
North Dakota's Centers of Excellence for Technology Based Economic Development & Entrepreneurship

Recommendations for the Future

Summary

The Department of Commerce recommends a three pronged strategy to utilize North Dakota's universities and college to help drive economic growth:

- **Centers of Research Excellence (CRE) -- 75% of Total Funding**
 - Commercialization Grants - up to 50% to 75% of total funding
 - Infrastructure Development /Grand Forks Air Force Base Realignment Grants – 15% to 20% of total funding
 - Eminent Researcher Recruitment Grants – 10% to 15% of Total Funding

- **Centers of Entrepreneurship Excellence (CEE)-- 25% of Total Funding**

The Department of Commerce proposes that oversight for the CRE and CEE programs be provided by the existing Centers of Excellence Commission with assistance from the Department of Commerce.

- **Centers of Workforce Excellence (CWE) – \$1-2 million**

The Department of Commerce proposes the oversight for the CWE be provided by the Department of Commerce as a modified form of the present Workforce Enhancement Grant Program.

Centers of Research Excellence

Commercialization Grants

Centers of Research Excellence would be a more focused version of Centers of Excellence directed at North Dakota's two research universities. This program will build upon the success of the Centers of Excellence for Economic Development program and will work to increase the universities' ability to commercialize research.

Potential funding criteria could include whether a proposed project will:

- a. Use university research to promote private sector job growth and expansion of knowledge-based industries or use university research to promote the development of new products, high-tech companies, or skilled jobs in this state;
- b. Create high-value private sector employment opportunities in this state;
- c. Provide for public-private sector involvement and partnerships;
- d. Leverage other funding, including cash from the private sector;
- e. Promote the commercialization of new products and services in industry clusters;

- f. Become financially self-sustaining; and
- g. Establish and meet a deadline for acquiring and expending all public and private funds specified in the application.

This program area would be open to the two research universities and their associated foundations and would require \$2 in matching funds from private and other sources for every \$1 of state funds.

Infrastructure Development /Grand Forks Air Force Base Realignment Grants

This program area would provide grants used to enhance infrastructure required to respond to research opportunities at North Dakota's research universities as well as opportunities associated with the Grand Forks Air Force Base. During the 2009-2011 biennium, \$10 million of Centers of Excellence funds were dedicated to enhancement grants which could be used for these purposes.

This program would be open to the two research universities and their associated foundations and would give preference to projects with leveraged funds from private and other non-state sources.

Eminent Researcher Recruitment

This program area would provide matching grants to North Dakota's research universities to assist in the recruitment of "star" researchers. This proposal could be patterned after Georgia Research Alliance's Eminent Scholar program which provides up to \$750,000 for an endowment, which must be matched on a minimum of 1-1 basis by private sources.

Centers of Entrepreneurship Excellence

North Dakota currently has certified entrepreneurial centers in Grand Forks, Fargo, Dickinson, Bismarck, Wahpeton and Minot. Many, but not all, of these entrepreneurial centers are associated with a university or college. This program area would provide grants for entrepreneurial centers to assist entrepreneurs in four key areas:

1. Accessing capital
2. Marketing assistance
3. Entrepreneur infrastructure
4. Entrepreneurial talent

This program would build on a Technology-Based Entrepreneur Grant program currently being administered by the Department of Commerce which was appropriated \$1 million for the 2009-2011 biennium. Leveraged funds would be preferred, but there would not be a specific match required.

Centers of Workforce Excellence

The Department of Commerce currently administers the Workforce Enhancement Grant program. This program was created by the legislature in 2007 as an alternative to using Centers of Excellence funds to allow two-year colleges to respond to the workforce needs of private sector partners. Matching funds are required from private industry on a 1-1 basis.

This program was funded at \$2 million in the 2007-2009 biennium and was reduced to \$1 million for the 2009-2011 biennium. The Department of Commerce recommends that this program be restored to the \$2 million funding level.