
Legislative Technology Agenda 2004

The South Carolina Technology Alliance is a 501 (c) (3) private/public corporation with a board of directors that represents many of our state's leading technology companies and research universities. Funding has been provided by a combination of public and private dollars, including government grants, corporate and personal contributions. The Alliance is working to build a strong economic base of technology companies across South Carolina. Generating a larger base of rapidly growing, locally owned knowledge based entrepreneurial technology companies that will increase our states per capita income levels. We want to enable our workers to experience outstanding employment and career opportunities that will pay above average salaries. Our Alliance is strong supporter of our research universities and the value each one brings to the equation. It is understood that to enhance South Carolina's ability to incubate and grow technology intensive companies we must ensure that our new start-ups understand that their success is extremely important to our state. This initiative includes working with universities and our technology colleges to increase the use of incubators for these technology companies statewide. Our Incubators will provide staffing, volunteers, and other resources to assist new companies in getting off the ground easier and faster. In addition, the Alliance is working with venture capital companies and our state leaders to provide and/or ensure that there will be seed and angel capital necessary for these new and expanding companies to grow their businesses.

Other goals and objectives for the South Carolina Technology Alliance are as follows: 1. To help prepare and ensure that a highly skilled technology-capable workforce is ready for our next economy jobs, 2. Create and support a business environment that is friendly to technology-intensive companies, 3. Invest to expand the base of rapidly growing companies and start-up businesses and to ensure that there is a support team of business leaders ready to support these companies in anyway possible to guarantee success, i.e. CTEC, ThinkTec, GSATC and others 4. Invest in world-class university research that directly impacts our states economic development and to track and report our progress in areas such as patents, federal grants, and research dollars.

Action Areas:

To continue to provide our legislative leaders with the information, knowledge and creative thinking necessary to support the South Carolina technology community and our the SCTA, to present a technology agenda rich with opportunities and to ensure that we exceed our goals and commitment to grow the per capita incomes of all South Carolinians and to work together as we "***Create South Carolina's Future Through Technology***". The SCTA will continue to develop, monitor, compare, track and report on our on states progress in implementing "***The Invented Here: The 2002 Southern Innovation Index***" which was developed by our states technology and business leaders and the Southern Technology Council. It is our plan to use this ***innovation index*** as our report card. This report will be placed on our website www.sctech.org. This information will be updated regularly to highlight our progress and results as it becomes available. This will allow us to create and measure our successes that are unique to South Carolina's challenges and resources.

Situation:

This is a slow and sometimes frustrating process, because some of the action items take so long to bring to fruition. As examples, our South Carolina Venture Capital Investment Act which ***WILL*** be approved shortly after the session begins in 2004 has taken over five years to get it to this point. Other states have passed venture capital and technology legislation early on and

this has given them a head start. We are playing catch up, but there have been other actions that have taken place like the Endowed Chairs or Eminent Scholars as we labeled this important accomplishment.

Another one of the many positive actions that have taken place is the new and energizing idea being bannered about by our Department of Commerce, small business and exciting business have a new important now. Some of this has been caused by the work that many of us have been doing in this area for years, but also because we have a re-organized and re-designed DOC that has placed high importance in this area, by naming a new Small Business Ombudsman – Chuck Bundy. The USC has combined all their small business support groups under one department head- Tony Boccanfuso, who is in charge of the USC businesslink.

To compete in the Next Economy our state must be vigilant and courageous in our focus. The new study from Dr. Michael Porter listed eight areas that our state must take to build a competitive economy for South Carolina. The eight were 1) Go Clustering, 2) Get Smarter, 3) Spend on research and universities, 4) Help local and start-ups, 5) Help hurting parts of the state, 6) Go institutional, 7) Sell the state, 8) Measure progress. He said, “This may take 20 years. That’s what we (SCTA) have been saying all along it will take great endurance, persistence, fortitude and tenacity. In this world of technology and growing new tech companies, there must be patience. Just think where we have come from since 1998.

Hopefully, our technology agendas for 2000, 2001, 2002, 2003, along with our results from these agendas and efforts have helped us make a large difference in where our state will now begin the new journey as all groups start to implement the South Carolina Competitiveness Initiative designed b Dr. Porter. And now as we begin our fifth Technology Agenda 2004 and with our *innovation index* and now with the renewed support of The Monitor Report and Michael Porter, we can continue our vigilance as we all demonstrate our strong aspiration as a state to make enormous improvement as cyber friendly state.

Legislative Agenda:

- Establish Rural Technology Zones with high-speed communications and training to promote the growth of small high tech entrepreneurial technology businesses in our rural areas. Create Technology Villages across our state to ensure creative centers (entrepreneurial councils) for our high tech entrepreneurs. The economic well being of many of our rural areas will depend on access to broadband Internet connections.
- Enact “E-Gov South Carolina” bill that ensures that our small technology businesses across our state have the preferred vendor status in all bids, and that an up to 15% price difference be given to South Carolina locally owned businesses. Require our Material Management Offices and other government organizations to publish a monthly report on the results of all bids where South Carolina businesses were not selected as the provider.
- Recommend that the Governor appoint a Chief Information Officer for the state and that this person report to the directly to the Governor and not to the B&C as in presently the case. By reporting directly to the Governor, with the responsibility to assist the Governor and the legislature to study, develop, enact, and assess public policy, legislation, and regulatory issues. This should be a cabinet level position similar to our neighboring states of Virginia, North Carolina, Georgia and Kentucky who acts as the Senior Advisor to the Governor and should address the vast, and ever so rapidly changing, issues surrounding information technology.

(MAP Commission recommendation)

22. The Division of CIO in the B&C should be transferred to the governor’s office and the position of ICO should be appointed by the governor.

- Our legislative agenda will support the efforts of our Technical College System, it well know that the needs for highly skilled technologically trained workers. Research

shows that up to sixty-five percent of all jobs in South Carolina will require at least a two-year associate degree or advanced training while only 20% of all jobs require a four-year degree. We will support our tech colleges in anyway possible. We must have this trained work force when the next economy arrives.

- Develop new criteria and higher standards for our research universities knowledge based high tech incubators to be more inline with other “best in class” incubators found at the top research universities that are the standards setters like MIT, Caltech, Stanford, Duke and the UNC/NCSU centennial campus. Our incubators must follow more closely the newly created cluster managers and our Research Centers of Excellence models and our new drive for true knowledge based companies. This can also be tied to some of the lottery over flow dollars. (Example of the value of our incubators as an economic development partner)
- Draft legislation that would allow municipalities to invest in Venture Capital Seed funds (i.e. City of Columbia has 100 million dollars in the water fund, which is currently yielding only 2.2 percent). This bill should allow the use of these under utilized cash reserves to be invested in venture capital opportunities paying more than (ROI) and/or growth rates of more than 10-20%.
- Introduce a bill that will ensure Internet Privacy. SCTA believes that South Carolina companies and citizens who engage in electronic commerce should have ample safeguards for the protection of personal information obtained via the Internet. Identity threat has become a major concern national and our state should enact safeguards this year to demonstrate our leadership regarding this issue. SCTA further supports and encourages efforts to secure and protect critical cyber networks, both public and private. We strongly recommend that our state continue to enhance its security infrastructure and to participate in programs such as the FBI’s InfraGard program, a public/private partnership for communicating cyber and terror threats.
- Introduce a bill that will help to control and e-mail spam. Each year this becomes a more important and serious and expensive problem. This is wasting time and causing numerous problems and costs for our e-commerce businesses and citizens all over our state. We had the opportunity last year for South Carolina to demonstrate national leadership in this area. Our state could save hundreds of thousands of dollars in wasted time everyday dealing with this problem. The state of Virginia enacted strong model legislation in this during 2003, as well as some action that is being considered by the federal government.
- Create a Technology and Science Committee in the Legislature to monitor and to encourage our efforts in the creation of knowledge based high growth entrepreneurial technology companies, as well as, our companies who have already selected South Carolina as there home to grow their companies. This plan that would support the appointment of a Technology & Science Committee in both the Senate and the House. Most states have recognized the need for such a committee. This would be a great place to use some of our newly elected younger technology literate members, who support the value of new tech start ups and the use of the cyber net for growing some of these companies.
- Enact some type of credit for companies who retain their work force of information technology and networking employees in our state. There is major concern that we are already losing our technology workforce to off shore companies in India, Ireland and China. We do not want to complete on cost, but we must find a creative way to save these jobs or we will see the same thing that happened to our textile and manufacturing jobs. Perhaps education credits, investment credits or incentives similar to those we use to lure companies to our state. We could also use employment incentives to recruit technology worker to South Carolina from the Valley to our beaches. It’s where you live to work and not where you work to live. Our quality of life and the place to best start new technology entrepreneurial companies ranks at the near the very top. Entrepreneur Magazine, Forbes, Red Herring have ranked Charleston# 2, Columbia #8 and Greenville #16 in the best

cities to start new high tech entrepreneurial companies. SCTA has done some of the research that can prove that our state is already losing many of our technology jobs to the overseas market and therefore losing opportunities for our own citizens and our students. This will hasten the brain drain problem we are faced with in our state. Determine the real cost and the value of these losses to our state. In jobs, salaries and taxes. Without these kinds of higher paying jobs, it is going to make it more difficult to increase our per capita income that will become the measurement of many of our plans going forward.

- Encourage all technology companies to aggressively pursue federal grants such as EPSCoR, SBIR, NIH, USDA and many others. Use some of the current dollars that are budgeted by the state to match these grants. There have been some reductions in federal dollars in some areas and this could free up some dollars in our state that have previously been earmarked for other matching grant programs. The use of some of these funds could also be added to the "Innovation Fund" that is part of our South Carolina Venture Capital Investment Act.
- Development of a statewide Technology & Research Week for our state. Make this the "super" week for naming our best professors in the areas of technology and science. Name the top technology companies, the fastest growing tech companies and the "Best in Class" small entrepreneurial technology companies. This will be labeled TECHNOLOGY VISIONS AWARD WEEK. We can include the colleges, the technology colleges and our best High School Students i.e. GSSM, and also our Robot Competition. THE GOVERNORS WEEK FOR TECHNOLOGY can reward those companies who during the year have been awarded the highest number of patents and the best grant award writers and award winners in technology from the four areas in our state that recognize technology winners, i.e. The Technology Pillar Awards, The Palmetto Vision Awards, The Innovation Awards and ThinkTec. This could also be the opportunity to recognize the various companies that received venture capital dollars or large investments during the year.
- Introduce the idea of Open Source Software and request legislative action that requires our state agencies to evaluate possible savings using open source software. Open source software will require a unique paradigm shift in our IT development. The savings realized by our state could add up to millions and millions of dollars in savings to our state. This is another area where our state can be a national model for implementing open source software. Current examples of open source are Linux operating system, Apache web server software, Samba file sharing programs, MySQL database software and programming languages such as PERL, PHP, and Python.

(MAP Commission recommendation)

11. The state should not be in the software development business. Application systems should be acquired utilizing a development/ maintenance strategy.