Testimony for Senate Higher Education Committee on
The Ohio Federal Research Network (OFRN) Round 7 – 15 May 2025

(Slide 1) Chair Roegner, Vice-Chair Timken, Ranking Member Ingram and members of the Senate Higher Education Committee I am honored to be in this hearing room to present testimony on the Federal Research Network line item (GRF ALI #235578) in the Ohio Department of Higher Education (ODHE) budget for SFY 2026-2027. The current funding request is for $5.099M per year in the budget for a total of $10.198M.

(Slide 2) OFRN was codified in HB 64 (ORC 193.03-09) of the 131st GA, SFY 2015-2016 as outlined in the Ohio Federal Military Jobs Commission Report. Our federal partners are NASA-Glenn, the Air Force Research Lab (AFRL), Naval Medical Research Unit - Dayton, the National Air & Space Intelligence Center (NASIC), and the Ohio National Guard. The proposal teams that come together for funding are comprised of a minimum of <u>two</u> universities, an industry partner with a <u>physical location in the state</u>, and one of the federal partners mentioned previously.

(Slide 3) The Ohio Federal Research Network (OFRN - https://ohiofrn.org) is a program administered by Parallax Advanced Research Corporation, a non-profit research organization, in collaboration with The Ohio State University and funded by the Ohio Department of Higher Education. Our Technical Review Council and Executive Review Board insure independent ranking and selection of the most qualified proposals for each round of funding.

(Slide 4) The **goals of the OFRN** are listed in this slide. We work to increase the amount of Federal Funding that flows to Ohio for R&D, support the types of technology on which Ohio's federal partners are focused, increase the extent for enhanced collaboration among institutions & industry, and develop lasting and sustainable knowledge that allows our academic institutions & industry to improve their ability to compete for federal resources over time.

(Slide 5) The outcomes highlighted on this slide and listed below from the first 6 Rounds highlights the capability of this program to be transformational in supporting the growth of Ohio's industry sector.

Focusing on the bottom line, the OFRN programs results to date are:
- ✓ $61.8M State of Ohio Investment
- ✓ $390M+ Follow-on Federal Funding Awarded
- ✓ $40.3M Cost-share from the participants

This would equate to approximately a 7:1 ROI.

Improvement in State Research & Development Efficiency for Ohio:
- ✓ 41 R&D Projects Funded
- ✓ 384+ Direct Jobs Created
- ✓ 106 Industry Companies
- ✓ 23 Academic Institutions

(Slide 6) Diving deeper into the Return of Investment for this program we can see the real advantage to continuing it in the next bi-annual budget.

- ✓ 16 Spinout companies created
- ✓ 29/41 projects (71%) have a positive ROI
- ✓ 31/41 projects (76%) had follow-on funding > $1M
- ✓ 11/41 projects (27%) had follow-on funding > $10M

While there's no single definitive statistic, it's estimated that **less than 5% of all technology startups** reach an ROI of $1 million or more within three years. The majority take longer to achieve profitability or fail entirely. Thus, this program proves its metal.

(Slide 7) In addition to the above metrics and starting in Round 5 (FY22-23), we incorporated a unique requirement for the project teams to be focused on a student workforce development aspect. This part of the program, called the Student Experiential Engagement (SEE), required the teams to incorporate students into both the research and technology development as well as the business aspects of the project. The aim of the program is keeping these talented individuals in the State of Ohio after graduation. Even though this part of the OFRN program only started in early 2022, we have already witnessed successes where the industry partner on the project has hired a student as a full-time employee after graduation. Additionally, more than 175 students have been engaged in the 13 projects since its inception.

(Slide 8) This State budget proposal will focus on the research and development of the Areas of Interest listed on the slide. These match up well with the new technology and industry being developed in Ohio. The OFRN will provide opportunities for two- and four-year institutions and small businesses to compete on project awards ranging from $800K to $1.25M. The solicitation for OFRN Round 7 (FY26-27) which closed out on April 28th received 47 proposals totaling more than $56M. Proposed funding will only allow us to award 7 projects for this next period of performance.

(Slide 9) The historical funding for this program has been consistent, and we thank the Governor and the Chancellor for their continued support. As mentioned in this slide, any additional funding to this program will allow us to fund additional project teams.

(Slide 10) As I mentioned in the beginning, we are honored and pleased that the Governor and the Chancellor are willing to continue this program into the next budget cycle and feel strongly that Ohio should continue its support of research, innovation, and technological development to deepen the linkages between academia, industry, and government.

Chair Roegner, Vice-Chair Timken, Ranking Member Ingram and members of the Senate Higher Education Committee thank you for your time today, and I stand ready to answer any questions you may have on the Ohio Federal Research Network.

(Slide 11) Back-up Slides

(Slide 12) OFRN Round 7 Key Dates & link to the solicitation information

(Slide 13) Celebrate Ohio! Success Metrics from Feb 19th event at the Statehouse

(Slide 14) Benchmarking Comments on OFRN from Project Teams

(Slide 15) Map of Ohio and engagement of the OFRN program since 2015

(Slide 16) OFRN Opportunity Days Webinars & Purpose

(Slide 17) OFRN Round 1 Summary

(Slide 18) OFRN Round 2 Summary

(Slide 19) OFRN Round 3 Summary

(Slide 20) OFRN Round 4 Summary

(Slide 21) OFRN Round 5 Summary

(Slide 22) OFRN Round 6 Summary