

# Audit Committee Meeting

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4/9/2021

Virtual Meeting

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## **Attendance via Video Conference**

**Members Present:** Chair Bill Berg, City of Beaverton; Andrea Klaas, Port of the Dalles; Gina Bonini, Tektronix

**Staff Present:** Mark Brady, David Sell

**Guests:** No Guests

## **Welcome, Introductions, Minute Approval**

Chair Bill Berg called the meeting to order at 8:32 am.

## **SRC Proposal Review**

Mark reminded the group of the process and where things were in that process. He explained that today's meeting was to review and discuss the Signature Research Centers' (SRCs) initial proposals and surface questions and/or concerns for the SRCs. Mark will relay those comments and questions to the SRCs after this meeting, then each SRC will have approximately two weeks to prepare a response and get ready for individual meetings with the committee week after next. Then, there may or may not need to be additional back-and-forth or meetings with the SRCs to develop a final draft for submission to the Oregon Innovation Council (Oregon InC).

Mark presented a table that showed the metrics the committee wanted each SRC to set targets for. The group discussed what jobs should be counted for the jobs metric as well as the time-frame over which the SRCs should keep companies in their portfolios. The group also discussed how these common metrics will be important for the eventual competitive process to decide what centers to fund after the coming biennium. The group discussed the different way ONAMI proposed its jobs target versus OTRADI & VertueLab. They decided to ask OTRADI and VertueLab to propose targets the way ONAMI did. Finally, the committee asked Mark to emphasize to the SRCs that any additional metrics should be considered a way for them to show their value to the State and showcase their achievements.

## **ONAMI**

Mark then moved the group to specific discussions on each SRC by bringing up ONAMI's list of targets. Mark shared a table he created that showed the proposed metrics for the next biennium against the targets set for the current biennium and the actual performance against those targets as of the end of last calendar year as well as projections of what they were likely to achieve over the full biennium. Chair Berg expressed concern that the target for companies receiving funding from the Commercialization Gap Fund should be higher given how they performed this cycle. Mark reminded the group that ONAMI remains skeptical about the gap fund so is likely lowballing its target. He suggested having them broaden the target to include similar funds to the gap fund, which would hopefully make ONAMI more comfortable with a higher target. Gina asked

about ONAMI's proposal to provide small grants to companies and whether the amount of funding was sufficient to allow the companies to make meaningful progress. Mark explained that these funds were intended to be the earliest funds to a company so that smaller amounts could make a difference, especially given the mentoring and support provided alongside the money by ONAMI. Mark pointed out that these funds were intended to help get a company closer to where it needs to be to get larger amounts from private investors.

## **OTRADI**

The group then moved to discussing OTRADI's proposal. Mark pointed out that OTRADI failed to propose any stretch goals as they were asked and how the proposal was substantially similar to what was submitted for the current biennium. The group also discussed how, outside of the common metrics, almost all of OTRADI's other metrics were qualitative. The group directed Mark to ask OTRADI for additional quantitative metrics. The group also asked Mark to follow up on a couple of things (e.g., digital health sector growth) that were not changed from the last proposal but that logically would seem to be different two years later. Chair Berg asked Mark to get some additional detail on their budget compared to last proposal since some of the numbers moved or were not included again so there was confusion on whether activities had changed or just the way they were classified in the budget. Andrea highlighted how we often hear the concern that OTRADI's companies will not stay in Oregon because of a lack of space for them to grow. She would like to see some discussion of how OTRADI is working on this problem with partners. The group discussed this issue and decided that each SRC should be asked to provide the major things that are preventing start-up company growth in their sectors. That way, the committee and Oregon InC are better informed and can evaluate whether there are things they could do to help with these roadblocks. The group also directed Mark to ask each SRC to set provisional targets for the proof-of-concept grant and internship programs on the assumption that these programs are funded in the next biennium. If, however, these programs do not receive funding, the committee would not hold the SRCs to the targets.

## **VertueLab**

Finally, the group discussed VertueLab's proposal. The group referred back to previous discussions around the difficulty that cleantech focused funds in the past had and whether conditions had changed or if VertueLab's approach is sufficiently different to be successful. Andrea asked Mark to have VertueLab spell out their definition of cleantech since it has been used in different ways by different groups. The committee discussed VertueLab's proposal for its "Catalyze Impact" body of work and how the proposal did not spell out the economic development benefits to Oregon sufficiently. For example, the group was not sure what value VertueLab would add to the City of Portland's clean energy fund given the amount of money the city had to spend on that program. Mark said he would ask them to refine this section and be more specific on what exactly they are going to do and what the impacts of those activities would be. The group also had an overall comment that the proposal seemed to lack sufficient focus so Mark said he would convey this to them as well. There was a question about whether the SRC was abandoning its entrepreneur in residence (EIR) program since this was explicitly mentioned in a previous proposal. In addition, the committee wanted to hear more detail on what exactly VertueLab was going to do to bring in outside sources of capital as was mentioned in their proposal. The committee directed Mark to inquire about why the targets related to their SBIR support were lower than what the group was able to do this biennium. Finally, the group wanted to know what VertueLab saw as the concrete economic development benefits to Oregon were from the SRC

being seen as a thought leader on certain topics nationally. Mark said he would follow up on all of these items with VertueLab.

**Public Comment**

Chair Bill Berg asked for Public Comment. Hearing none, the Chair adjourned the meeting at 9:59am.

**Approved by:**

Signature on file  
Bill Berg, Chair  
Oregon Innovation Council Audit Committee

06/03/2021  
Date

Signature on file  
Mark Brady  
Business Oregon

06/03/2021  
Date