



S.2508 / A.3008, Part KK and S.2503 / A.3003

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BILL S.2508 / A.3008, Part KK and S.2503 / A.3003
SUBJECT Consolidation of the Centers of Excellence (COE) into the Centers for Advanced Technology (CAT) Programs
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OPPOSE

The Business Council of New York State, Inc. opposes S.2508 / A.3008, Part KK which would consolidate the Centers of Excellence (COE) into the Centers for Advanced Technology (CAT) program, effective 4/1/23; temporarily designates currently funded COEs as temporary CATs, with the opportunity to become full CATs through the normal application process, which is a competitive RFP process. The Business Council also opposes the reduction of funding for the programs in the Aid to Localities Budget bill, S.2503 / A. 3003, to \$19 million, a \$4.6 million cut from the FY 2021 combined CAT and COE funding.

There are currently 15 CATs and 14 COEs in universities across New York. Both CATs and COEs provide New York State companies access to faculty expertise, talented students, leading edge technology, and cutting-edge research. The Centers enable industry partners to commercialize new products, improve manufacturing processes, bring new drugs to market, identify areas of growth potential, and much more.

Throughout the COVID-19 pandemic, the CATs and the COEs played a significant role in the State’s response by collaborating with industry on at least 81 COVID-related projects, including testing, PPE, HVAC, and therapeutics. The strategic locations and unique strengths of each CAT and COE gives every region across the state a foundation for growth, helping build New York companies, while also building our economy back in the wake of the global pandemic.

While both CATs and COEs bridge the gap between academia and industry, they do so with distinct, yet complementary differences. CATs focus primarily on the research and development of new technologies, while COEs focus on the commercialization of new products and technologies.

The CATs develop new technologies in collaboration with private industry and require matching funds from industry partners for their research and development efforts. They are awarded a 10-year designation when they compete, but not all re-compete at the same time.

The COEs are required to match the state investment with university funds. Because they do not need a corporate match, COEs are better positioned to work with smaller and new businesses, including startups. While there are differences between the CAT and COE Centers, they are complementary and collaborate often.

In their annual reporting on the CAT and COE programs, Empire State Development Corporation (ESDC) estimated non-job-related economic impacts for 2017-2019 to amount to \$2.57 billion and have helped create and retain 9,816 jobs. Providing an annual return on investment ranging from 25:1 to 45:1. ESDC's reporting demonstrates that CATs and COEs are among the best programs the State has for job creation and economic growth.

The Governor's proposal is intended to allow the state to better capitalize on the Centers with the highest performance, but it instead restricts all programs abilities to operate and innovate by significantly reducing their funding. These Centers employ industry experts and highly specialized research scientists in order to execute innovative partnerships with industry. This significant reduction of funding will have a direct impact on staffing resources. The universities and research centers that have COE and CAT centers greatly benefit by having access to this highly educated and skilled talent, and their loss would be felt throughout the universities.

These Centers are a tremendous asset to the innovation ecosystem in New York State and the proposed cuts and consolidation would heavily impede the economic growth they generate by weakening investment in academic-industry collaborations, further diminishing New York's economic development competitiveness and vitality.

The Business Council supports public private partnerships in which industry can leverage research and development in our institutions of higher education in order to remain economically competitive and further grow our economy. As such, the Business Council opposes S.2508 / A.3008, Part KK and S.2503 / A.3003, which would consolidate the Centers of Advanced Technology (CAT) and the Centers of Excellence (COE) programs and reduce their funding by \$4.6 million, threatening their livelihood and ability to continue to innovate with the private sector.