

APPENDIX P

The University of North Carolina

OFFICE OF THE PRESIDENT

POST OFFICE BOX 2688, CHAPEL HILL, NC 27515-2688

RUSS LEA, Ph. D., *Vice President for Research and Sponsored Programs*

Telephone: (919) 962-4623 Fax: (919) 843-4942 E-mail: rlea@northcarolina.edu



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November 1, 2005

MEMORANDUM

TO: Members of the Board of Governors

FROM: Dr. Russ Lea, Vice President for Research

RE: Overview of UNC Sponsored Program Activity, FY 2005

During fiscal year (FY) 2005, the University of North Carolina successfully maintained the significant gains in external funding achieved over the past decade despite an increasingly competitive funding environment. As in FY 04, UNC institutions attracted more than \$1 billion of external support for research and sponsored programs. There was a slight (1%) decrease from the previous year, but during the past five years the amount of awards received has increased nearly 50 percent.

Total new external funding to the sixteen constituent institutions of the University during FY 05 was \$1.003 billion. Support comes from a wide array of sponsors, including state, local, and federal government; business and industry; and associations, foundations, and other not-for-profit organizations. In particular, federal funding accounts for approximately two-thirds of the University's awards. However, total federal funding for research and development has plateaued and even declined in recent years. To balance this shift, UNC institutions have increased the amount of funding sought from other sources such as industry in North Carolina and out-of-state, as well as national foundations and associations. UNC institutions are also identifying new opportunities within the federal government, demonstrated by the drastic increase (\$20 million) in submissions to the U.S. Department of Homeland Security.

It is important to note that despite a flattening of federal appropriations, the federal government continues to invest more than \$25 billion annually in university-based research and development (R&D). UNC remains very successful in competing for these awards. In the most recent NSF survey,

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the University of North Carolina ranked third among all systems of colleges and universities for total R&D funding obligations from the federal government<sup>1</sup>.

External funding supports projects at all sixteen institutions and across all disciplines, in areas that extend beyond research and public outreach to teaching and direct student support. Nearly \$20 million was awarded last year primarily to support student services and financial aid, and more than \$75 million of additional external funding was devoted to academic support and instruction. Additionally, the majority of externally funded research projects integrate students at both the graduate and undergraduate level in hands-on, engaging activities, and support their studies through the funding of stipends and assistantships. Recent reports<sup>2</sup> lament the declining interest and lagging performance of U.S. students in science, technology, engineering and mathematics. They suggest that one of the most powerful tools to attract, retain, and prepare talented students in critical disciplines is the offering of these first-hand research opportunities.

The external research investments at University of North Carolina institutions generate significant economic returns as well, bringing hundreds of millions of dollars and thousands of jobs to the State. It is estimated that for every \$1 million in research funding attracted to the state, approximately 39 jobs are created<sup>3</sup>. The research conducted throughout UNC also spawns new companies and technologies that are vital to the State's competitive advantage. The most recent figures from the Association of University Technology Managers (AUTM)<sup>4</sup> show that UNC schools had more than 93 patent applications, 407 invention disclosures, and generated over \$8.6 million in licensing income during FY 2003.

To learn about the specific projects supported by external funding at each UNC institutions, please visit <http://uncsparc.northcarolina.edu>.

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<sup>1</sup> National Science Foundation, "Federal obligations for science and engineering research and development to systems of universities and colleges, ranked by total amount received, by agency: FY 2003," *Federal S&E Support to Universities, Colleges, and Nonprofit Institutions: FY2003* (2005): <http://www.nsf.gov/statistics/fedsupport/>.

<sup>2</sup> National Science Board, *The Science and Technology Workforce: Realizing America's Potential* (Aug 2003): <http://www.nsf.gov/nsb/documents/2003/nsb0369/nsb0369.pdf>.  
Business Roundtable, *Tapping America's Potential* (July 2005): <http://www.businessroundtable.org/pdf/20050727002TAPStatement.pdf>.

<sup>3</sup> Roth, James H., *Enhancing the Ability of North Carolina's Public Research Universities to Contribute to State Economic Development* (Chicago, IL: Huron Consulting Group and the Washington Advisory Group, LLC, 2004): <http://www.unc.edu/news/archives/mar04/ncstate/huronreport.doc>.

<sup>4</sup> The Association of University Technology Managers. *AUTM Licensing Survey: FY 2003* (2005).