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I N  A S S E M B L Y

February 24, 2010

Introduced by M. of A. LUPARDO, MAGNARELLI, DelMONTE, GABRYSZAK, ALESSI -- read once and referred to the Committee on Economic Development, Job Creation, Commerce and Industry

AN ACT to amend the public authorities law, in relation to the establishment of the centers of excellence program

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. The public authorities law is amended by adding a new section 3153-a to read as follows:

S 3153-A. CENTERS OF EXCELLENCE PROGRAM. THE CENTERS OF EXCELLENCE PROGRAM IS HEREBY ESTABLISHED FOR THE PURPOSE OF FOSTERING COLLABORATION BETWEEN THE ACADEMIC RESEARCH COMMUNITY AND THE BUSINESS SECTOR TO DEVELOP AND COMMERCIALIZE NEW PRODUCTS AND TECHNOLOGIES, TO PROMOTE CRITICAL PRIVATE SECTOR INVESTMENT IN EMERGING HIGH TECHNOLOGY FIELDS IN NEW YORK STATE, AND TO CREATE AND EXPAND TECHNOLOGY-RELATED BUSINESSES AND EMPLOYMENT.

1. SUCH CENTERS ARE DESIGNATED TO OPERATE, PURSUANT TO SECTION THREE OF PART T OF CHAPTER EIGHTY-FOUR OF THE LAWS OF TWO THOUSAND TWO, IN THE AREAS OF BIOINFORMATICS AND LIFE SCIENCES, ENVIRONMENTAL AND ENERGY SYSTEMS, NANOELECTRONICS, INFOTONICS TECHNOLOGY, SMALL SCALE SYSTEMS INTEGRATION AND PACKAGING, WIRELESS AND INFORMATION TECHNOLOGY AND OTHER AREAS IDENTIFIED BY THE FOUNDATION AS HAVING SIGNIFICANT POTENTIAL FOR ECONOMIC GROWTH IN NEW YORK, OR IN WHICH THE APPLICATION OF NEW TECHNOLOGIES COULD SIGNIFICANTLY ENHANCE THE PRODUCTIVITY AND STABILITY OF NEW YORK BUSINESSES.

2. AS A CONDITION OF RECEIPT OF SUPPORT AUTHORIZED PURSUANT TO THIS SECTION, EACH CENTER SHALL ANNUALLY SUBMIT TO THE FOUNDATION A PLAN FOR COMMERCIALIZING PRODUCTS OR PROCESSES BASED ON INNOVATIONS DEVELOPED AT CENTER FACILITIES, AND SPECIFICALLY SUCH CENTER'S STRATEGY FOR COMMERCIALIZING SUCH PRODUCTS OR PROCESSES WITHIN NEW YORK STATE.

3. (A) FROM SUCH FUNDS AS MAY BE APPROPRIATED FOR THIS PURPOSE BY THE LEGISLATURE, THE FOUNDATION MAY PROVIDE FINANCIAL SUPPORT, THROUGH CONTRACTS OR OTHER MEANS, IN ORDER TO ENHANCE AND ACCELERATE CENTER OPERATIONS IN JOINT UNIVERSITY/INDUSTRY RESEARCH AND DEVELOPMENT, PROD-

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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UCT COMMERCIALIZATION, AND WORKFORCE TRAINING. FUNDS RECEIVED PURSUANT TO THIS SUBDIVISION MAY BE USED FOR THE EMPLOYMENT OF FACULTY AND STAFF, PROVISION OF GRADUATE FELLOWSHIPS, OR OTHER OPERATING EXPENSES APPROVED BY THE FOUNDATION BOARD.

(B) FUNDS SHALL BE MATCHED ON A ONE TO ONE BASIS BY THE INSTITUTION RECEIVING THE FUNDS AND COLLABORATIVE PARTNERS IN THE FORM OF CASH OR IN-KIND PERSONNEL, EQUIPMENT OR MATERIAL DONATIONS.

4. (A) THE EXECUTIVE DIRECTOR SHALL, ON OR BEFORE FEBRUARY FIRST, TWO THOUSAND ELEVEN AND EVERY YEAR THEREAFTER, SUBMIT TO THE GOVERNOR, THE MAJORITY LEADER OF THE SENATE AND THE SPEAKER OF THE ASSEMBLY A REPORT ON THE OPERATIONS AND ACCOMPLISHMENTS OF THE CENTERS OF EXCELLENCE.

(B) THE ANNUAL REPORT SHALL PROVIDE, BUT NOT BE LIMITED TO, THE FOLLOWING INFORMATION FOR EACH CALENDAR YEAR:

(I) THE PURPOSES FOR WHICH CENTER FACILITIES, EQUIPMENT, PERSONNEL AND FEATURES WERE UTILIZED, INCLUDING A DESCRIPTION OF EACH PROJECT UNDERTAKEN AND IDENTIFICATION OF ANY COLLABORATING PUBLIC, PRIVATE, OR NOT-FOR-PROFIT ORGANIZATION OR CORPORATION PARTNERS;

(II) A DETAILED OPERATING BUDGET, INCLUDING THE AMOUNT OF STATE FUNDS RECEIVED, AS WELL AS IDENTIFICATION OF EACH SOURCE OF FEDERAL, STATE, LOCAL OR PRIVATE FUNDS, INCLUDING IN-KIND CONTRIBUTIONS AND LICENSING REVENUE;

(III) AN ACCOUNTING OF CAPITAL EXPENDITURES, IDENTIFYING THE AMOUNT OF STATE FUNDS UTILIZED, AS WELL AS EACH SOURCE OF FEDERAL, STATE, LOCAL, OR PRIVATE FUNDS, INCLUDING IN-KIND CONTRIBUTIONS OF EQUIPMENT;

(IV) A DETAILED DESCRIPTION OF CENTER STAFFING, INCLUDING THE NUMBER OF PERMANENT, FULL-TIME PROFESSIONAL EMPLOYEES AND SUPPORT STAFF; THE NUMBER OF STATE AND PRIVATE UNIVERSITY PERSONNEL, INCLUDING GRADUATE STUDENTS; AND THE NUMBER OF PROFESSIONAL PERSONNEL ASSIGNED TO THE CENTER BY PRIVATE COMPANIES OR ORGANIZATIONS ON A NON-PERMANENT BASIS;

(V) A DESCRIPTION OF THE GOVERNANCE STRUCTURE OF THE CENTER INCLUDING THE RESPECTIVE ROLES OF COLLABORATING PARTNERS AND OF ANY CORPORATE ENTITIES RESPONSIBLE FOR THE OPERATION OR FUNDING OF THE CENTER;

(VI) IDENTIFICATION OF START-UP AND SMALL BUSINESSES ASSISTED BY THE CENTER, AS WELL AS SPIN-OFFS RESULTING DIRECTLY FROM CENTER ACTIVITIES;

(VII) IDENTIFICATION OF SUPPLIER AND CONTRACTOR FIRMS WITH WHOM THE CENTER HAS ENTERED INTO CONTRACTS FOR GOODS AND SERVICES;

(VIII) THE CENTER'S PLAN FOR COMMERCIALIZING GENERALLY PRODUCTS OR PROCESSES RESULTING FROM CENTER ACTIVITY, AND SPECIFICALLY SUCH CENTER'S PLAN FOR COMMERCIALIZING SUCH PRODUCTS OR PROCESSES WITHIN NEW YORK STATE;

(IX) THE EXTENT TO WHICH THE CENTER HAS ESTABLISHED RELATIONSHIPS WITH EXISTING ANGEL, SEED AND EARLY-STAGE FINANCING SOURCES AND HAS ESTABLISHED ITS OWN POOL OF SUCH FUNDS;

(X) THE NUMBER OF FULL-TIME PUBLIC, PRIVATE, AND NONPROFIT SECTOR JOBS CREATED AND/OR RETAINED IN THE STATE AS A DIRECT RESULT OF ACTIVITIES UNDERTAKEN WITH STATE FUNDS, INCLUDING CAPITAL FUNDS, AND THE METHODOLOGY UTILIZED TO DETERMINE SUCH NUMBER;

(XI) THE EXTENT TO WHICH THE CENTER PROJECTS HAVE OR WILL LEAD TO AN INCREASE IN THE POOL OF SEED AND VENTURE CAPITAL FOR A SPECIFIC TECHNOLOGY THAT IS OF IMPORTANCE TO INDUSTRY IN THIS STATE;

(XII) THE ACTUAL OR ANTICIPATED INVENTION, DEVELOPMENT, OR REFINEMENT OF ANY NEW PRODUCTS AND PROCESSES WITH COMMERCIAL APPLICATION OF IMPORTANCE TO THE INDUSTRIES IN THE STATE;

(XIII) ANY OUTREACH TO SURROUNDING COMMUNITIES TO ENCOURAGE OR ACCOMMODATE ECONOMIC GROWTH;

(XIV) A DESCRIPTION OF ANY RELATIONSHIPS WITH SECONDARY SCHOOLS AND COMMUNITY COLLEGES DESIGNED TO FOSTER STUDENT INTEREST IN SCIENTIFIC AND TECHNICAL CAREERS OR PROVIDE WORKFORCE TRAINING;

(XV) THE TERMS OF EACH RESEARCH SPONSORSHIP AGREEMENT, INTELLECTUAL PROPERTY OWNERSHIP AGREEMENT, INTELLECTUAL PROPERTY LICENSE AGREEMENT, OR ANY OTHER AGREEMENTS ENTERED INTO BETWEEN THE STATE FUNDED RESEARCH INSTITUTIONS AND EACH RESEARCH PARTNER IN THE PRECEDING CALENDAR YEAR REGARDING ANY PROVISIONS FOR FINANCIAL RETURN TO THE UNIVERSITY, THE STATE AND TO RESEARCH PARTNERS, INCLUDING, BUT NOT LIMITED TO, THE AMOUNT OF UP-FRONT ROYALTY INCOME TO THE STATE-FUNDED INSTITUTION, ANY MILESTONE PAYMENTS DUE TO THE STATE-FUNDED INSTITUTION, AND THE PERCENTAGE OF ROYALTIES DUE TO THE STATE-FUNDED INSTITUTION;

(XVI) THE NUMBER OF PATENTS AWARDED TO THE COLLEGE, UNIVERSITY OR ANY PRIVATE CORPORATION AS A DIRECT RESULT OF STATE-FUNDED ACTIVITIES; AND

(XVII) AWARDS, DESIGNATIONS AND OTHER TANGIBLE EVIDENCE OF RECOGNITION FOR CENTER ACHIEVEMENTS.

5. THE EXECUTIVE DIRECTOR SHALL, ON OR BEFORE FEBRUARY FIRST, TWO THOUSAND ELEVEN AND EVERY YEAR THEREAFTER, SUBMIT TO THE GOVERNOR, THE MAJORITY LEADER OF THE SENATE AND THE SPEAKER OF THE ASSEMBLY AN OVERALL STRATEGIC PLAN FOR THE CENTERS OF EXCELLENCE PROGRAM.

(A) THE PLAN SHALL INCLUDE THE BROAD FOCUS AND MISSION OF THE CENTER AND THE STRATEGIES USED TO DETERMINE THAT FOCUS INCLUDING BUT NOT LIMITED TO COLLABORATION WITH LOCAL AND REGIONAL ECONOMIC DEVELOPMENT ENTITIES TO DETERMINE CURRENT AND EMERGING HIGH-TECH INDUSTRY CLUSTERS.

(B) SUCH PLAN SHALL ALSO INCLUDE THE METRICS THAT WILL BE USED TO DETERMINE WHETHER AND TO WHAT DEGREE EACH CENTER IS MAINTAINING ITS FOCUS AND FULFILLING ITS MISSION.

(C) THE PLAN SHALL BE ASSESSED BY THE GOVERNING BOARD OF THE CENTER AND REVISED ANNUALLY AS APPROPRIATE. ANY REVISIONS SHALL BE SUBMITTED TO THE EXECUTIVE DIRECTOR FOR APPROVAL.

S 2. Subdivision 1 of section 3155 of the public authorities law, as amended by section 9 of part CC of chapter 59 of the laws of 2006, is amended to read as follows:

1. The foundation shall submit an annual report, beginning on the first of February, two thousand seven, to the governor, the speaker of the assembly, and the temporary president of the senate on the operations and accomplishments of: (a) each program it administers[,] AND (b) all programs authorized by this article[, and (c) in cooperation with the urban development corporation, the centers of excellence created by section three of part T of chapter eighty-four of the laws of two thousand two].

S 3. This act shall take effect immediately.