§ 209-t. College applied research and technology (CART) program. In order to encourage greater collaboration between private industry, universities and colleges within the state in the development and application of new technologies, the office is authorized to designate such technological areas as the office identifies as having significant potential for economic growth in New York state, or in which the application of new technologies could significantly enhance the productivity and stability of New York state businesses. Such designations shall be made in accordance with the standards and criteria set forth in subdivision two of this section. Colleges so designated shall be eligible for support from the office in the manner provided for in subdivision three of this section, and for such additional support as may otherwise be provided by law.

1. As used in this section:

(a) "College applied research and technology center" or "CART" means a college or college-affiliated research institute or a consortium of such institutions, designated by the office, which conducts a continuing program of basic and applied research, development, and technology transfer in one or more technological areas, in collaboration with and through the support of private business and industry; and

(b) "Applicant" means a college or college-affiliated research institute or a consortium of such institutions which request designation as a CART center in accordance with such requirements as are established by the office for this purpose. For purposes of this section, applicant shall not include any college or university that has a center for advanced technology pursuant to subdivision three of section thirty-one hundred two-b of the public authorities law.

2. The office shall:

(a) identify technological areas for which a CART center should be designated, including technological areas that are related to industries with significant potential for economic growth and development in New York state, and technological areas that are related to the enhancement of productivity in various industries located in New York state;

(b) establish criteria that applicants shall satisfy for designation as a CART, including, but not limited to the following:

(i) an established record of research, development and instruction in the area or areas of technology involved;

(ii) the capacity to conduct research and development activities in collaboration with business and industry;

(iii) the capacity to secure substantial private and other governmental funding for the proposed college or college-affiliated research institute or a consortium of such institutions, in amounts at least fifty percent of the total of support sought from the state;

(iv) the ability and willingness to cooperate with other institutions in the state in conducting research and development activities, and in disseminating research results;

(v) the ability and willingness to work with technical and community colleges in the state to enhance the quality of technical education in the area or areas of technology involved;

(vi) the ability and willingness to cooperate with the office and other economic development agencies in promoting the growth and development in New York state of industries based upon or benefiting from the area or areas of technology involved;

(c) establish such requirements as it deems appropriate for the format, content and filing of applications for designation as CART centers; and

(d) establish such procedures as it deems appropriate for the evaluation of applications for designation as a college applied research and technology center, including the establishment of peer review panels composed of nationally recognized experts in the technological areas and industries to which the application is related.

3. (a) From such funds as may be appropriated for this purpose by the legislature, the office may provide financial support, through contracts or other means, to designated college applied research and technology centers in order to enhance and accelerate the development of such centers. Funds received pursuant to this subdivision may be used for purchase of equipment and fixtures, employment of faculty and support staff, provision of graduate fellowships, and other purposes approved by the office, but may not be used for capital construction. In each case, the amount provided by the office to a center shall be matched by commitments of support from private and governmental, other than state,

sources in accordance with the following:

(i) for the academic year in which it is first funded as a designated center, and the four subsequent years, the amount provided by the office to a center shall be matched fifty percent by the center; and

(ii) upon a finding by the office that a technological area has continued significant potential for enhancing economic growth in New York state, or the application of technologies in the area could significantly enhance the productivity and stability of New York state businesses, the office shall initiate a redesignation process in accordance with subdivision two of this section. Such redesignation process shall be initiated by the office in such a manner that not more than one-third of the centers in existence at the time of redesignation shall become due for such redesignation at the same time.

(1) In the event a new center is selected in the redesignation process, the office shall provide funds to such new center in accordance with the funding match requirements set forth in this paragraph.

(2) In the event a previously designated center is redesignated in the same area of technology, which redesignation is effective for the sixth academic year following the first academic year of both designation and funding, then, in that year and in each year thereafter, the office shall provide funds of up to three hundred fifty thousand dollars to be matched fifty percent by the center, amounts in excess of three hundred fifty thousand dollars shall be matched seventy-five percent by the center.

(3) In the event a currently designated center is not selected in the redesignation process for an additional term, or upon a finding by the office that the area of advanced technology does not have significant potential for enhancing economic growth in New York state, or upon a finding that the application of technologies in that area would not significantly enhance the productivity and stability of New York state businesses, then the office shall, in the fifth academic year following such center's first both designation and funding, which year shall be the final year of funding for such center, provide an amount of up to two hundred fifty thousand dollars.

(b) Continued funding of the operations of each center shall be based upon a showing that: the center continues to comply with the criteria established by the office pursuant to paragraph (b) of subdivision two

of this section; a demonstration of assistance to small businesses in New York state through research, technology transfer or other means as approved by the office; compliance with the rules, regulations and guidelines of the office; and, compliance with any contracts between the office and the designated applied research center.

(c) Each center shall report on its activities to the office in a manner and according to the schedule established by the office, and shall provide such additional information as the office may require. The office shall evaluate center operations using methods such as site visits, reporting of specified information and peer review evaluations using experts in the field of technology in which the center was designated. The office shall notify each center of the results of its evaluations and findings of deficiencies in the operation of such center or its research, education, or technology transfer activities and shall work with such centers to remedy such findings. If such factors are not remedied, the office may withdraw the state funding support, in whole or in part, or withdraw the center designation.

(d) In order to encourage that the results of center research benefit New York state, designation and continued funding of each center shall be contingent upon each center's establishing within its licensing guidelines the following: after payment of the inventor's share, a reduced payment due to the university of any royalty, income or other consideration earned from the license or sale of intellectual property rights created or developed at, or through the use of, the facilities of the center by any person or entity if the manufacturing or use resulting from such intellectual property rights occurs within New York state. The office shall promulgate rules and regulations regarding the provisions of the licensing guidelines described herein as they apply to such reduced payment, and such provisions shall be subject to the approval of the office.

4. From such funds as may be appropriated for this purpose by the legislature, the office may provide grants to any one college or college-affiliated research institution for purposes of planning and program development aimed at enabling such college or college-affiliated research institution to qualify for designation as a center. Such grants shall be awarded on a competitive basis, and shall be available only to

those applicants which, in the judgment of the office, may reasonably be expected to be designated as centers. No applicant shall receive more than one such grant.

5. (a) From such funds as may be appropriated for the purpose of incentive grants or other funds which may be available from the office to enhance center activities in areas of crucial interest in the state's economic development, the office may provide grants, on a competitive basis, to centers for projects including, but not limited to, those which:

(i) explore new technologies with commercial application conducted jointly by two or more centers or a center and non-center university, college or community college;

(ii) are aimed at enhancing or accelerating the process of bringing new products, particularly those under development by new small businesses, to the marketplace; or

(iii) increase technology transfer projects with the state's mature manufacturing industries in applying technology in their manufacturing processes or for new product development.

(b) State support for incentive grants may be matched on an individual basis by the office, which may consider the type of project and the availability of amounts from private, university and governmental, other than state, sources.

6. (a) The office shall make a biannual report of the CART program to the governor and the legislature not later than September first of every other year. Such report shall include, but not be limited to, the results of an evaluation of each center by the office, a description of the achievement of each center, any deficiencies in the operation of each center or its research, education and technology transfer activities, remedial actions recommended by the office, remedial actions taken by each center, a description of the small business assistance provided by each center, a description of any incentive grant program awarded a grant by the office and the achievements of such program, and the amount of financial assistance provided by the office and the level of matching funds provided by each center and the uses of such monies.

(b) Bi-annual reports shall include a discussion of any fields of

technology that the office has identified as having significant potential for economic growth or improved productivity and stability of New York state businesses and in which collaboration with a center for advanced technology is encouraged.