

2011/2013 Legislative "Jobs" Agenda

Interim Workforce/Economic Development Committee

Senator Tony S. Grindberg, Chairman

Technology Based Economic Development-TBED

What is Technology-Based Economic Development?

Over the last several years, the U.S. economy has been undergoing a dramatic transformation as the nation moves to an economy driven by technology—through the creation of new industries and the application of technology in traditional industries. Competing in a global economy, regions must have an economic base composed of firms that constantly innovate and maximize the use of technology in the workplace. Technology-based economic development is the approach used to help create a climate where that new economic base can thrive.

What is Required for a Technology-based Economy?

An intellectual infrastructure, i.e. universities and public or private research laboratories that generate new knowledge and discoveries;

Mechanisms for transferring knowledge from one individual to another or from one company to another;

Physical infrastructure that includes high quality telecommunications systems and affordable high speed Internet connections;

Highly skilled technical workforce; and

Sources of risk capital.

I. INTELLECTUAL INFRASTRUCTURE

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A. Centers of Research Excellence, version 2.0 (Eligible Institutions: NDSU & UND)

STAR Research Recruitment, Matching funds (1+1+1)

Research COE focused on established core competencies

Revise the application/review and reporting process

Create a 5 member Technology Authority administered by ND Dept of Commerce

B. Economic Development Grants (Eligible NDUS two and four year non-research campuses)

Matching grant program to support ED initiatives that link campuses to

ND Dept of Commerce "primary sector" strategic plan

C. EPSCoR-Increase State Support to \$10 million for 2009/2011biennium

Monitor **Federal "FAST"** legislation. State matching program R & D Funding (Sen. Bennett, Utah)

D. Technology Impact Zones-TIZ

*10 year program, \$3 million Annual Cap per TIZ Zone

*50/50 Local Political Sub-Division Match

*Eligible Uses: Regional TBED initiatives, does not include regular ED operations and must align with the ND Dept of Commerce strategic plan

*Eligible Entities, Local EDC's and related non-profit organizations

*10 year Sunset Provision

II. KNOWLEDGE/TECHNOLOGY TRANSFER

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- A. Establish a **Student Scholarship College Tuition Trust Fund**-The goal is to institutionalize 2009 legislation creating student incentives for STEM/Academic rigorous achievement.
Potential source: Foundation Aid Stabilization Fund
- B. **Innovation 2020(I-2020)**-One year grants of \$50 to \$75k for university entrepreneurs to develop proof-of-concept funding for new technologies. **I-2020**, administered by the Dept of Commerce, receives back twice the amount of the grant, if successful.

III. PHYSICAL INFRASTRUCTURE

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- A. TBED Regional **Technical Assistance Grants** to certified entrepreneur centers
- B. Support interim I.T. committee with Northern Tier development

IV. SKILLED WORKFORCE

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- A. **TrainND**
 - *Business & Industry focus
 - *Incentives ROI based
 - *Workforce Enhancement Grants
 - *New Jobs Training Program, eligible service agents, for two year campuses-create incentives
- A. **Workforce 2020**-Amend 50% "New Job" Eligibility Requirement
- B. **E-folio**, Match NDUS Graduate Career Portfolio with ND Workforce Demand -Skills Databank
- D. **Operation Intern**-Revise company eligibility requirement

V. RISK CAPITAL

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- A. Connecticut-**Sale and Transfer of Tax Liability**
 - *Refundable Tax Credits
- B. Technical Revision-**Qualified investor definition** (Pass Thru Entities Eligibility)
- C. **ND Development Fund**-Up to \$50k matching grants to start-up tech based companies with 2-1 Angel fund match. Eligibility for new start-ups only with legal structure established after comprehensive vetting, development of proof of concept and "intent to fund" commitment received from NDDF.

VI. OTHER

- A. State Auditor, review audit recommendations and clarify state policies and future audit procedures.
- B. Manufacturing Production Tax Credit Legislation-Possible exploration of tax credit