

OREGON COUNCIL FOR KNOWLEDGE & ECONOMIC DEVELOPMENT

3rd Quarter 2004 Meeting

September 27, 2004

8:00 am – 10:30 am

Schwabe, Williamson & Wyatt, P.C.
1211 SW Fifth Avenue, Suites 1600 – 1900
Portland, OR 97204

Minutes

Members Present:

Allen Alley
Sam Angelos
Ann Bunnenberg
Ryan Deckert
Scott Gibson
Betsy Johnson
Frank Morse
Keith Larsen
Duncan Wyse

Staff:

Pat Scruggs
Jack Isselmann

Technical Advisors:

Jim Johnson
David Marks
Michelle Girts
Martha Anne Dow
Diane Vines
George Pernsteiner
Gordon Hoffman
Donald Krahmer

Interested Parties:

Tom Hartung
Mike Driscoll
Robin LaMonte
Steven Bender
Adrian Roberts
Connie Green
Ron Adams
Lita Colligan
Dan Dorsa
Larry Simonsmeier
Bob Duehmigr
Rich Linton
Tim Weber
Dave Woodall
Craig Sheward
Mark Ellsworth
Brian Smith
Jim Huston
Andy Clark
Donald Douglas
Bruce Schafer
Janet Young

Chair Allen Alley called the meeting to order at 8:10 am. Roll was called and introductions around the room were made. Chair Alley then announced the addition of two new council members; Duncan Wyse, Board of Education, and Jon Von Schlegell, State Board of Higher Education.

Chair Alley asked for comments on the minutes from the last council meeting. None being offered, Keith Larson moved to approve them, Sam Angelos seconded the motion. The council members approved the minutes unanimously.

Opening remarks were offered by Chair Alley -- The council is going through a transition and has kicked off some great things with support from the Governor's office. We are

working with the Governor's office to reconstitute a council that can be even more effective as we move forward. Key messages going into legislative session will include past progress and key initiatives for the future.

Pat Scruggs presented an update on the strategic framework and key messages for the '05 Legislative Session.

1. Make Oregon's first signature research center (e.g.ONAMI) successful.
2. Streamline technology transfer - ideas into enterprise.
3. Strengthen and sustain innovation efforts through the establishment of a coordinating council aligning research and universities with industry.

These key objectives will be set forth in Legislative Concepts introduced in the upcoming session. The Innovation Council concept establishes ONAMI as a signature research center. It includes a request for research commercialization funding of \$15 million as a policy package thru OECDD. The concept also outlines continued partnership with OBP and collaboration with the Higher Education Board Academic Excellence and Economic Development committee.

A discussion of these objectives took place. The following summarizes the issues.

- There are some concerns that funding administration through OECDD may have some risk as current administration is faced with serious budget constraints.
- It is very important to gain national and worldwide recognition for the success of ONAMI. The message has to be delivered as one distinctly different from what other states are doing, with an end result of job creation. Oregon is focused on commercialization, engaging community leaders with experience, collaborating with state government, and successfully marketing and branding our research strength.
- This legislative session will be tough. We have to have specific deliverables, including key performance measures. The message has to be clear, concise, and sharp. It must make the connection between higher education and economic development. The message must be presented as the shared objective of OCKED, ETIC, and ONAMI.

A motion to proceed with the key messages as refined was made by Allen Alley, seconded by Scott Gibson. The motion was unanimously approved.

MardiLyn Saathoff presented the Legislative Concept for the Oregon Innovation Council to better organize and strategize the state's work in innovation and competitiveness. Sponsored by the Governor's office, it proposes the establishment of a council to act as a policy and budget making entity, with the responsibility to develop a statewide plan for an innovation economy that would include five key economic development issues.

1. Increasing and commercializing research

2. Establishing signature research centers
3. Enhancing early stage capital formation and entrepreneurial talent
4. Advising post secondary education on science and engineering issues
5. Increasing our ability to compete in international markets

Discussion included:

- Don Krahmer suggested that the bill should specifically include language to direct the appointment of members with experience in (as opposed to current language indicating “engaged in”) science and technology based industry and/or private venture angel capital. Additionally, the concept language should include the appointment of an OCKED council member.
- Adrian Roberts requested the addition of wording to link laboratories and ex-officio members.

Chair Alley indicated that the council needed to approve the concept in order to move it forward. A motion to support the legislation for the new council was made by Scott Gibson; seconded by Duncan Wyse. The motion was unanimously approved.

Scott Gibson and Pat Scruggs presented the Research Commercialization Fund.

This is a \$5 Million lottery fund request to invest in the final stages of commercializing research, known as proof of concept, that translates research into products or technologies that can be commercialized by existing businesses or used to start new businesses. Different from the HETT fund in that it requires a significant business plan from the university and the business would also make match funds available.

Discussion included:

- Betsy Johnson commented that this concept would be nearly impossible to sell to Legislature due to budget constraints.
- Don Krahmer suggested the story should tell how this fits in with funding from the Tech Transfer Offices.
- Diane Vines stated that this fund would be good for the Oregon’s economic recovery efforts and job creation.
- Dan Dorsa commented that OHSU has had successful experience with gap funding investments and should be used to help sell the return on investment.
- Additional discussion and comments reflected the administration of the fund would be critical to its success and should take advantage of existing infrastructure instead of creating a new administrative body.
- Senator Morse discussed the need to create private market incentive for tax credit.

Senator Ryan Deckert provided an update on other legislative issues, including project updates on ONAMI, OR Investment Fund, OPTIN and HETT.

State of Oregon Higher Education Board member Kirby Dyess provided an update on collaborative efforts. She asked that OCKED really get behind post secondary higher education. She defined “higher ed” as including community colleges with Oregon University Systems.

Chancellor George Pernsteiner identified the board’s top priorities as focusing on how to make universities more affordable, and collaboration with community colleges to get students through more easily.

Pat Scruggs reviewed Fall/Winter Actions (open issues) indicating 3 things that have not been addressed from the 2003 –2005 work plan. Discussion included an agreement to complete Technology Roadmaps, to further investigate executive entrepreneur programs and to establish an international committee for China and South East Asia.

Duncan Wyse gave an update on the December 6th Business Summit preparations.

Chair Alley asked for public comment, none being offered, the meeting was adjourned at 10:30 am.