CALL TO ORDER

Commissioners Present: Tommy Kenville, Erik Diederich
Commissioners Present by Phone: Kristin Hedger, Casey Ryan
Guests Present in Person: James Leiman, Holly Holt, Carla Valentine, Val Kettner, Cindy Buttke
Guests Present by Phone: Michael Sadler, Becky Anderson, Dr. Boudjouk, Mark Cromack

ELECTION OF A CHAIRMAN

The COE Commission voted in a new chairman. Erik Diederich nominated Tommy Kenville. Kristin Hedger seconded the motion. The motion carried on a voice vote.

APPROVAL OF MEETING MINUTES

The COE Commission meeting minutes from the May 11, 2018 meeting were reviewed. Casey Ryan moved to approve the meeting minutes. Erik Diederich seconded the motion. The motion carried on a voice vote.

CONSENT AGENDA

Carla Valentine and Holly Holt provided an overview of the consent agenda items:

- Disbursement Request for Venture Grant Phase I – A low Cost and Reproducible Synthetic Procedure for Mass production of Lithium Ion Batteries ($49,270.50)
- Disbursement Request for Research ND-Optimization of the Production of Cyclohexasilane ($75,000)
- Disbursement Request for Research ND – Valuation of Optical Sensors for Detection and Remediation of Crop Stress in ND Precision Ag ($150,000)
- Disbursement Request for Centers of Research Excellence – Center for Technology Innovative Products and Processes ($443,618)

Erik Diederich moved to approve the consent agenda item. Ryan Casey seconded the motion. The motion carried on a voice vote.

COMMISSION BUSINESS

   ○ Val Kettner and Dr. Boudjouk provided background and summarized the request to replace the private partner, the budget modification and timeline extension.
   ○ Tommy Kenville asked if the change in partners would change the timeline. Dr. Boudjouk confirmed the timeline would need to be extended.
   ○ Holly Holt advised new board members of the program requirements for Research ND and job creation.
     ▪ Dr. Boudjouk advised that he is optimistic that they will have some new hires and the described further benefits to future students as well.
Tommy Kenville commended Dr. Boudjouk for finding a new partner in the middle of a project as that is not easy to do.
Tommy Kenville said the Commission will need to keep an eye on the project's job creation and the date of the timeline extension.
- Dr. Boudjouk said he will submit a new timeline within the next week.

Casey Ryan moved to approve the request. Kristen Hedger seconded the motion. The motion carried on a voice vote.

2. Change Request for timeline extension - Venture Grant Phase I – 2,3 Butanediol Production via Fermentation, an Alternative Route.
- Carla Valentine mentioned the timeline extension is through February 28, 2019.
- James Leiman said Commerce has reviewed the projects and did not find any red flags with any of the timeline extensions being reviewed today.

Casey Ryan moved to approve the request. Tommy Kenville seconded the motion. The motion carried on a voice vote.

3. Holly Holt advised the Commission members the Venture Grant Phase I project timeline extensions could be voted on collectively.

Val Kettner mentioned some of the extension timelines were submitted months ago and have already expired or are close to expiring and asked the Commission to allow her to work with Carla Valentine to adjust the dates on the paperwork to a date further in the future.

Venture Grant Phase I projects with a timeline extension:

- Commercialization of Novel Lignin Reinforced Bioplastics (July 30, 2019)
- Detection of Blockage in Petroleum Pipelines (August 31, 2019)
- An Innovative approach to heal nonunion bone defects (Original request was for November 15, 2018. Additional extension through December 31, 2018)
- Dev of Intelligent Integrated Networks for Rapid Pipeline Damage (original request was for December 31, 2018. Additional extension through July 31, 2019)

Casey Ryan moved to approve. Tommy Kenville seconded the motion. The motion carried on a voice vote.

- Holly Holt stated the original agreement has an end date of August 30, 2018 so this would be a one year and one-month extension. Casey Ryan asked if the extension fit within the guidelines. James suggested we amend the request to August 30, 2019 to stay within the 2-year requirement.

Erik Diederich made a motion to approve the extension through August 31, 2019. Casey Ryan seconded the motion. The motion carried on a voice vote.

- James stated the extension is due to an equipment procurement delay.
- Tommy stated he feels comfortable with this project's timeline request.
Casey Ryan moved to approve. Second by Tommy Kenville. The motion carried on a voice vote.

6. Timeline Extension – Base Realignment – BLVOS Radar for UAS
   - James Leiman stated the request is copasetic

Casey Ryan moved to approve the request. Erik Diederich seconded the motion. The motion carried on a voice vote.

New Applications:

Carla Valentine stated there is an additional application to be reviewed that did not make the binders so there are 5 applications to be discussed today.

James Leiman and Holly Holt explained the process prior to the May 9, 2018 meeting was that all new applications were submitted for external technical review before they were brought before the COE Commission. Going forward the process is Commerce will bring recommendation to the COE Commission on which of the applications should go out for technical review – the reasoning is the cost of the review should not be incurred if the COE Commission is not sure the project will benefit North Dakota.

Holly explained the applications today have not been out for technical review. The Commission will vote if they should go to a third party for technical review.

Tommy Kenville asked if there’s a better way of approving applications and it might be a good time to look at the process. Holly suggested the option for contingency approval - that if the technical review is positive, then the applications will be approved. James suggested that if the technical review is positive, then the applicants come before the COE Commission to present their idea. Tommy stated he feels the presentation is important because it’s about the people. Kenville asked if there is a way to have the presentation electronically because getting the Commission together if difficult. Holly suggested a Skype solution.

Casey Ryan asked how much money is left to distribute. James Leiman and Carla Valentine stated its just under $1 million for Research ND. Ryan asked if any dollars have been allocated to these applications yet. James Leiman answered the total requests from the 5 applications is about $360,000 in requests so the balance remaining is about $600,000. Holly stated there are two application deadlines left in the biennium – one in December and one in March.

Tommy suggested having a sub-committee review the applications – One COE Commission member and a two people from Commerce that can review and provide recommendations on who should be asked to present their idea to the Commission.

Applications:

- Research ND - Wireless Power Transfer for wearable and implanted devices
  - Casey Ryan stated this will require some expertise in the medical field and thinks it should go forward with outside review.

Erik Diederich made the motion to send to technical review. Second by Tommy Kenville. The motion passed on a voice vote.

- Research ND - UAS Precision Crop Scouting Service
• James Leiman stated this meets the standard but this project has sought similar financial arrangements from several other states. The majority of the work this company does is outside the state of North Dakota.
• Diederich asked if there's any hope the company would grow in North Dakota. James suggested potentially a researcher and a pilot but it's hard to know.
• Leiman stated they will have to ask for an extension because its fall now so the crops in North Dakota won't be available again until next spring/summer.
• Kenville agreed the timing is wrong so suggested to delay approval of this one until the spring of 2019. We support the research they are doing but the timing is wrong today.
• Ryan stated we need to be consistent on the reasons a project is denied.

Casey Ryan made a motion to table this project until the spring and with more emphasis on the state of North Dakota. Second by Diederich. Motion carried on a voice vote.

• Research ND – Evaluating the Effectiveness of Mannocellular Visual Training for Treatment of Deficits in Elementary School Children
  • Ryan stated outside review would be needed to determine if this is cutting edge.

Erik Diederich made a motion to send to technical review. Second by Casey Ryan. The motion passed on a voice vote.

• Venture Grant Phase II – A new Design to improve Life Expectancy of Total Ankle Replacement (TAR)
  • Carla Valentine explained this has already gone through phase I so the vote would be to approve the application for Phase II – they don’t need technical review.
  • James stated the project is compliant.

Casey Ryan made a motion to approve the application. Second by Erik Diederich. Motion carried on a voice vote.

• Research ND – TimeCloud Construction and Visualization for Perceptual and Cognitive Impact and Efficacy.
  • Mark Cromack, CEO of Cogi, Inc. summarized the project.
  • Kenville thinks the project has merit.

Casey Ryan made the motion to send to technical review. Second by Erik Diederich. The motion passed on a voice vote.

Process Change Suggestions:

Holt – We would like to request changes during the legislative session and are asking the COE Commission for approval to do so.

• No longer require annual audit of grants for entities that no longer exist:
  • Holly Holt explained that if centers no longer exist, they are still being reviewed by a third-party auditor at an expense of $1,000.
  • Kenville would like it to be 4 years after they’ve received state funds and if they are existing
• Disposition of Assets
  o Kettner – explained the disposition of assets at NDSU which follows the state policy on assets. Disposition of assets is usually well past the life of the project.
• Timeline extensions
• Private sector partner or other germane partners
  o Draft a Change of Partner form
• Change of request for re-budgeting
  o Under 20% Commerce can approve administratively. Over 20% takes COE Commission approval today.

Timeline Extensions
Kenville- When a project application is approved, the COE Commission could add one year to the requested timeline – and do away with timeline extensions.

Ryan – Once they reach their timeline, there should be no extensions.

Holt – Do you want job creation or productivity to be a requirement going forward? What would the COE Commission recommend on minimum and maximum length for monitoring.

Kenville – can Commerce write up 3-5 measurable criteria that we can review during the next meeting to streamline through efficiency.

Kenville- we should vote on the approval that the COE Commission recommends that Commerce stop auditing a Center that is no longer in existence. Would still need legislative approval.

Erik Diederich moved to approve the recommendation that we no longer require audits for entities that no longer exist. Second by Tommy Kenville. The motion passed on a voice vote.

Disposition of Assets- Kenville asked Commerce to write up two tracks on disposition of assets to be reviewed at the next meeting.
  • Equipment
  • Intellectual property

Change in partner – application/contract process
Holt – we can do a modified application for change of partner or we can require them to update the one section of the application. Maybe it’s a Change Form.

Kenville – it’s a notification that they are making an impact in North Dakota.

Kettner – we have a question on that today about Dr. Boudjouk’s project.

Holt – Commerce can draft a change in partner form that states it’s a new partner and everything else in the contract stands.

Change request for re-budgeting

Kenville- I don’t have a concern if the overall budget numbers are not increasing, they are just moving dollars between categories.

Holt – Commerce only has authority to administratively approve re-budgeting up to 20% of the award value. Do you want to change that percentage?

Kenville – for small projects 20% is small dollars but for large awards, 20% can be significant.
Holt – maybe we have two parameters: a percentage of the award or no larger than a stated dollar amount.

Kenville – up to 20% or not to exceed $50,000.

Erik Diederich moved to approve the recommendation that Commerce can administratively approve up to 20% of the award amount but not to exceed $50,000. Casey Ryan seconded. The motion passed on a voice vote.

Valentine suggested that Commerce update the Policy Manual for the next COE Commission meeting to be reviewed.

ADMINISTRATIVELY APPROVED ITEMS

Carla Valentine presented the administratively approved items.

- Change Requests for Minor Budget Changes
  - Removal of Pharmaceuticals, Herbicides and Other – reallocate $1,500 from salary to operating expense.
  - Development of Mobile Medical Application – move $775 from travel to graduate student salary.
  - Radio Frequency Wireless Power for Industrial Sensors – Permission to use travel fund for out of state travel.
  - Assessing the clinical feasibility and FDA Approval – Move funds out of contract and into the salary category.
  - Design and Development a low-cost, high reliability – Move money from the graduate student category to the travel ($1,500) and faculty staff ($3,000) categories.
  - Powerline Component Inspection using UAS – Move $22,000 from supplies and $18,000 from subcontracts to capital equipment.

OTHER INFORMATION

Carla Valentine presented the other information.

- Interest earned of $834.52 was returned to Commerce from NDSU.
- An Interim Report from Additive Manufacturing for Comfort Customization
- A Final Report from A Low Cost and Reproducible Synthetic Procedure for Mass Production of Lithium Ion Batteries.
- Fund Status
  - Carla Valentine provided an update on the fund status for the Centers of Excellence, Centers of Research Excellence, Research ND and answered questions from the Commissioners.
GOOD OF THE ORDER

Kenville – is there a way to have an elevator pitch for the COE Commission members on the projects as far as their successes.

Holt – Commerce plans to review the Centers of Excellence, Centers of Research Excellence and Research North Dakota from the beginning and see how many are still active and the ROI

Kenville – we need two members from the Higher Ed Board.

Ryan – I’m the new chair of EPSCoR.

Vettner: NDSU has 3 active centers: BiMat, CSCC and CTIPP. All have expiration dates upcoming. What would be the advice for these centers pursuing new partners? Can they go beyond the June 30 deadline?

Kenville – have we thought about having all these projects start with Innovate ND? Start there to get a good business plan.

ADJOURNMENT

There being no further business, Chairman Kenville adjourned the meeting at 2:15 pm.

[Signature]
Tommy Kenville, Chairman

1/8/19

[Signature]
Carla Valentine, Recording Secretary

1-8-19