

**President Lou Anna K. Simon Remarks:
State Senate Subcommittee on Higher Education
Tuesday, February 19, 2008**

The URC is an alliance of Michigan's three largest research institutions. Formed in late 2006, the URC leverages the assets of our three universities in order create economic vitality throughout the state.

The URC is an engine of economic growth that benefits Michigan, its businesses, families and, of course, its students and it offers a unique branding opportunity for the state.

Collectively, we educate more than 130,000 creative, talented and energetic students a year and we employ more than 46,000 people on our campuses.

MSU, U-M and Wayne State are uniquely positioned to lead in the development of new economic drivers and competitive outputs that will help transform Michigan and make it once again a strong and relevant player in the global marketplace.

The goal of the URC – to profoundly impact Michigan's economy and drive the growth and development of 21st century technologies that leverage the state's vast assets and help create greater prosperity for residents of the state.

In order to quantify the economic impact of the URC's activities on the state of Michigan, we engaged Anderson Economic Group last year to prepare a comprehensive economic impact report benchmarking the URC against other prominent university clusters across the country.

Highlights from the report:

- AEG looked at university clusters in North Carolina, Massachusetts, Northern and Southern California, Texas, Illinois, and Pennsylvania.

- Against these clusters, the URC fares very well.

- In terms of enrollment, the URC is the largest research university cluster with more than 133,000 students.
 - In terms of R&D, in 2005, the URC conducted \$1.37 billion in research and development, more than all of our peer groups, except for northern and southern California.
 - Approximately 60% of funding for these R&D expenditures came from federal sources, meaning that the URC universities brought \$832 million in federal dollars into Michigan.
 - As far as the effectiveness of R&D expenditures, as measured by licensing revenue per expenditure, the URC is better than all comparison clusters except for Northern California and Massachusetts.
 - We're providing each of you with a copy of the URC annual economic impact report for your review.
 - In addition to competing with other tech clusters around the country, we are increasingly competing with international institutions for students, faculty and, importantly, for research dollars.
- **The URC is an important investment in Michigan's future.**

FINAL COMMENTS/CLOSING REMARKS:

It has never been more important to maintain the momentum we have built, as the URC AND as a state in economic transition.

Our universities are at the forefront of exciting and important research that is the foundation of a knowledge economy.

In fact, you are the first to hear of a new URC effort—a \$900,000 seed funding initiative to encourage collaborative research on alternative energy.

The funding opportunity is for full-time faculty at the URC institutions for new research leading to revolutionary, but feasible, outcomes in alternative energy.

Funded projects to be considered will include research in materials (including nanomaterials), clean energy sources, transmission and storage that is environmentally safe, cost-effective, and secure, and energy policy.

Funding preference will be given to projects with excellent potential for innovation and feasibility that span two or more URC institutions and are multi-disciplinary in nature.

We are reaching out to increase our collaborations with the business community.

We are taking steps to speed the transfer of technology from the universities to business to create jobs and get Michigan moving again.

However, we are also experiencing greater and greater competition.

We are no longer simply competing against other schools in the Big Ten or in other regions in the U.S.