150 years ago, in 1862, the Morrill Act recognized the wisdom and value of making higher education practical and accessible, connecting colleges and universities to their communities, and finding answers to contemporary problems by relying on the collective resources and power of an entire system.

The Power of SUNY — its systemness — is unmatched in its ability to realize the foundational goals of the Morrill Act. At SUNY’s core is a unique bank of assets, comprising people, infrastructure and technology, that drives a truly extraordinary innovation ecosystem, supporting the commercialization of SUNY intellectual property, and delivering solutions to societal problems, entrepreneurial opportunity, economic development and job growth.

As the largest, most comprehensive university-connected research foundation in the country, the RF serves SUNY by providing sponsored programs administration and innovation support services to assist SUNY faculty to translate research and discovery into invention, entrepreneurship, economic opportunity and public benefit.

Every day across New York, SUNY’s assets are at work driving research that leads to groundbreaking discovery in the areas of nanotechnology, health care and biotechnology, materials science, high-speed computing and other fields. As the largest, most comprehensive university-connected research foundation in the country, the RF serves SUNY by providing sponsored programs administration and innovation support services to assist SUNY faculty to translate this research and discovery into invention, entrepreneurship, economic opportunity and public benefit. I am honored to serve as one of three lead members of Governor Cuomo’s Innovation New York Network to foster collaboration between academia and business and accelerate the transition of research and innovation from the laboratory to the marketplace.

The New RF has undergone fundamental transformation to effectively perform its mission with a commitment to excellence, integrity and accountability in the interest of the public trust. It has responded to a changing economic landscape by containing costs and advancing an action plan to grow SUNY research. That plan engages all regions, liberates brilliant minds, creates a culture of collaboration, and maximizes human capital development.

SUNY is the 21st-century model of the land grant university. Its scope, scale and diversity exemplify the vision set long ago. Today’s RF is organized to maximize the power of SUNY assets and move that vision forward.
"The RF’s support of SUNY’s widespread success in groundbreaking research activity is invaluable, and the RF is thriving under new leadership. Dr. Timothy Killeen has brought fresh vision and perspective to the design, direction and expansion of SUNY’s research footprint. Research performed by SUNY faculty and students with the RF’s support continues to lead to new discoveries and inventions that generate entrepreneurial opportunity, economic development, and job growth in New York, across the country, and around the world.”

Nancy L Zimpher, Chancellor, The State University of New York

THE NEW RF

The New RF has produced tangible cultural, operational and structural change to achieve best-in-class levels of performance.

- Received independent audit results that validate the RF’s **compliance** and sound management of sponsored funds. These audits of annual **financial statements** and compliance with U.S. Office of Management and Budget Circular A-133 review the core that comprises almost all of the RF’s business – the administration of grants and contracts across SUNY’s 30 state-operated campuses.
- Instituted **new protocols** that raise the standards of **accountability** of officers and employees.
- Implemented and updated **policies, procedures and guidelines** to provide clear **direction and process** across the enterprise.
- Expanded and strengthened governance on the RF **board of directors**. The 17 members of the governing body bring a breadth and depth of **expertise and experience** that span business, industry, research and higher education administration.
SUNY is the largest, most comprehensive system of public higher education in the country. It has a total annual impact of $19.8 billion in communities across the state. The RF exists to serve SUNY and harness its assets to advance research and innovation to improve society and drive New York's economic revitalization.

SUNY's greatest asset is its people — 468,000 students, 88,000 faculty and staff and 3 million alumni. The RF supports the work of SUNY faculty, staff and students, who expand New York's knowledge base and attracted $882 million in sponsored research funding in 2012. Working with government, business and industrial partners, SUNY researchers advance knowledge, discovery and innovation that solve challenges, generate new commercial products and create jobs.
SUNY participates in all eight designated Centers of Excellence (CoE). CoEs promote critical private-sector investment and foster collaboration between the academic research community and the business sector to develop and commercialize new products.

SUNY’s state-of-the-art infrastructure spans all of New York. At its core are 64 geographically dispersed campuses that provide access to almost every field of academic or professional study. The RF plays a critical role in the development and support of these extraordinary resources.

Infrastructure

SUNY participates in all eight designated Centers of Excellence (CoE). CoEs promote critical private-sector investment and foster collaboration between the academic research community and the business sector to develop and commercialize new products.

SUNY campuses host six of the 15 Centers for Advanced Technology (CAT) programs. These CATs have contributed $2.2 billion to New York’s economy over the past decade. New York State established the CAT program in 1983 to help businesses create and retain jobs, increase productivity, and boost profitability through collaborative research activities.

SUNY’s broad array of business incubator programs tap into local strengths and provide guidance and business support, as well as access to space, scientists and equipment needed to advance innovation and create new products and applications. Many new companies seek these incubators to commercialize SUNY-developed innovations.
SUNY's history of invention has global impact. SUNY scientists invented the heart-lung machine that made open heart surgery possible; conducted pioneering Magnetic Resonance Imaging (MRI) research that launched today's $100 billion medical imaging industry; and developed software that advanced bar code scanning technology used in our day-to-day lives.

Today, innovation and discovery are happening on every SUNY campus and in every discipline, and the RF supports the translation of these innovations into practical solutions. Faculty researchers are addressing some of today's most critical issues by inventing

- a process to optimize the production of graphene, the thinnest and strongest material known to man;
- a breathalyzer that uses nanotechnology to detect diseases such as asthma or diabetes;
- an energy-harvesting shock absorber that converts vibration into electrical power.
Growing research brings federal dollars back into New York, creates new jobs, builds infrastructure and generates discoveries that lead to innovation and opportunity. The RF is targeting 28% growth in research expenditures and 20% growth in invention disclosures over the next five years.

SUNY REACH (Research Excellence in Academic Health) is a network of excellence that combines the expertise and resources at five SUNY campuses – Upstate, Downstate, Buffalo, Stony Brook and Optometry. A model of collaborative research, SUNY REACH has turned an initial $600,000 investment into over $15 million in grants.

SUNY/RF Research Collaboration Fund encourages intercampus collaboration. This $700,000 grant program helps faculty researchers generate data for larger-scale proposals and future funding. Nine funded projects awarded in 2012 reflect SUNY’s broad strengths in biotechnology, engineering, nanotechnology and other areas.

SUNY Technology Accelerator Fund (TAF) provides the proof-of-concept funding needed to make SUNY’s most promising technologies commercially viable. In its first year of operation the TAF produced two startup companies, one of which won a National Institutes of Health Small Business Technology Transfer award.

SUNY Research Council brings together prominent leaders with research expertise to lend vision and perspective to SUNY’s leadership as a 21st-century public comprehensive research-intensive university system.

**KEY METRICS**

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<th>7,159</th>
<th>TOTAL GRANTS</th>
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<tr>
<td>3,596</td>
<td>PRINCIPAL INVESTIGATORS</td>
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<tr>
<td>1,654</td>
<td>SPONSORS</td>
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Many SUNY inventions have been licensed for further commercial development.
The RF continued to demonstrate its financial soundness in fiscal year 2012 with a solid balance sheet and controlled administrative expenses even in a tough economy and as the federal government — the largest sponsor of RF grants and contracts — is reducing support for research and development.

**Funds generated** by grants and contracts for research programs conducted at SUNY campuses comprise about 94% of RF income. In fiscal year 2012, these revenues declined 4% across major sponsor types. This was largely driven by decreases in U.S. Department of Health and Human Services (DHHS) programs, federally funded international development programs, and New York State funded programs.

The RF has engaged with state and industry partners to set the stage for future growth from those sources. Programs such as the Global 450 Consortium at the College of Nanoscale Science and Engineering of the University at Albany (CNSE) and economic revitalization efforts under the NYSUNY 2020 Challenge Grant Program show how SUNY, government, and private-industry partners collaborate to generate groundbreaking discoveries and build New York’s innovation economy.

The RF is also working to increase the amount of funding it receives from licensing SUNY inventions and the impact of SUNY research. SUNY campuses are cultivating a growing number of faculty and student entrepreneurs. Programs at the Centers of Excellence (CoE), Centers for Advanced Technology (CAT), and the business incubators are attracting industry partners and are expected to yield more new technology disclosures and royalty income.

**The RF has also controlled expenses** to ensure financial strength. The RF uses the majority of its funds to provide direct services to sponsored research programs (hire employees, purchase supplies, report to sponsors) at SUNY campuses in accordance with sponsor guidelines. With over 16,500 employees creating and supporting SUNY research, salaries and employee fringe benefit costs comprise nearly half of the RF’s total expenses.

The RF’s net assets are in a deficit position of $111.3 million, mainly due to the impact of the post-retirement benefit liability, which grew by $94.5 million in fiscal 2012 as a result of interest rate fluctuations. The RF continues to provide post-retirement benefits despite their significant costs.

For the RF’s full financial statements, go to [www.rfsuny.org/annualreport](http://www.rfsuny.org/annualreport)