

Oregon InC Audit Meeting

November 13, 2020

Video Conference

Attendance via Video Conference

Members Present: Bill Berg, Chair; Andrea Klaas, Port of the Dalles

Staff Present: Mark Brady, David Sell, Kate Sinner

Welcome, Introductions & Minutes

The meeting started at 1:02 pm. The group went through a round of introductions. Mark let the group know that the minutes were delayed so they would be reviewed and approved at the next meeting.

Budget Situation Update

Mark Brady talked the group through the budget impacts from COVID-19 to the Oregon InC program as well as to the agency as a whole. Mark briefly mentioned several of the new programs the agency stood up in response to the crisis and using relief funds provided by the Legislature. Mark also reminded the group that the Signature Research Centers (SRCs) each took a budget cut of approximately 8% (when calculated across the full biennium) and that each SRC was able to absorb this level of cut without impacting their scope or performance measures for the biennium.

Budget Note Update

Mark reminded the group of the budget note on the SRCs that was included in our agency budget by the Legislature. He said the agency with the SRCs had prepared and submitted a response to the Emergency Board (E-Board) as instructed. The E-Board considered and voted unanimously to accept the report. Andrea Klaas asked what "acceptance" of the report really meant and what level of support for the SRCs it represented. The group then had a discussion of this including the conversation at the last Oregon Innovation Council (Oregon InC) meeting on this situation and the comments made by Representative Drazan that a vote to accept did not mean a vote of support. Rep. Drazan voiced a few questions about the SRCs, and staff committed to follow up with the Representative's Office with further information.

Bill Berg asked if this was something that the committee could be asked to weigh in on and should be preparing for. Mark said it was TBD at this point until we get further along in the budget process. Kate Sinner mentioned the comments on oversight at the last Oregon InC meeting and how we would like to devote more time at the next meeting to the Audit Committee and give an overview of it and how it does provide this oversight. The group also had a discussion around collecting some positive stories of the impacts of the Council's work and the metrics of

success. Kate shared that staff was currently working on profiles of companies that have been supported by Oregon InC recently and their current status to look for those success stories.

SRC Performance Review

ONAMI

Mark walked the group through ONAMI's dashboard focusing on the areas in which he had slight disagreement with ONAMI's assessment of their progress. For example, the metric on investments from the commercialization gap fund. ONAMI called it complete because they had helped companies get investments similar to what this metric focused on but not specifically from the gap fund. The group agreed that this was fair given the delayed start of the gap fund and the fact that ONAMI was achieving the spirit of the performance measure if not the letter. Overall, there was agreement that ONAMI was making good progress toward its biennial goals. The group also reviewed the organization's current budget status and projections. Everything looked on track.

OTRADI

Mark then discussed OTRADI's dashboard with the group. Again, Mark agreed mostly with OTRADI's assessment with a couple of footnotes. For example, the discussion of digital health was very high level although the metric was not very specific. The committee asked Mark to have Heather prepare a short write-up on her plans, status, issues, etc. around expanding into more digital health activities. This was to help the group understand where OTRADI might have opportunities in this space as well as to think about more specific metrics for next cycle. Similarly, the group wanted some more detail on OTRADI's activities to diversify its funding sources. Mark agreed to get this information from Heather as well. Overall, the committee considers OTRADI to be making good progress towards its goals. The group also reviewed the current and projected budgets and agreed things looked in order.

VertueLab

Lastly, Mark talked the committee through VertueLab's dashboard. For the most part, Mark was in agreement with VertueLab's self-assessment and the overall progress was good. Mark did mention the company to investor metric because his understanding is that most of these introductions happen at VertueLab's annual event, which has already taken place, so there's a question around whether there will be enough opportunities, especially given COVID, to achieve this metric. The committee asked Mark to follow up on this situation. The group spent a fair bit of time discussing the fundraising performance – both for the Impact Fund and for the organization. The current metrics have all been achieved, but the group noted the significantly larger target for money into the Impact Fund by the end of the year. The committee would also like to see targets for fundraising to cover the full biennium in the future. Mark committed to talking to David about the fund and ensuring he will continue to report progress on fundraising even without a specific target. The group reviewed VertueLab's current and projected budget and agreed that everything looked in order. Overall, the committee acknowledged that the SRCs are doing remarkably well considering the constraints being imposed by the pandemic and appreciates the creative efforts they are each making to navigate through these unanticipated and difficult times.

HIOP Update

Mark updated the group that a funding opportunity had been released for additional HIOP grants. These funds were part of what funding was restored after the initial freeze from COVID-19. There is \$1,500,000 available to provide grants in this round. The round is only for the larger implementation projects (no feasibility studies), which means that there will be somewhere around three to five projects that will be over the threshold that triggers Audit Committee review. Mark reminded the group that the trigger was the same trigger for Department of Justice review of contracts: \$150,000. Bill asked about the process for this review. Mark said that this would be the first time these projects had been reviewed so there was no process. He said that he would work with Jordana Barclay, the HIOP program manager, to develop a proposal for the group to consider. Bill also requested that we try to make the metrics across the projects as consistent as possible to allow for better review and comparison across projects. Mark agreed to do the best they could on this although the projects may be so different that there's only a limited ability to do this.

Public Comment & Adjourn

Public comment was solicited and no public comment was provided so the meeting was adjourned at 2:19pm.

Approved by:

Bill Berg, Audit Committee Chair
Oregon Innovation Council

Mark Brady, Business Oregon