

North Dakota Centers of Excellence Best Practices Review



Representing:

*North Dakota
Centers of Excellence
Commission
and
Legislative Interim Workforce
Committee*



Thomas P. Miller and Associates
Building Assets Through Knowledge & Innovation

Thomas P. Miller & Associates

- Full-service economic and workforce development consulting firm with extensive research, strategy and planning experience
- Headquartered in Indianapolis, Indiana; founded in 1989, with a core vision of integrating human capital development into the mainstream of economic development strategy
- Focused on 21st century imperatives of aligning people, technology, and initiatives, while blending the infrastructure of the old economy with the ideastucture of the innovation economy

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Purpose of this Briefing

- ▣ Present Findings and Recommendations
- ▣ Discussion & Q&A

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Project Background

- ▣ Centers of Excellence program established in 2005 to assist North Dakota's colleges and universities in collaborating with private sector businesses
 - Competitive grant program which provides grants to colleges or universities of up to one-third of the cost of joint projects with a private sector business
 - As of June 30, 2009 this program has awarded \$42.3 million to 18 Centers of Excellence across the state
- ▣ North Dakota Department of Commerce and the North Dakota Centers of Excellence Commission were tasked by the Legislative Assembly to conduct a best practice review
 - Centers of Excellence program's statute is set to expire in 2011
 - Best practice review may assist in deciding whether or not to continue a Centers of Excellence program in some form
- ▣ TPMA received competitive award in response to North Dakota Department of Commerce RPF 601.00.10

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Scope of Work

- Conduct a best practice review of North Dakota's Centers of Excellence for Economic Development program
 - Review of the current Centers of Excellence program
 - Comparison to best practices of similar programs in other states
 - Identification of administrative and legislative changes necessary to implement any recommendations
- Present findings and recommendations to the North Dakota Centers of Excellence Commission and the legislative Interim Workforce Committee meeting during the Summer of 2010

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Schedule

- Contract start: May 17, 2010
- "Kick off" teleconference: May 17, 2010
- Centers of Excellence Summit in Fargo: May 27, 2010
- Survey of Center Directors, on or about June 7, 2010
- First draft of reports: July 6, 2010
- State provides contractor with comments for revision as needed: July 9, 2010
- Contractor submits deliverables to the State: July 13, 2010
- Informal debriefing: July 14, 2010
- Presentation of the study to Centers of Excellence Commission and Interim Workforce Committee: July 19, 2010 in Bismarck

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Methodology

- Obtain information and insights on the COE program against its defined objectives, and in the context of the requirements of a broader TBED strategy
 - Document Review
 - COE Director Survey
 - Interviews
 - Best Practice Research

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Recommendation 1.0

- **Pursue a Focused Technology-Based Economic Development (TBED) Strategy**
 - Already embedded in Goal 3 of the State's new economic development plan, and is being incorporated into the plan for the State Board of Higher Education
 - We are suggesting that North Dakota leadership adopt an expanded range of strategic TBED objectives

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Recommendation 2.0

□ Build and Assign a Metrics Working Group to Report New Performance Measurements for the COE Program that Align with State Level TBED Metrics

- Assign a working group to develop TBED Report Card and aligned COE metrics
- Include reporting “average leverage” ratios to track total and industry investment leveraged by the state investment as core performance metrics for the COE program

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Recommendation 3.0*

□ Educate, Train and Provide Services in Intellectual Property (IP) Practices and Technology Transfer

- Need guidance about rules and procedures for IP management and technology transfer
- The Bayh-Dole Act

* Denotes priority recommendation per COE Commission

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Recommendation 4.0

□ Monitor Federal Funding

- Each university and COE should create a very transparent system to track and report applicable federal funding that would trigger the Bayh-Dole Act provisions for specific COE projects and proposals

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Recommendation 5.0

- ### □ Adopt a more integrated statewide technology management program that can serve all campuses and COEs

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Recommendation 6.0

□ Develop a COE-based “Proof-of-Concept” Program

- Provide small amounts of flexible funding
 - Help tease out commercial ideas
 - Connect university inventors
 - Encourage interactions between university researchers and industry

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Recommendation 7.0

□ Add Independent Peer Review to the COE Proposal Process

- Likely that future proposals will require increasingly technical review
- Pre-empt potential future political challenges
- External feedback
- Expose North Dakota R&D and commercialization programs to a cadre of national experts

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Recommendation 8.0

□ Reassess Matching Requirements

- Reassess the 2:1 match requirement
- Provide clear guidance on permitted in-kind match

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Recommendation 9.0*

□ Allow for Modest Overhead

- Permit a modest overhead charge to universities on state provided COE funds (on the order of 5%-10%), since it is clear that some new costs are imposed by the COE program

* Denotes priority recommendation per COE Commission

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Recommendation 10.0*

□ Review Reporting Requirements

- Viewed by COE Directors as onerous and time consuming
- Convene working group to seek private sector input on the best ways to collect jobs/wage data
- Need guidance on policies and procedures for contractual negotiation between parties
 - Include in training program for COEs
- Streamlining, record consolidation and standardization through technology

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* Denotes priority recommendation per COE Commission



Recommendation 11.0*

□ Create a Targeted Eminent Scholar Program

- Flexible fund
- Focused on priority industry sectors
- Tied to existing COEs
- Linked to industrial experience/commercialization
- Criteria must be flexible, but with very high minimum standards

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* Denotes priority recommendation per COE Commission



Recommendation 12.0

□ Create a Small Business Focused Grant Program

- Barriers to small firms exist
- Reduce match requirements for smaller firms
- Offer a separate competitive grant fund
- SBIR matching grant

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Recommendation 13.0

□ Create a Federal Funding Match Initiative

- Create or reserve a portion of future COE funding for a state priority COE matching fund
- This fund would be available to help provide local match to university centers which are seeking high value federal (and perhaps foundation funded) projects that meet the highest priority state economic development objectives

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Recommendation 14.0

- **Strengthen Collaboration and Build Commercialization and Entrepreneurial Networks**
 - Create networking program focused on linking COEs with firms in target clusters and key external sources of R&D, commercialization, and entrepreneurial funding and support
 - Incentivize collaboration through funding

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Questions?

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