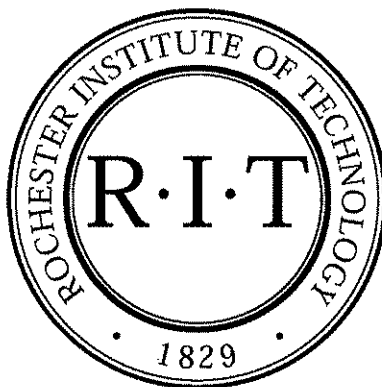


**Statement Before
the
NYS Budget Division Hearing**

Presented by:

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Budget Director Francis and members of the budget division staff, thank you for this opportunity to talk with you about an initiative that we at RIT are confident will be a significant economic stimulus, not only for the greater Rochester region but for Upstate New York in general...The Golisano Institute for Sustainability. This initiative will build on RIT's established expertise in remanufacturing, product reuse and recycling technologies, and leverage those resources to capitalize on the tremendous economic development potential of environmentally benign manufacturing and sustainable product development. Indeed, we believe that the greater Rochester region is uniquely positioned to become the "Silicon Valley of Sustainable Technologies", building on the strength of its R&D expertise and the leading edge companies located in the region that are at the forefront of new developments in alternative energy and related products and systems.

Sustainability is defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". A recent feature article in *Business Week* magazine highlighted the increasing importance of environmentally responsible manufacturing as a global competitiveness issue, noting that "the future of our economy, environment **and** (emphasis added) competitiveness reside on our ability to integrate innovation with sustainability and by educating a new generation of leaders." The report by the A.T. Kearney group released earlier this year, entitled "Delivering on the Promise of New York State: A Strategy for Economic Growth and Revitalization" also underscored the economic opportunities associated with clean technologies. The report noted that "before clean tech can emerge as a viable

sector, more attention needs to be paid to stimulating the creation of new clean tech companies and research. The Golisano Institute for Sustainability at RIT will respond directly to this challenge by:

- Fueling the growth of existing firms and the development of new companies in the greater Rochester and Upstate New York regions in sustainable technologies, including new products, new materials and new opportunities for remanufacturing, reuse and recycling;
- Providing educational programs to develop the first generation of a skilled workforce in sustainability;
- Providing training and professional development for existing manufacturers to enable them to meet the demands of global markets;
- Capitalizing on RIT's extensive expertise in sustainable technologies, and its interdisciplinary approach to research and education;
- Elevating sustainability to the forefront of global consciousness and focusing worldwide attention on the Rochester region as a global resource for talent and problem-solving expertise in the field.

RIT's leadership in the field of sustainability was recently affirmed by Rochester businessman and visionary entrepreneur B. Thomas Golisano, who has committed \$10 million to the university for this initiative. Mr. Golisano's gift will be used to support the Institute's research, educational and outreach programs including: the first Ph.D. program in Sustainable Product Development; a research portfolio that will focus on the integration of technical scientific, economic and policy issues affecting sustainable

manufacturing production; and outreach programs with industry as well as K-12 education to stimulate awareness and encourage interest in this emerging career field. The total project cost is estimated at \$107 million, including \$65 million for the design, construction and equipping of a new 100,000 square foot facility to house the Institute. We are requesting \$50 million in capital funds from the State of New York toward the construction costs. We anticipate that the remainder of the funds will come from a combination of corporate, foundation, federal and RIT sources, as well as individuals.

We are requesting this investment from New York State because we believe that it will yield a significant return in terms of economic growth, new and well compensated jobs, and an attractive business climate that will also be a magnet for retaining the younger workforce for whom clean tech jobs are becoming increasingly motivating. We recently asked the highly respected Center for Governmental Research to conduct an independent analysis of the potential economic impact of the Golisano Institute. CGR reviewed the recent track record of our Center for Integrated Manufacturing Studies, on whose pathbreaking work in remanufacturing and related areas the Golisano Institute is based, relative to funded research, technology transfer and job creation. Since 1997, RIT's CIMS Center has secured more than \$38 million in funded research and development in sustainable product design, life-cycle engineering and asset health management, and has established an internationally recognized reputation as a resource to industry as well as the federal and state governments in these domains of expertise. In addition, my colleague, Dr. Nabil Nasr, who joins me here today, is regularly called upon to provide authoritative policy advice and guidance to worldwide organizations such as

the United Nations and the Organization for Economic Cooperation and Development.(OECD). He was recently named as the U.S. representative to the OECD Sustainable Consumption and Production Standards Committee, and principal advisor to the U.S. government in areas of sustainable production.

The aforementioned study found that from 1998 to 2006, for each \$1 million invested in CIMS' research programs, participating firms, on average, reported the creation or retention of 110 jobs. The total jobs impact of CIMS over this period of time, including direct and spillover jobs, was nearly 3,000. CGR's analysis also noted that the planned Golisano Institute will afford significant additional potential for expanded technology transfer and greater opportunities for spinoff companies, concluding that the added capacity of the Golisano Institute could potentially stimulate the creation of 6,000 jobs with earnings of roughly \$650 million. While acknowledging that not all of these projected jobs would be located exclusively within the greater Rochester region, CGR noted that this initiative would serve to "retain Rochester's role as a leading center for key applied manufacturing research and its position as an appropriate location to contribute elements of emerging products and services, particularly [in] alternative fuels and remanufacturing". RIT is already partnering with the leading companies in the field of sustainability on research, technology transfer and training programs, including the GM research facility in Honeoye Falls, Delphi, Xerox, Kodak and others. A multi-year federal grant from the U.S. Department of Transportation, secured through the efforts of Senator Hillary Clinton, is being used to assess the opportunities for alternative fuels in public transportation systems. RIT is partnering with Monroe County and the Rochester

Genesee Regional Transportation Authority on demonstration projects for using alternative energy systems in their vehicle fleets. RIT has also been working with the U.S. Department of Defense for over 10 years, and has had a number of measurable successes in improving the performance of defense platforms and systems while reducing production and maintenance costs and extending the life of critical systems such as light armored vehicles and fighter planes. Many of these enhancements are already being deployed by the Navy and the Marine Corps, and the opportunities to extend and transfer this knowledge to the commercial sector are substantial and several such projects are already underway. RIT has had a longstanding partnership with the New York Energy Research and Development Authority (NYSERDA) and is currently developing plans for implementation of a recently funded project that will test the functionality and durability of hydrogen vehicles. We are also very interested in supporting the efforts of the NYS Comptroller's office, with the recent Executive Order by Comptroller Tom DiNapoli directing that office to become a model of sustainability, and we have met with the Comptroller's staff to see how we may be of assistance in that regard.

Clean tech jobs and all things related to sustainability are also a hot button for young workers who have an increased awareness of the fragility of the environment and global consciousness. A recent article in *Newsweek* magazine cited the burgeoning interest in careers in green companies, not only in technology-related positions but also in support areas in these companies such as human resources, accounting and information technology. Going back to the Silicon Valley analogy that I mentioned at the outset of my remarks, we believe that the critical mass of companies focused on sustainability

technologies that are already located in the greater Rochester region provides us with an extraordinary and timely opportunity to retain more of our college graduates and to attract the twenty to thirty-somethings who are looking for careers that are professionally and personally rewarding, along with a quality of life environment that offers the attributes of larger metro areas, with fewer of the hassles and high costs. The more companies and more jobs that are created in this field, the more these young professionals will find right here in Upstate New York the career mobility opportunities that made areas such as Silicon Valley and Route 128 in Boston magnets for younger workers.

In short, we believe that the Golisano Institute for Sustainability at RIT could become a signature program for demonstrating New York State's leadership in the area of sustainability and alternative energy technologies. The building itself will be LEED Platinum Certified, the highest possible level of green design. The entire facility is envisioned as "Living Laboratory" that will not only feature research and educational programs, but will also serve as a model for leadership in campus environmental management. Design features will include renewable materials, optimized energy performance including renewable energy generation and other innovations that are consistent with the living laboratory concept.

We have great confidence that this facility will be a significant economic driver for the region and for Upstate New York. Companies that have a business interest in sustainability, and particularly sustainable production, will not only want to, but need to tap the rich resource of expertise, knowledge and talent that the Golisano Institute will be

able to offer them. There is ample evidence, in New York State and elsewhere, that a strong R&D base is a key catalyst for economic growth, and that companies will locate new facilities in areas that can offer specialized expertise along with the corollary workforce and ongoing opportunities for collaborative research and professional development. The Golisano Institute for Sustainability has all the right ingredients to transform the region and to firmly establish its reputation as a global hub in the area of sustainable product development. We are asking New York State to partner with us in making this goal a reality, and we will be glad to answer any questions you may have about this ambitious, but achievable initiative.