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## **External evaluation finds CoEE a “best-in-kind” program; 2,000 jobs created in South Carolina**

In just six years, South Carolina’s Centers of Economic Excellence (CoEE) Program, which provides state lottery proceeds to match non-state investment to recruit top scientists and engineers to lead cutting-edge research programs in the state, has generated 2,000-plus jobs in South Carolina and boosted the state’s economy by nearly a quarter of a billion dollars (\$246 million) in non-state investment or pledges to the program.

According to the *2003-2008 CoEE Program Comprehensive Evaluation*, a report released today by the Washington Advisory Group (WAG), a prominent Washington, DC-based consulting firm, the program is so successful that other states should be envious.

WAG reports: “The state and its senior research universities are to be applauded for nurturing the CoEE program and for deploying it as a powerful tool for the creation of high-wage jobs and improvement in the quality of life of South Carolina citizens.”

“It is gratifying to have a well-respected firm like the Washington Advisory Group provide this accountability to the legislators and the taxpayers of South Carolina,” says Paula Harper Bethea, Chair of the CoEE Review Board. “The success of the CoEE Program is a tribute to the combined efforts of our state government, private industry and our great research institutions.”

The South Carolina legislature created the CoEE Program in 2002 to stimulate research and development at the state’s three senior research universities (Clemson University, University of South Carolina and Medical University of South Carolina) in order to enhance economic opportunities and increase the

number of well-paying jobs in the state. State funds appropriated from South Carolina Education Lottery proceeds are awarded to the universities on a competitive basis.

The CoEE Program is a challenge grant program; the universities must raise non-state, dollar-for-dollar matching funds prior to accessing state funds. Both the state and non-state funds are used to establish research centers in knowledge-intensive areas such as biotechnology, nanotechnology and automotive engineering. The universities then recruit top scientists and engineers (designated “CoEE endowed chairs”) to lead these Centers of Economic Excellence. To date, 21 CoEE endowed chairs have been successfully recruited.

In the summer of 2008, WAG was retained to assess the effectiveness of the CoEE Program. The WAG team, which included a former president of The Ohio State University and the former director of Microsoft Research, performed in-depth analysis of program data and materials, visited campuses and research facilities, and interviewed program staff and stakeholders to produce its report.

The report found that “economic impacts in terms of increased external funding, new job creation and business location decisions have been significant and can be expected to grow as the program continues and matures.”

The following are among the report’s key findings.

- The CoEE Program has created more than 2,000 jobs in South Carolina: 895 associated with CoEEs by such companies as BMW, Timken and others; 40 at the 11 spin-off companies that have been created from CoEE research; and 1,100 due to the \$122 million in new research grants awarded to individual Centers.
- Through the end of fiscal year 2008, \$66 million in state funds have been disbursed to the research universities. For the state’s investment, an additional \$205 million in non-state investment has been added to the state economy (\$82.8 million from non-state sources + \$122.2 million in competitive research awards won by CoEE-affiliated researchers = \$205 million). An additional \$41 million in non-state funds are pledged to be invested in the state economy within the next several years.
- The CoEE Program has raised the national and international reputations of the universities and made South Carolina more competitive in the global economy. The report cites several examples of this: in 2007, USC was one of 62 public universities classified by the Carnegie Foundation as a research university with “very high research activity”; Clemson has climbed to 22nd on U.S. News and World Report’s ranking of U.S. public universities; MUSC’s annual research funding has risen from \$116 million in 2001 to more than \$200 million in 2008.

- The 21 endowed chairs who have been recruited to South Carolina are of superlative quality in terms of scholarship, research and economic impact. The report cites the endowed chairs' achievements in terms of awarded patents, continuous research funding, membership in prestigious academic organizations, connections to industry, and entrepreneurship.

The report concludes that the CoEE Program is successfully achieving the goals set forth by the South Carolina General Assembly when the program was created, and that funding for the program should be a high legislative priority.

“Since this program began, South Carolina has successfully built Centers of Economic Excellence in cutting-edge fields that diversify our state’s economy and position us competitively in the national and global economy. This is particularly important in today’s economic uncertainty,” says Bobby Harrell, South Carolina Speaker of the House and proponent of the program. “The CoEE program will have continued long-term positive impact on South Carolina’s economy.”

*To view a full copy of 2003-2008 CoEE Program Comprehensive Evaluation, visit [www.sccoee.org](http://www.sccoee.org).*

### **About the CoEE Program**

The CoEE Program was created by the South Carolina legislature in 2002 and is funded through South Carolina Education Lottery proceeds. The legislation authorizes the state's three public research institutions, Medical University of South Carolina, Clemson University and the University of South Carolina, to use state funds to create Centers of Economic Excellence (CoEEs) in research areas that will advance South Carolina's economy. Each Center of Economic Excellence is awarded from \$2 million to \$5 million in state funds, which must be matched on a dollar-for-dollar basis with non-state investment. To date, 42 Centers of Economic Excellence and 74 CoEE endowed chairs have been awarded. The program currently supports 21 CoEE endowed chairs, world-renowned researchers who lead the Centers of Economic Excellence. For more information, visit [www.sccoee.org](http://www.sccoee.org).

### **About the Washington Advisory Group**

The Washington Advisory Group (WAG) provides strategic advisory services and management consulting to research universities, companies, governments and nonprofit organizations. WAG’s consultants include distinguished leaders in higher education, national science policy, and corporate and government research.

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