expanding investments in the United States.

Telling Our Story

Partnership Portal

Our Partnership Portal website, a hub for connecting industry partners with NC State assets, generated 19,000 views and 9,000 users (29% improvement over previous year) in FY24. Using the portal's custom tool, we continue to promote new industry opportunities to faculty. This allows us to share funding opportunities with more than 200 researchers across 10 colleges. This year we posted 23 opportunities from companies including Amazon, BASF, Cisco, NASA and Whirlpool, among others. The postings received a high open rate of 77%.

In addition, the portal's Search Engine Optimization (SEO) strategy continued to yield new partnership leads. For example, leads converted to active prospects in FY24 include Believer Meats and Rain Analytics. Believer Meats is now finalizing a lease to locate on Centennial Campus and partnering with BTEC and other NC State units.

Success Stories

Market research indicates that promoting partner testimonials is the best way to reach new prospects. In FY24 we developed six articles profiling our partnerships with FUJIFILM Diosynth, Ricoh and Under Armour, among others. These stories were promoted via social media and email, and featured on the NC State and Centennial Campus websites.

Continued focus was also given to earned media coverage. We pitched and coordinated 11 stories in local and national outlets, which yielded more than 2 million positive impressions (based on estimated viewership of each publication). Examples include:

- WRAL Techwire: [NC State chancellor receives top research park award for his Centennial Campus efforts](#)
- Triangle Business Journal: [Under Armour's next-gen fabric created at NC State](#)
- 3D Printing Magazine: [Ricoh and NC State Forge Alliance to Propel Additive Manufacturing Forward](#)
- Just Style: [Under Armour innovation chief touts wins of having academic talent on tap](#)

Advancing Centennial Campus



April 30, 2024: Japan-based Ricoh selected Centennial Campus for its 3D Printing Center of Excellence.

More than half of the partnerships managed by the Office of Partnerships host offices on Centennial Campus. We work closely with each corporate, government and nonprofit partner to connect them with university resources — resulting in mutual benefit.

In FY24, the Office of Partnerships recruited new partners to campus, including Fathom Science, Mott MacDonald, Nanovis and Ricoh. In addition, Believer Meats is currently finalizing a lease to locate on campus. All of these companies have worked with our office to identify engagement opportunities with faculty and students.

In April, we welcomed Ricoh to Centennial Campus — jointly hosting a ribbon-cutting ceremony. The Tokyo-based company, which develops and manufactures electronics, has already teamed up with NC State's Center for Additive Manufacturing and Logistics (CAMAL). On campus, researchers are working together to solve supply chain challenges through 3D printing. The company also has established a workforce development program for undergraduate and graduate students. Building on concepts learned in the classroom, paid interns gain a practical understanding of business applications.

Located in the Keystone Science Center, Ricoh will initially invest \$1.8 million in the Centennial Campus office. The company also plans to partner with NC State's College of Design, Analytical Instrumentation Facility and Constructed Facilities Lab, in addition to engaging with several other colleges and centers.

In addition, this year Chancellor Randy Woodson received the Leadership Award at the Association of University Research Parks (AURP) International Conference, which was hosted October 2023 at the University of Delaware. AURP is the nation's leading nonprofit organization representing research parks and innovation districts. Chancellor Woodson was selected for driving the success and impact of NC State's Centennial Campus. AURP's Leadership Award recognizes an individual who has made an outstanding contribution to the success and overall economic impact of a university research and technology park.



Digital Marketing

In FY24, the Centennial Campus website generated 31,000 users with 59,000 pageviews. The Lake Raleigh landing page, which promotes the outdoor and recreation spaces on Centennial, continues as the most popular page on the site, followed by the Visit page (7,800 views) and Live and Work page (2,600 views).

Our team continued to distribute the Centennial Campus newsletter to more than 1,500 stakeholders, including partner companies, faculty collaborators and regional community leaders. We shared relevant content including research breakthroughs, partner profiles and campus highlights. Throughout the year, the newsletter maintained a high open rate of 50%. The most popular stories (based on number of clicks) included the announcement of 321 Coffee opening on Centennial; recap of the campus visit by Under Armour's founder and CEO; and the story showcasing the new Red and Whites public art installation.

Additional Select Initiatives

Recruitment Projects

In FY24, the Office of Partnerships continued to work closely with economic development partners to recruit companies that align with NC State's strengths. For example, we have been actively engaged with several companies who recently announced plans to locate in North Carolina.

Audemars Piguet, a luxury watchmaker based in Switzerland, moved its North American Service Center to Raleigh. The new office will create 105 jobs and a \$22 million capital investment. The service center will be home to quality control engineers as well as finance and HR positions. We supported Wake County Economic Development with this recruitment, including hosting the company's CEO and executive team on Centennial Campus and contributing to the recruitment proposal.

In addition, Kempower, a manufacturer of electric vehicle chargers, is creating 600 jobs and investing \$41 million in Durham to establish its first U.S. facility, with plans to build and operationalize a network of half a million electric vehicle chargers across the nation. Our team was highly involved

in the regional recruitment project and we are actively growing a partnership to support the new facility.

As part of the overall EAPED Division, our team has also helped drive NC State's efforts to strengthen North Carolina's economic relations with Japan. In April, Japan's Prime Minister Fumio Kishida visited North Carolina, including a trip to Centennial Campus with meetings at Nagoya University's Global Campus as well as the NC Japan Center.

NC State has strong partnerships with many leading Japan-based companies, and the university has been a key driver on several related economic development projects. Japan is now the largest source of international investment in North Carolina — creating thousands of jobs across the state.

The Office of Partnerships has supported several Japanese recruitment projects, working closely with state and local economic development partners. Once the company lands here, we continue to build strategic partnerships to support their growth. The same week Prime Minister Kishida visited, Chancellor Woodson joined FUJIFILM Diosynth to announce their latest expansion to create an additional 680 jobs and \$1.2 billion investment in North Carolina. Another example is Hitachi-ABB, which was the first corporate partner to join Centennial Campus in 1990 and today remains on campus and engaged with the university.

Daugherty Endowment

Since the Daugherty Endowment was established in 2003, the Office of Partnerships has led and coordinated the program – managing expenditures, overseeing the advisory committee, and managing partnerships with investors and internal units.

The endowment seeks to increase the success of startups based on NC State intellectual property, and to promote entrepreneurship on campus. To date, \$589,000 has been awarded to more than 55 early-stage startups, 75% of which are still in business and remain in North Carolina. Those companies have gone on to raise \$60 million in follow-on funding.

The endowment partners with the Kenan Institute to run a Daugherty Track at the eGames, targeting newly formed NC State spinouts. This year, we launched a new partnership with the Wolfpack Investors Network where winners have the opportunity to present to potential investors through the VenturePack Challenge.

In FY24, \$50,000 was awarded to the top three finishers:

- **NC Solar Inverters (first place)** has developed a novel power inverter, which is paired with silicon carbide materials to provide the renewable energy sector with improved performance and reliability and lower costs.
- **MithrilAI Corp (second place)** is a semiconductor company that designs trusted AI and machine learning hardware for safety and security-critical applications.
- **Teen Health Research (third place)** is an early-stage, woman-owned startup empowering teens and families for healthier relationships through communication skills.

Team Development



From left: Brian Hawkins, who was hired as program director in August 2023; Keisha Demps was officially named director of partnerships in June 2024; and Hannah Sullivan is the new partnership developer within the Office of Partnerships.

In FY24, our team continued to build win-win partnerships and grow the office's portfolio. Based on recommendations from the FY22 objective consultant review, this year the Office of Partnerships made progress toward plans for additional resources and staff to support key benchmarks critical to the university's future success.

In August 2023, Brian Hawkins started in the new position dedicated to managing and strategically growing the NNF partnership. As the NC State lead and liaison for engagement with NNF, Brian has cultivated key relationships with university leadership and faculty collaborators, NNF scientific leads and other external stakeholders (e.g., DTU and Novozymes). Brian transitioned the NNF Task Force to a centrally managed effort within the Office of Partnerships, including launching stakeholder meetings and circulating a monthly update memo highlighting opportunities and new developments in the NNF partnership. In addition, Brian facilitated an NC State application to join DTU's Research Alliance program, helping faculty secure matching funds to support the effort.

Our team continued engagement with the University—Industry Demonstration Partnership (UIDP) and Association of University Research Parks (AURP), including speaking roles at conferences, webinars, panels and thought leadership sessions. These relationships strengthen NC State's recognition as a top university for industry partnerships, as well as Centennial's role as a leading research park globally.

Mark Schmidt continued to participate in several organizations, including serving on the National Science Foundation's Engineering Research Visioning Alliance; as co-chair of the membership committee for the UIDP Foresight Council; and as Conservation Technology Information Center past-chair.

Keisha Demps, who was promoted from partnership developer to interim director of partnerships

in FY23, was officially named director of partnerships this year. Keisha was also selected to serve on the AURP Board of Directors. In addition, we filled the vacant partnership developer role, hiring Hannah Sullivan in October 2023.

Last year, NC State launched an internal task force to optimize universitywide corporate engagement in order to best position the institution for the future. In FY24, the Office of Partnerships worked to finalize the task force's key recommendations, and we have selected a candidate for the assistant vice chancellor position to assist with leading and managing the implementation.

FY25 will present many opportunities for developing win-win partnerships. We are strengthening our focus on recruiting new strategic partners, broadening engagement with existing partners and ensuring the future advancement of Centennial Campus. Our overarching goal is to continue supporting the NC State mission through highly effective university-industry collaborations.

Economic Development

NC State's Economic Development Partnership works across the state to attract new businesses and industries to North Carolina, partnering closely with the N.C. Department of Commerce, the Economic Development Partnership of North Carolina (EDPNC), and local economic development organizations. The university is a key driver in efforts to attract national and global industries, which has helped land North Carolina's continued recognition by CNBC as one of America's top states for business.

The Economic Development Partnership provides extensive data for statewide proposals, as well as identifies and engages university subject matter experts to provide tailored solutions for each project. In FY24, key collaborators included faculty from NC State's BTEC, Center for Geospatial Analytics, Clean Energy Technology Center, Data Science Academy, Department of Electrical and Computer Engineering, Future Renewable Electric Energy Delivery and Management (FREEDM) Systems Center, NC Japan Center and Wilson College of Textiles.



Announcements

In FY24, NC State's Economic Development Partnership worked with statewide partners on nearly 50 recruitment projects. The unit also helped to secure several new industry announcements, resulting in capital investments totaling \$3.5 billion and the creation of 2,296 jobs. Following a series of large-scale announcements in FY23 across the automotive, aviation and semiconductor industries (including Toyota EV Battery, VinFast, Boom Supersonic and Wolfspeed megasite projects), FY24 resulted in significant international economic development investment. This trend is largely represented by the life sciences and biotechnology industry.



A rendering of Kyowa Kirin's new facility in Sanford. The biologics manufacturing Center of Excellence will create 102 new jobs and is set to begin operations in 2027.

- **Project Biobloom (Kyowa Kirin):** Kyowa Kirin, a Japan-based global specialty pharmaceutical company focused on the discovery and delivery of life-saving medicines, announced February 2024 a \$200 million investment along with 102 jobs in Sanford/Lee County. The new Sanford facility will be the company's first North American pharmaceutical manufacturing operation. Average salaries for the new positions will be \$92,000, which exceeds the current average wage in Lee County of \$52,000. Throughout the recruitment, NC State's Economic Development Partnership connected statewide officials, site selection consultants and company leaders with university assets, including BTEC and the NC Japan Center. Campus engagements, such as meetings with BTEC faculty and staff in the fall of 2023, and another visit to the NC Japan Center in early 2024, have led to a growing partnership. Kiowa Kirin is currently working with NC State to create an internship program, including hosting a networking event during the Fall 2024 Engineering Career Fair and working with Rural Works to identify opportunities to provide stipends to NC State students who take internships in rural areas (such as Sanford).
- **Project Zeus (DEHN Inc.):** Germany's DEHN Inc., an international electrical engineering and manufacturing company, announced January 2024 the creation of 195 jobs and a \$38.6 million investment to locate its new U.S. headquarters in Mooresville/Iredell County. The facility will be home to the company's production, research and training capabilities. In addition to overall efforts to help the state secure the recruitment project, university researchers from NC State's Clean Energy Technology Center, FREEDM Center and Department of Electrical and Computer Engineering were brought in to present to the company on numerous occasions.

- **Project Aura (FUJIFILM Diosynth):** FUJIFILM Diosynth, a subsidiary of Tokyo-based FUJIFILM Corporation, made its original announcement in 2021, which included a \$2 billion investment along with 700 jobs to create one of North America's largest end-to-end biopharmaceutical manufacturing facilities in Holly Springs/Wake County. In FY24, NC State continued to collaborate on the project, which helped secure an additional \$1.2 billion investment and 680 more jobs. Because of this expansion, the project now totals \$3.2 billion investment along with 1,400 jobs. Working closely with EDPNC, Wake County Economic Development and the Town of Holly Springs, NC State subject matter experts from BTEC and the NC Japan Center were brought in to further aid the expansion. In addition, NC State collaborated with the Capital Area Workforce Development Board to develop a regional strategy for recruiting and training the skilled talent needed to ensure the company's long-term success. Average salaries for the new positions will be \$110,000, exceeding the Wake County average of \$75,000. NC State's Office of Partnerships built upon the work of the Economic Development Partnership to align FUJIFILM Diosynth with NC State resources, which has resulted in a growing strategic partnership between the company and the university.
- **Project Fast (Kempower):** Kempower, a Finland-based manufacturer of charging stations for electric vehicles, announced last year a \$41 million investment along with 600 jobs to locate its new manufacturing facility in Durham County. NC State identified key assets to help secure the recruitment, including ongoing engagement with the FREEDM Systems Center and Clean Energy Technology Center. In June 2024, Kempower officially opened its Durham facility where annual salaries will average \$100,000.

Workforce Development and Community Outreach Initiatives

- **NC Workforce Development Leadership Initiative:** This year, the Economic Development Partnership continued to advance the Initiative with internal and external partners — NC State's Institute for Emerging Issues, Continuing Education and Municipal Research Lab, as well as the NC Works Commission and NC Association of Workforce Development Boards. Fall 2024 enrollment will include an additional five cohorts representing communities across North Carolina. Following completion of four, 12-hour courses, program graduates will receive the professional designation of Certified Workforce Developer (CWD) and gain expertise on the connections between building a job-ready workforce, meeting employers' talent needs and growing our economy. In addition, we continue to support efforts to scale the program across the U.S. in collaboration with national, state and local workforce development leaders.
- **Chatham County Regional Analysis:** In response to FY23 large-scale economic development announcements in Chatham County (e.g., megasite projects including Wolfspeed and VinFast), local leaders reached out to NC State to better understand the impact of these proj-

ects on surrounding communities. As a result, in partnership with Preston Development and Lee-Moore Capital NC State developed a demographic and economic development study. The report's interdisciplinary research and analysis are led by NC State's Center for Geospatial Analytics. In FY25, NC State will partner on the study's implementation.

- **NC Employment Security Forecasting:** NC State grew a collaboration between the university's Data Science Academy, NC Department of Commerce's Division of Employment Security and Mississippi State University. The joint project will be led by NC State researchers who will develop an unemployment insurance model to help the NC Department of Commerce best manage its unemployment trust fund by accurately predicting and calculating benefits, taxes and claims. Formalized through a three-year contract and memorandum of understanding, the project will officially launch July 1, 2024.
- **Remote Work Impact Study:** Collaborating with the NC Association of Workforce Development Boards, NC State worked with Duke's Sanford School of Public Policy to create a comparative analysis on remote work and its impact on North Carolina workforce development, specifically examining the implications on state incentives.
- **Kids Voting NC Program:** Kids Voting NC is a partnership between NC State Extension and 4-H, which builds the civic knowledge and skills of North Carolina youth, ages 5-17, through hands-on engagement with the election process. We continued to partner on the program's design and implementation to statewide advocacy groups, and successfully expanded the program across ten additional North Carolina counties in FY24 (now totaling 21 counties statewide).
- **Thought Leadership:** Director of Economic Development Tom White shared insights about NC State's role in helping drive North Carolina economic development by participating in several podcasts. In FY24, he joined the Golden LEAF Foundation's podcast with CEO Scott Hamilton, as well as Business North Carolina's "Chatter with BNC" podcast alongside Publisher Ben Kinney.
- **Economic Development Partnership Award:** Director Tom White nominated NC State's BTEC along with the North Carolina Biotechnology Center who received the Economic Development Partnership Award, as part of the NC State Office of Outreach and Engagement's April 2024 awards ceremony. The award honors the commitment of NC State faculty and staff in fulfilling the university's land-grant mission alongside community partners. In addition, BTEC and the NC Biotech Center were recognized for their continued support of NC State's work to support statewide advancements in economic, workforce and community development.



**NC STATE
UNIVERSITY**

Tom White

Director of the NC State University
Economic Development Partnership

Critical Conversations with Scott T. Hamilton

A series that focuses on talking with
professionals about economic
development issues affecting the state.



April 2024: Leadership from NC State's BTEC and the NC Biotech Center received the NC State Economic Development Partnership Award.

Professional Activities

In FY24 Director of Economic Development Tom White served in several leadership roles:

- Vice Chair, NC Coalition for Global Competitiveness Board and Executive Committee
- Board of Directors, Capital Area Workforce Development Board (currently serving as board secretary)
- Advisory Board, NC State Industry Expansion Solutions
- Advisory Board, NC Japan Center
- Board of Directors, NC State Defense Manufacturing Community Support Program
- Board of Directors, LC Industries for the Blind
- Member, TEACCH-NC Individual Developmental Disabilities Consortium
- Advancement Committee, Emily Krzyzewski Center

Highlights

In FY 2024, the Small Business and Technology Development Center (SBTDC) continued its mission to serve North Carolina's small- and mid-sized businesses — helping them grow and thrive. This year, the SBTDC was awarded additional funding from the U.S. Treasury (\$5.8 million over five years) as part of the State Small Business Credit Initiative's technical assistance program. This program assists small businesses in traditionally underserved markets with access to capital.

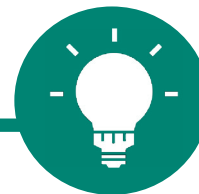
Founded in 1984 as the business and technology extension service of the UNC System, the SBTDC celebrated 40 years of service this year. This milestone was celebrated at the [Small Business Day event](#) hosted May 14 in downtown Raleigh. Chancellor Woodson, U.S. Senator Thom Tillis and North Carolina Community College System President Jeff Cox were among our distinguished speakers. Nearly 250 business owners, partners and leaders representing statewide resources attended the full-day event. The celebration honored North Carolina small businesses and those who support them, highlighting four decades of the SBTDC's impactful service. In addition, the SBTDC was recognized as a leading resource provider in Governor Cooper's Small Business Week Proclamation.



6,687
Clients
Served



44,145
Counseling
Hours



198
Businesses
Started



\$213.2M
Capital
Formation



3,332
Jobs Created
and Retained



12,432
Hours of
Student
Engagement

This year, the SBTDC provided service to 6,687 small- and mid-sized businesses, including 44,145 hours of no-cost advisory services — resulting in 3,332 jobs created, \$213.2 million capital formation and 198 businesses started across North Carolina. Also, in FY24, SBTDC staff engaged 255 undergraduate and graduate students with 1,191 small business clients statewide, providing 12,432 hours of applied learning experiences that benefitted both the students and industry.

In FY24, SBTDC clients were recognized locally and nationally for their economic impact, including Winston-Salem's Linortek and Cary-based Sciencix, Inc. Linortek, which develops internet-enabled devices for industrial equipment remote control and data acquisition, was named the U.S. Small Business Administration's (SBA) Exporter of the Year for North Carolina — marking the eleventh consecutive year an SBTDC client has won this award.



Linortek was named the U.S. Exporter of the Year for North Carolina.



Sciencix received the President's "E" Award for Export Service during a ceremony in Washington, D.C.

The SBTDC nominated Linortek for the award, citing the success story of its President Liyu Nalven who grew up in a small village in southern China and later earned her U.S. citizenship. In 2012, Nalven formed Linortek in Winston-Salem. She worked with the SBTDC to develop a business plan, identify bank financing, and ultimately to create technology products that respond to demand in both the U.S. and global marketplace. The SBTDC also paired Linortek with export training and related grants to help the company become a successful exporter. The results include Linortek's sales growing from \$48,000 in 2014 to \$1.3 million in 2022. In addition, 18% of the company's sales are now attributed to exporting, and exports to Canada are growing 20% year-over-year.

**By working with the SBTDC,
Linortek's sales grew
from \$48,000 in 2014 to
\$1.3 million in 2022.**

Also in FY24, Sciencix, which manufactures high-end R&D parts for the pharmaceutical industry, received the prestigious President's "E" Award for Export Service and was recognized in a ceremony in Washington, D.C. The President's "E" Award, established in 1961 by President Kennedy, recognizes organizations which contribute significantly in the effort to increase U.S. exports.

Engagement Through Strategic Partnerships

The SBTDC continues to strengthen and grow strategic partnerships in support of small business in North Carolina. For example, the SBTDC continues to work closely with the NC Community College System's Small Business Center Network (SBCN) across the state. And leadership representing the NC Bankers Association, NC Rural Center and NC Chamber of Commerce serve on the SBTDC's Statewide Advisory Board as well as partner on various initiatives.

Many SBTDC staff members serve in leadership positions at the national, state and local level with economic development partners. This year, SBTDC Executive State Director Byron Hicks was elected Vice Chair of America's Small Business Development Center (ASBDC) Board of Directors and as Chair of the UNC System Economic Transformation Council. In addition, Deputy State Director Ariana Billingsley was appointed to the national ASBDC Accreditation Committee. Some of the additional organizations where SBTDC staff are engaged in leadership positions are highlighted below.



Achieving Organizational Excellence

The SBTDC maintains organizational excellence by carrying out its strategic plan priorities:

- **Clients:** The SBTDC surveys clients twice a year to stay current on the needs of small businesses. One survey is the Federal Reserve Bank's Small Business Credit Survey and the second is the National Client Impact Study. The survey findings revealed that clients working with the SBTDC outperform national and state averages. Additionally, 98% of clients rate SBTDC services as "good to excellent". All staff complete the "Trusted Advisor" training in the early stages of their SBTDC career to promote consistent service delivery across the network. In addition, the SBTDC continually engages its host campuses and partner organizations to improve client outcomes and to generate statewide economic impact.
- **Thought Leadership:** The SBTDC generates and shares content with businesses, partners and the public. This year, the SBTDC redesigned its website (www.sbtcd.org) with a focus on the

client experience and business lifecycle. The newly launched site highlights the successes of the SBTDC's many business clients while providing valuable information and resources to small business owners. In addition, the SBTDC continues to publish resources including its Start-Up Guide, Digital Marketing Guide, Intellectual Property Guide and Capital Opportunities Guide, plus a newsletter that is emailed monthly to over 5,000 clients highlighting relevant topics, trends and resources for small businesses.

In addition to being awarded State Small Business Credit Initiative federal funding this year, the NC General Assembly also underscored the SBTDC's impactful work. The most recent state legislative budget provides \$1 million in recurring funding to the SBTDC to support additional positions, which are needed to fulfill its work across North Carolina's 100 counties.

In FY24, several SBTDC team members were recognized for outstanding contributions to the organization, and the SBTDC'S clients and partners. For example, SBTDC Government Procurement Counselor Joel Guge was recognized for the Chancellor's Division Awards for Excellence; Michael Moore, Regional Center Director in Charlotte, was recognized at the ASBDC National Conference; and Rachel Bridgers (Business Counselor at the ECU Regional Center) received the SBTDC Award for Collaboration.



State and Local Relations

NC General Assembly

2023 Long Session

The North Carolina General Assembly wrapped up the work of the 2023 long session, which began in January, in late October. In addition to the passage of numerous pieces of legislation which we highlighted in the 2022-23 EAPED Annual Report, members gave approval in late September to a robust two-year budget (House Bill 259, 2023 Appropriations Act) which reflected their strong support and recognition of NC State's critical role in advancing our state's future. Below you will find a number of both NC State specific and UNC System overarching priorities that were included in the final budget.

NC State Specific Items:

- Engineering North Carolina's Future
 - Provides funds to NC State for faculty, staff, equipment, facility improvements, and other resources needed to support an expansion of the College of Engineering.
 - \$10,000,000 in recurring funding
- College of Veterinary Medicine Class Size Expansion
 - Provides funds to increase the Doctor of Veterinary Medicine class size from 100 to 125 students at the NC State College of Veterinary Medicine.
 - \$5,500,000 in recurring funding
- Education and Workforce Training Opportunities for Individuals with Disabilities
 - Provides funds for an education, training and workforce pilot program at NC State for eligible students with intellectual and developmental disabilities.
 - \$3,000,000 in recurring funding
- Small Business and Technology Development Center
 - Provides funds to the Small Business and Technology Development Center (SBTDC), which is administratively housed at NC State, to support additional positions at the SBTDC main and regional offices.
 - \$1,000,000 in recurring funding
- North Carolina Future Farmers of America CTE Grants
 - Provides funds to the North Carolina Association of Future Farmers of America, Inc. (FFA) to administer grants to support agriculture education in middle and high school Career and Technical Education (CTE) programs.

- \$2,000,000 in non-recurring funds in each year of the biennium; \$4,000,000 total
- NC Clean Energy Technology Center
 - Provides additional funds to the NC Clean Energy Technology Center at NC State.
 - \$400,000 in non-recurring funds
- Textile Protection and Comfort Center Mist Lab Renovation
 - Provides funds to the NC Collaboratory to upgrade laboratory space at the Textile Protection and Comfort Center (TPACC) at NC State to accommodate aerosol studies that simulate airborne PFAS particulate exposure.
 - \$2.5 million in non-recurring funds
- Agricultural Research Platform
 - Provides funds for NC State to contract with SAS for an agricultural research platform to enrich research initiatives and support future grant opportunities, specifically utilizing data collection via in-field sensors to improve agricultural systems and profitability and to detect and respond to plant disease.
 - FY 2023-24: 650,000 R; FY 2024-25: 1,000,000 R
- Christmas Tree Genetics Program
 - Provides additional funds to the Christmas Tree Genetics Program at NC State's College of Natural Resources.
 - \$150,000 in recurring funds — the revised net appropriation for this purpose is \$380,365 in each year of the biennium.
- Green Industry Economic Impact Study
 - Provides funds to NC State's College of Agriculture and Life Sciences to study the state-wide, regional and county-level economic impact of the green industry in the State in consultation with the Department of Agriculture and Consumer Services and the North Carolina Green Industry Council. Report due January 15, 2025.
 - \$350,000 in non-recurring funds

Capital

- Engineering Classroom Building
 - Provides funding for an Engineering Classroom Building at NC State to accommodate the substantial growth in the College of Engineering.
 - The total authorized amount for this project is \$200 million.
 - FY 2026-27: 20,000,000 NR; FY 2027-28: 60,000,000 NR; FY 2028-29: 60,000,000 NR
- Large Animal Hospital
 - Provides funding for a Large Animal Hospital at the NC State College of Veterinary Medicine.
 - Total authorized amount for this project is \$120 million; NC State shall commit to providing funding of at least \$50 million from non-State sources on or before December 31, 2024, as

a match for the intended State allocations totaling \$70 million for the project.

- FY 2025-26: 35,000,000 NR; FY 2026-27: 35,000,000 NR
- STEM (Integrative Sciences) Building
 - Provides continued funding to match \$90 million in receipts to construct a new STEM Building at NC State.
 - The total amount authorized for the project including the match is \$180 million.
 - FY 2024-25: 6,025,177 NR; FY 2025-26: 22,224,800 NR
- Dabney Hall Renovation Phase 2
 - Provides funding for the second phase of renovations at Dabney Hall.
 - The total amount authorized for the project is \$80 million; previously received \$60 million for a total of \$140 million in funding.
 - FY 2024-25: 8,000,000 NR; FY 2025-26: 24,000,000 NR; FY 2026-27: 28,000,000 NR; FY 2027-28: 20,000,000 NR
- Polk Hall Renovation Phase 2
 - Provides funding for the second phase of renovations at Polk Hall.
 - The total amount authorized for this project is \$63 million; previously received \$10 million for a total of \$73 million in funding.
 - FY 2024-25: 6,300,000 NR; FY 2025-26: 18,900,000 NR; FY 2026-27: 22,050,000 NR; FY 2027-28: 15,750,000 NR
- Mann Hall Renovation Phase 2
 - Provides funding for the second phase of renovations at Mann Hall.
 - The total amount authorized for this project is \$30 million; previously received \$11.5 million for a total of \$41.5 million in funding.
 - FY 2024-25: 3,000,000 NR; FY 2025-26: 27,000,000 NR
- College of Management Planning Funds
 - Provides funding for the advanced planning of a new College of Management facility at NC State.
 - \$4,500,000 in non-recurring funds
- Nuclear Feasibility Study
 - Provides funding to conduct a study to assess the feasibility of establishment of an advanced nuclear research reactor at NC State.
 - \$3,000,000 in non-recurring funds

Select UNC System Items:

- Salaries
 - Provides funding for an across-the-board salary increase of 4% effective July 1, 2023, and a 3% salary increase effective July 1, 2024, for a total of 7% over the biennium.

- Performance-Weighted Enrollment Change Funding
 - Adjusts funding provided to UNC constituent institutions as determined by the enrollment funding model, which factors in performance outcomes for certain metrics related to student success, affordability and productivity.
 - \$32,921,356 in non-recurring funds
- Distinguished Professorship Matching Funds
 - Addresses the backlog in State funds needed to match private donations supporting endowed professorships which help attract and retain top faculty talent; STEM only subject areas.
 - \$5,000,000 in non-recurring funds in each year of the biennium
- Faculty Recruitment/Retention Fund
 - Provides additional funding to the UNC faculty recruitment and retention fund.
 - \$15,000,000 in recurring funding
- NCSSM and UNCSA Tuition Grant Scale-up
 - Provides additional funds to support tuition grants for high school graduates of the North Carolina School of Science and Mathematics (NCSSM) and the University of North Carolina School of the Arts (UNCSA) who attend a UNC constituent institution.
 - \$1,550,000 in recurring funding in FY 2023-24; \$3,600,000 in recurring funding in FY 2024-25

Capital

- Board of Governors Flexibility — Repairs and Renovations Funds
 - Allows the Board of Governors flexibility to reallocate R&R funds within an institution and clarifies that R&R projects other than those specifically listed in the bill shall not exceed \$15 million.
- OSBM — Flexibility Funds
 - Provides funding that the Office of State Budget and Management (OSBM) may allocate to supplement funds allocated to other State agency projects up to 10% of the authorized amount for those projects.
 - \$75,000,000 in non-recurring funds in FY 2023-24; \$75,000,000 in non-recurring funds in FY 2024-25
- UNC Building Reserve Study
 - Directs the Board of Governors to study the building reserve model and provide recommendations to improve the process of providing operation and maintenance funds for buildings. Report due April 1, 2024.

2024 Short Session

The North Carolina General Assembly reconvened for the 2024 short session on April 24, 2024. Despite much deliberation and negotiation, the legislature adjourned its short session on June 28 without passing comprehensive adjustments to the biennial budget. The adjournment resolution calls for brief sessions on July 10, July 29 – August 1, September 9 – 11, October 9, November 19 – 22 and December 11 – 13 where additional action by the General Assembly, on the budget or other specified matters, could take place. Our office continues to engage with legislators as well as various stakeholders on both budgetary and policy matters, including items such as engineering expansion, capital/repair and renovation funding, and enrollment growth performance funding, among others.

NC State was successful in advocating for changes to the Education and Workforce Training Program for Individuals with Disabilities. Senate Bill 508, 2023 Budget Tech/Other Corrections, included language lowering the eligibility age for participants in the program from age 22 to 18. In addition, the legislation specifies that the initial \$3 million in funding the university received would not revert to the General Fund at the end of the 2023 – 2024 fiscal year, but shall remain available until the end of the 2024 – 2025 fiscal year.

Elected Officials Visits to Campus



- September 2023: Senator Jim Perry offered remarks and helped break ground on the new Integrative Sciences Building.



- February 2024: Lieutenant Governor Mark Robinson visited the PULSTAR Reactor to learn more about NC State's longstanding nuclear reactor program and expertise in nuclear engineering.
- March 2024: Representative David Willis visited campus to learn more about the College of Engineering, as well as a discussion highlighting "Engineering NC's Future" progress, NC State's engineering partnerships with community colleges and other institutions, rural outreach efforts, and transportation-related research.



- April 2024: Representative Jason Saine joined us for a celebration of the new NC State Gaming and Esports Lab in Hunt Library.

State and Local Relations

- April 2024: EAPED assisted in facilitating Chancellor Woodson's participation in Japan Prime Minister Fumio Kishida's visit, including a luncheon with key leaders at the Governor's Mansion. The visit provided an opportunity to showcase the best of North Carolina and continue to build this mutually beneficial relationship.



- May 2024: EAPED facilitated the participation of Representative Deborah Ross, USDA Under Secretary Chavonda Jacobs-Young and UNC Pembroke Chancellor Dr. Robin Cummings in the Bezos Center for Sustainable Protein at NC State announcement.



Other Select Elected Officials Engagement



- May 2024: EAPED participated in the North Carolina Council of Graduate Schools Graduate Education Day at the North Carolina General Assembly coordinating visits with Representative Steve Ross, Senator Jim Perry, Senator Lisa Barnes, Senator Jay Chaudhuri and Senator Bill Rabon for three of our graduate students.



- March 2024: EAPED assisted in facilitating the NC State Women's Cross Country team's third consecutive NCAA National Championship recognition and celebration at the Governor's Mansion.

Local/Community Engagement

Local Engagement with Elected/Appointed Officials and Boards/Organizations

- Vice Chancellor Julie Smith began serving as the Chancellor's Designee on the Centennial Authority Board and the Research Triangle Foundation Board of Directors.
- Vice Chancellor Smith also continued service on several additional boards throughout the Triangle region, including the Greater Raleigh Convention and Visitors Bureau, Blue Ridge Corridor Alliance and the Hillsborough Street Community Service Corporation.
- Vice Chancellor Smith continues to strengthen engagement with the Greater Raleigh Chamber of Commerce and has been asked to serve on their Board of Directors. Additionally, Smith hosted the Regional Transportation Alliance (RTA) Leadership Team for a luncheon at Park Alumni Center in May.

Board of Visitors

- EAPED successfully facilitated fall and spring meetings of the NC State Board of Visitors, with President Pro Tempore Senator Phil Berger and UNC System President Peter Hans serving as guest speakers, respectively.



EAPED Leadership Transition



Effective February 1, 2024, Julie Smith was named NC State Vice Chancellor of External Affairs, Partnerships and Economic Development. Smith most recently served as the Division's Associate Vice Chancellor since 2019, where she worked closely with former EAPED Vice Chancellor Kevin Howell to oversee the work of the entire division, in addition to serving as the university liaison for state and local relations. As Vice Chancellor, Smith is continuing to advance NC State's mission through EAPED's impactful work — coordinating the university's relations with local, state and federal government partners; supporting the creation of industry collaborations; and helping to spur economic development investments with significant impacts for the university and North Carolina.

Federal Affairs

Protect and Promote Research Funding

FY 2024 overall spending levels agreed to by the White House and Congress did not include substantial increases. As a result, most federal programs were level-funded or received cuts. FY24 federal research and development programs saw a 2.1% decrease. Congress provided a 6.2% reduction in federal support for fundamental research after increasing federal fundamental research by 10% in FY23. The FY24 reduction is also partly due to additional mandatory spending on R&D that was part of the CHIPS and Science Act in FY23, which was not duplicated this year.

There were modest increases provided to Department of Defense (DOD) research funding, while other federal research agencies — including the Department of Energy (DOE), National Science Foundation (NSF) and National Institutes of Health (NIH) — had slight reductions. In addition, the National Oceanic and Atmospheric Administration (NOAA) and National Aeronautics and Space Administration (NASA), sustained targeted cuts to select research programs.

The Biden Administration proposed increases to many federal research agencies, extension programs and student aid funding, but those increases were not part of the final spending package when the Omnibus Spending Bill was agreed to by Congress in April 2024.

For FY25, the Biden Administration is requesting a 2% increase in federal research expenditures above FY24 levels. The President's budget again proposes substantial increases for research at NSF, the U.S. Environmental Protection Agency (EPA) and DOE, and proposes cuts at USDA, NOAA and DOD. The fourth year of the Biden Administration's effort to increase federal agency extramural research budgets is constrained by the overall spending caps agreed to in FY23.

Support Extension and Economic Development Programs

The President's FY25 budget proposed flat funding for extension and economic development programs like Smith-Lever, SeaGrant, SpaceGrant and the Manufacturing Extension Partnership (MEP). Bipartisan congressional support in the FY24 Appropriations process for federal extension and economic development led to steady funding for the programs which NC State leads and participates in, including the MEP Program. Extension programs including Smith-Lever (agriculture) and McIntire-Stennis (forestry) avoided cuts but were not significantly increased.

Research Agency and Advocacy Highlights

National Science Foundation: Congressional action on the FY25 budget got a late start and is still in the early stages. Over the last several years, NSF funding has grown faster than the overall discretionary spending levels. Congress provided NSF with \$9.1 billion in FY24, which represents a slight decrease below the FY23 funding level. This follows the largest single-year increase in the history of NSF (FY23). The President's FY25 budget requested an additional 11% increase. Neither the House nor the Senate has yet to release their recommended FY24 funding levels for NSF, but Congress and the President have agreed to a top-line spending level that is equal to FY24 levels. NC State Federal Affairs has led a series of more than 50 advocacy visits by deans, faculty and elected student leaders, as well as visits to campus by Representative Deborah Ross, Representative Wiley Nickel and Representative David Rouzer to labs where NSF research was prominently featured. Rep. Ross and Rep. Nickel are both members of the House Science Committee.

Manufacturing Extension Partnership: NC State Federal Affairs successfully supported advocacy efforts for NC State's MEP program, resulting in MEP funding retaining a \$17 million increase that was provided by Congress in FY23. Federal Affairs and the MEP program conducted advocacy visits to all NC House and Senate offices regarding their FY24 funding levels. Congress held MEP funding steady in FY24 at \$175 million. The Biden Administration is proposing \$175 million for MEP in FY25.

NC State's MEP program has over 100 employees statewide through a combination of federal grants and funding from the work they do with the private sector, but the primary programmatic source of funding is the Department of Commerce MEP program. Congress has not yet released the details of the FY25 Commerce, Justice and Science Spending Measure, which includes MEP funding.

Student Aid (Pell, SEOG, Work-Study and TRIO): NC State Federal Affairs supported in-person advocacy from NC State student government leaders for increases to the Pell Grant maximum, the Federal Supplemental Educational Opportunity Grant (SEOG), Work-Study and TRIO. NC State also led a similar effort to include colleagues at other ACC schools. The student leaders met in D.C. for a multi-day event that included in-person advocacy visits at the end of January 2024. In FY24 Congress level-funded the maximum Pell Grant (\$7,395), and also level-funded SEOG (\$910 million) and Federal Work-Study to \$1.2 billion. There were no cuts to Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP) and TRIO. Since FY24 top-line spending levels agreed to by the White House and Congress did not include substantial increases, most federal programs were level-funded or received cuts. The FY25 bills have not been released as of the date of this report. NC State Federal Affairs continues to encourage our delegation to support increases to student aid accounts in the FY25 Appropriations process.

SpaceGrant and SeaGrant: NC State advocacy efforts led to support for funding NASA’s SpaceGrant Program in the FY24 Omnibus Appropriations Bill. In February 2024, Federal Affairs coordinated in-person D.C. visits with the North Carolina delegation to discuss the impact of the SpaceGrant program in our state. In FY24, SpaceGrant received \$58 million — consistent with FY23 funding. In addition, NC State Federal Affairs coordinated March 2024 congressional advocacy efforts with SeaGrant program leaders and external stakeholders. SeaGrant funding was maintained in FY24 to total \$80 million, after several years of modest growth.

U.S. Department of Agriculture (USDA) Research and Extension: In the spring of 2024, NC State Federal Affairs supported campus agriculture stakeholders and outside advocates with in-person visits with nearly every congressional office from North Carolina. The Colleges of Veterinary Medicine (CVM), Natural Resources (CNR) and Agriculture and Life Sciences (CALs) all conducted in-person visits in March and April of 2024. Our office works closely with national associations and other prominent land-grant universities that have significant agriculture capacity funding to advocate for more Hatch, Smith-Lever and McIntire-Stennis funding. Those three funding streams have not increased at the same rate as the competitive agriculture grant program, Agriculture and Food Research Initiative (AFRI).

Federal Affairs, CALs, CNR and the Office of Research and Innovation (ORI) are currently planning an August 2024 agriculture and natural resources congressional staff trip. The staff delegation visit is expected to include tours of NC State research farms, Kannapolis research facilities, as well as cooperators and partners in the western part of North Carolina. All these locations provide detailed examples of the importance of competitive and formula-based AFRI USDA federal research funding, as well as Hatch, Smith-Lever and McIntire-Stennis.

The House and Senate Farm Bills are currently up for renewal, and NC State along with other land-grant universities are advocating for \$2.5 billion to be applied to the Research Facilities Act (RFA). This would support renovation and repair funding for agriculture research facilities for land-grant institutions. Robust funding for the RFA continues to be a high priority for NC State’s agriculture and natural resources research faculty.

USDA Report Language on ARS/NC State Initiatives: Congress can direct federal agencies to invest in areas of interest. There are several specific directives from the FY24 agriculture report language that directly and favorably impact NC State and Agricultural Research Service (ARS) Raleigh. One such directive supports GEM (Germplasm Enhancement of Maize) and Small Grain Genomics Research, which are both led by ARS Raleigh. The Food Animal Residue Avoidance Database (FARAD) program also received \$2 million. NC State is part of a four-university consortium that runs the FARAD program. For FY25, NC State is supporting a \$1.5 million increase to ARS Raleigh that would enhance sweet potato research at NC State.

USDA Specialty Crop Research Initiative (SCRI) Match Elimination: The 2018 Farm Bill included a 100% matching requirement, which was first imposed on land-grant universities in 2019.

Since then, NC State has successfully advocated for and secured legislative language inserted into the annual spending measures, which allow USDA to waive the matching requirement in the final Appropriations Law.

Project-Related Advocacy

In addition to advocacy for research and extension programs in FY24, NC State Federal Affairs has been engaged in several high-profile opportunities, including CLAWS, Pathfinder Airborne, USDA-supported facility upgrades to the Central Crops Research Station, and PowerAmerica.

Commercial Leap Ahead for Wide Bandgap Semiconductors (CLAWS): To strengthen NC State's proposal to DOD, Federal Affairs developed a legislative support coalition of North Carolina Senate and House members. As a result, the legislators provided joint letters of support on behalf of NC State's submission for the CLAWS research initiative. In October 2023, NC State was awarded \$39.4 million in DOD CHIPS and Science Act funding to lead CLAWS — a regional innovation hub that will advance domestic manufacturing of wide bandgap semiconductors.

Army Futures Command (AFC) Research Partnership: NC State Federal Affairs has been engaged in the FY23 and FY24 congressional plus-up efforts to develop a response to the 82nd Airborne partnership with NC State suggested by the AFC. Congress included \$8 million in FY23, and an additional \$8 million for the research partnership was included in the FY24 defense spending measure.

Database of State Incentives for Renewables and Efficiency (DSIRE) Upgrades: As a result of NC State Federal Affairs advocacy efforts, the university secured \$2.5 million in DOE funding for upgrades to the DSIRE database, which is operated by NC State's Clean Energy Technology Center.

USDA Agricultural Research Service Facilities Improvement Request: Congress increased funding for facilities improvements at the Central Crops Research Station from \$1 million in FY23 to \$1.4 million in FY24. NC State Federal Affairs worked closely with ORI, CALS and USDA ARS to develop a facilities improvement proposal for the Central Crops Research Station, which would provide more than \$7 million for infrastructure improvements related to the soybean and corn efforts jointly supported by NC State and USDA ARS researchers. The FY23 Omnibus Appropriations Bill included the first \$1 million to begin the facility upgrades requested. As a result of NC State's advocacy efforts, Senator Thom Tillis and Representative Wiley Nickel both made the request on behalf of NC State. The House version of the FY24 Agriculture Appropriations Measure includes another \$1 million for additional upgrades.

DOE PowerAmerica Renewal: At the request of members of the North Carolina delegation, Congress included language in the FY23 Energy and Water Appropriations Bill that directed DOE to use

up to \$12 million to extend funding support for PowerAmerica. NC State Federal Affairs, along with partner universities, led the effort to support renewed funding for all the DOE Clean Energy Manufacturing Institutes (CEMI) including NC State's PowerAmerica. In FY24, NC State worked with leaders of other national advanced manufacturing institutes to develop a coalition to advocate for sustained baseline federal support for these initiatives, which are funded by DOE, DOD and DOC.

Distinguished Visitors

USDA Deputy Secretary Xochitl Torres Small: In August 2023, the USDA Deputy Secretary and Representative Wiley Nickel visited NC State's Clayton Research Station for a tour and overview of the ongoing improvements, which are funded through USDA renovation and repair funding. The Deputy Secretary also visited the Lake Wheeler Road Field Laboratory and met with Chancellor Woodson to discuss the importance of the USDA–NC State partnership.



USDA Under Secretary Chavonda Jacobs-Young: In September 2023, Under Secretary of Research, Education and Economics and USDA Chief Scientist Jacobs-Young joined NC State to break ground on the new USDA ARS research facility at Lake Wheeler Road Field Laboratory.

Representative Deborah Ross: Congresswoman Ross brought her entire staff to NC State's campus in August 2023, and also has been hosted on campus four additional times by NC State Federal Affairs: 1) College of Veterinary Medicine visit, 2) College of Engineering meetings to discuss low-carbon steel manufacturing research, 3) CLAWS kickoff and 4) Bezos Center for Sustainable Protein announcement.

White House Office of Management and Budget Division (OMB) Division Director Livia Shmavonian: Director Shmavonian visited NC State's Wilson College of Textiles on May 15, 2024.

The visit showcased the university's critical work to protect first responders from PFAS, as well as other research efforts of national significance. Specifically, part of the discussion focused on NC State's industry partnerships that could enhance efforts to on-shore or near-shore textile manufacturing.



U.S. Secretary of the Interior Deb Haaland: On February 8, 2024, NC State Federal Affairs hosted U.S. Secretary of the Interior Haaland to share about NC State's Southeast Climate Adaptation Science Center as well as other university efforts relevant to the Department of Interior.



Representative Wiley Nickel: In addition to participating in the August 2023 USDA Deputy Secretary campus visit, Representative Nickel visited NC State's Lake Wheeler Road Field Laboratory again in September 2023.

Professional Activities

In FY24 Director of Federal Affairs Matt Peterson served in several leadership roles:

- APLU Council on Government Affairs (CGA) Liaison to the Board on Agriculture Assembly
- APLU CGA Chair of Agriculture Appropriations Task Force
- Planning Committee for the APLU CGA Summer 2025 Meeting (to be held in North Carolina): developing the agenda, securing speakers and presenters, and managing the small team of fellow CGA members who will put together the August meeting
- Science Coalition Steering Committee, which is responsible for developing and leading the execution of the Science Coalition's federal research advocacy efforts on behalf of all the Science Coalition members



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