

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 188

Short Title: GPAC/Biotech Microelectronics Rec.

(Public)

Sponsors: Senators Perdue; Martin of Guilford.

Referred to: Government Performance Audit.

February 17, 1993

A BILL TO BE ENTITLED

AN ACT TO IMPLEMENT A RECOMMENDATION OF THE GOVERNMENT PERFORMANCE AUDIT COMMITTEE TO ESTABLISH A GOAL OF SELF-SUFFICIENCY BY THE YEAR 2000 FOR THE CENTER FOR MICROELECTRONICS SYSTEMS TECHNOLOGIES OF THE MCNC (MICROELECTRONICS CENTER OF NORTH CAROLINA) AND FOR THE ECONOMIC DEVELOPMENT PROGRAM AND THE INSTITUTE FOR BIOTECHNOLOGY INFORMATION OF THE BIOTECHNOLOGY CENTER.

The General Assembly of North Carolina enacts:

Section 1. The General Assembly finds that:

(1) The General Assembly has established, directly or indirectly, the following four special purpose nonprofit agencies to conduct economic development activities:

- a. The North Carolina Biotechnology Center.
- b. The MCNC (Microelectronics Center of North Carolina).
- c. The Rural Economic Development Center, Inc.
- d. The Technological Development Authority, Inc.

(2) The mission of each of these nonprofits is as follows:

- a. The mission of the Biotechnology Center is to provide long-term economic benefit to North Carolina through support of biotechnology research, development, and commercialization statewide.

- 1 b. The mission of the MCNC is to accelerate the use of emerging
2 electronics technologies through innovation and market-driven
3 applications that improve quality of life.
- 4 c. The mission of the Rural Economic Development Center is to
5 develop and advocate innovative strategies to help stimulate
6 economic growth and job creation throughout the State's rural
7 areas.
- 8 d. The mission of the Technological Development Authority is to
9 increase the rate at which new jobs are created in all regions of
10 the State, by stimulating the development of existing and new
11 small businesses.
- 12 (3) The Technological Development Authority was originally established
13 as an independent State agency in 1983 but was reestablished as a
14 nonprofit corporation in 1991.
- 15 (4) The underlying premise under which the Technological Development
16 Authority was created was that it would become self-sufficient within
17 10 years; such self-sufficiency would validate the assumption that
18 investment in high-technology companies is viable in North Carolina's
19 market.
- 20 (5) The Technological Development Authority has indeed become self-
21 sufficient so that, beginning with the 1993-94 fiscal year, it will not
22 request State funding.
- 23 (6) The State should establish a goal of self-sufficiency for those
24 economic development entities for which self-sufficiency is viable.
- 25 (7) The Center for Microelectronics Systems Technologies of the MCNC,
26 which focuses on microelectronics technologies and markets use of the
27 MCNC facility to users, and the Economic Development Program and
28 the Institute for Biotechnology Information of the Biotechnology
29 Center, which provide support to start-up biotechnology businesses,
30 are especially well-situated to become self-sufficient.
- 31 (8) The following elements make self-sufficiency viable for these entities:
- 32 a. A significant level of interest from private funding sources in
33 the work they conduct.
- 34 b. The growth projections for their respective technological focus
35 areas.
- 36 c. The advancements toward self-sufficiency they have already
37 achieved.

38 Sec. 2. It is the intent of the General Assembly to maintain funding for (i) the
39 Center for Microelectronics Systems Technologies of the MCNC and (ii) the Economic
40 Development Program and the Institute for Biotechnology Information of the
41 Biotechnology Center at current levels for the next four years (the 1993-94 fiscal year
42 through the 1996-97 fiscal year) and then phase out appropriations to these entities
43 between the 1997-98 fiscal year and the 1999-2000 fiscal year.

1 Sec. 3. This intended phase-out of appropriations should result in savings of
2 two million two hundred fifty thousand dollars (\$2,250,000) in the 1997-98 fiscal year,
3 four million five hundred thousand dollars (\$4,500,000) in the 1998-99 fiscal year, and
4 seven million dollars (\$7,000,000) each year thereafter. These savings will result from
5 the following intended budget reductions:

6 (1) For the Center for Microelectronics Systems Technologies of the
7 MCNC, a reduction of two million dollars (\$2,000,000) in the 1997-98
8 fiscal year, a further reduction of two million dollars (\$2,000,000) in
9 the 1998-99 fiscal year, and a further reduction of two million dollars
10 (\$2,000,000) in the 1999-2000 fiscal year.

11 (2) For the the Economic Development Program and the Institute for
12 Biotechnology Information of the Biotechnology Center, a reduction
13 of two hundred fifty thousand dollars (\$250,000) in the 1997-98 fiscal
14 year, a further reduction of two hundred fifty thousand dollars
15 (\$250,000) in the 1998-99 fiscal year, and a further reduction of five
16 hundred thousand dollars (\$500,000) in the 1999-2000 fiscal year.

17 Sec. 4. This act is effective upon ratification.