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Introduction
Introduction

Background

The Centers of Excellence Commission has authority over the “Legacy” Centers of Excellence program, as well as the newly created Centers of Research Excellence program, Base Realignment Grant program, and Limited Deployment – Cooperative Airspace Project.

Definitions

1. “Commission” means the Centers of Excellence Commission.
2. “Commerce” means the Department of Commerce.
3. “Board” means the State Board of Higher Education.
5. “Program” means the Centers of Excellence program.
6. “Center” means a Center of Excellence or a Center of Research Excellence.
7. “COE” means Centers of Excellence
8. “CORE” means Centers of Research Excellence
10. “Enhancement Grant” means Centers of Excellence Enhancement Grant
11. “grant recipient” means a Centers of Excellence Enhancement Grant recipient
12. “ND” means North Dakota
13. “BRIC” means Base Realignment Impact Committee
14. “Research Institution” means a North Dakota research university (i.e. NDSU, UND)

Useful Links

North Dakota Century Code 15-69
North Dakota Century Code 54-65
www.NDCentersofExcellence.com
CORE Program Guidelines
Centers of Excellence Commission
Commission Meetings

Overview

The Centers of Excellence Commission has authority and oversight of the Centers of Excellence, Centers of Research Excellence, and Base Realignment Grant programs; Centers of Excellence Enhancement Grants; and the Limited Deployment – Cooperative Airspace Project.

The Commission shall meet on the second Wednesday of each month and otherwise as necessary for purposes including: consideration of applications, disbursement requests, and reviewing postaward monitoring results.

Regular, monthly Commission meetings may be cancelled, postponed, or rescheduled as necessary.

The Commission may meet in person or via conference call. Commission meetings shall abide by open meeting laws.

Meeting Preparation

Commerce, with input from the Commission, shall organize meetings including setting the date, time, location, and agenda.

Commerce shall provide appropriate notice of Commission meetings to the Secretary of State and to other parties that may request notification.

Commerce shall distribute meeting notices, agendas and other applicable materials to Commission members prior to each meeting. Whenever possible, Commerce shall make a reasonable effort to provide the meeting materials to the Commission one week prior to the planned meeting date.

Meeting Protocol

Meetings shall be called to order and adjourned by the Commission chairman.

The Commission shall utilize voice votes for procedural matters including approving minutes and amending the agenda. The Commission shall utilize roll call votes for non-procedural matters.

At the beginning of each biennium, the Commission shall elect a chairman and a vice chairman.

If the chairman is not present at a meeting, the vice chairman shall serve as chairman for that meeting. If both the chairman and the vice chairman are not present at a meeting, the Commission members present at that meeting shall select a Commission member to serve as chairman for that meeting.
Minutes

After each Commission meeting, Commerce shall draft minutes which shall be presented at a subsequent Commission meeting. The Commission may approve the draft or call for revisions. Once approved by the Commission, the draft becomes the official record of the meeting it describes.

Commerce shall retain the meeting minutes for all Commission meetings.
Training & Orientation

Overview

When necessary, Commerce shall develop, coordinate, or administer appropriate training for instances including:

1. Updating the Commission on applicable legislative changes;
2. New Commission member orientation; and
3. Periodically presenting Commission members with new information, updating old or outdated information, or addressing Commission requests for additional training.

Legislative Updates

When the legislature is in session, Commerce shall provide updates to the Commission on proceedings relating to any of the programs under the Commission’s authority. Updates shall include verbal explanations delivered at Commission meetings occurring during the legislative session.

At a Commission meeting following the conclusion of the legislative session, Commerce shall provide a cumulative update detailing all applicable changes to the program. The update may also include an assessment of the potential impact to the program and its administration.

New Commission Member Orientation

New Commission members, upon appointment to the Commission, shall participate in an orientation process administered by Commerce. Objectives of the orientation process are to assist a new member in becoming acclimated to the responsibilities of the Commission and to familiarize the new member with the protocol outlined in the Code of Ethics.

Commerce shall provide a new Commission member with training material for independent review. Subsequently, Commerce shall follow up with the new Commission member to address potential questions or concerns.

The content of the training materials shall be determined by Commerce. The training material should, at a minimum, provide background on the program and outline the Commission’s responsibilities.

When possible, training material shall be provided with the follow up completed prior to the new member’s first Commission meeting.

Code of Ethics Requirements

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Commission members shall sign an acknowledgement agreeing to abide by the prescribed conduct set forth in the Code of Ethics adopted by the Commission.

At the time of appointment, a new Commission member shall be provided a copy of the Code of Ethics by Commerce. Commerce shall accept and retain the signed Code of Ethics acknowledgements from all Commission members.

**Continued Training**

The Commission may, at any time, identify topics for which it desires additional information or training. Commerce shall ascertain and deliver the necessary information or training.

Instances may arise in which new policies or procedures or updates to existing policies or procedures become necessary. In such instances, Commerce shall ascertain and deliver the applicable information or training to the Commission.

Instances of continued training shall be addressed as they arise or as called for by the Commission. Commerce may offer training-related suggestions to the Commission.

Delivery of information or training may occur during or outside of Commission meetings. Methods for delivery of information or training may include emails, memorandums, or discussion during Commission meetings.
Program Funds
Centers of Excellence Fund

Overview

COE awards, Enhancement Grants, and administrative expenses shall be paid from the Centers of Excellence Fund. Commerce, which administers the COE Fund, shall disburse funds as directed by the Commission.

Awards

Award funds shall be disbursed at the discretion of the Commission and according to the budget and related timeline included in the center or grant recipient’s application. The Commission must approve any material change to the budget or timeframe.

Administrative Expenses

The Commission may utilize up to 2.5% of the funds appropriated to the COE Fund during the 2009-2011 biennium for administrative expenses. Administrative expenses may include economic impact studies, printing expenses, COE forums, and audit costs.

Audit Costs

The Commission will pay 50 percent, up to $3,000, of the cost of each financial audit a center or grant recipient is required to complete under NDCC 15-69-05. Payment will be made on a reimbursement basis. A center or grant recipient must make a formal request for reimbursement of the audit costs. Any such request must include an invoice for the financial audit performed and should be made to Commerce which shall present the request to the Commission.

Commerce shall have the authority to pay program-related administrative expenses up to $1,500.00 without prior direction from the Commission. Commerce shall notify the Commission of any such expenditure during a subsequent Commission meeting.
Centers of Research Excellence Fund

Overview

CORE, Base Realignment Grant, and LD-CAP awards shall be paid from the Centers of Research Excellence Fund. Commerce, which administers the CORE Fund, shall disburse funds as directed by the Commission.

Awards

Award funds shall be disbursed at the discretion of the Commission and according to the budget and related timeline included in the center or grant recipient’s application. The Commission must approve any material change to the budget or timeframe.
“Legacy” Centers of Excellence
Disbursement of Award Funds

Overview

A center that received approval from the Commission, Board, Foundation, and Budget Section are eligible for funding.

A center must request its initial, and all subsequent disbursements using the Disbursement Request Form (SFN 59510). All disbursement requests and supporting documentation shall be submitted to Commerce which shall present the request to the Commission for its consideration.

If the Commission determines the funding requirements have been met, it shall direct Commerce to issue the requested disbursement of award funds. If the Commission determines the funding requirements have not been met, it shall identify the requirements that were not met.

Commerce shall notify a center whether its funding request was approved. When a funding request is not approved, Commerce shall notify the center of the funding requirements that have not been met. Notification may be in the form of a letter, email, or phone call.

Initial Disbursement of Award Funds

A center requesting its initial disbursement must provide documentation evidencing private-sector participation in the project. The center must also provide documentation evidencing the availability of the statutorily required matching funds.

In the event the Commission has placed additional funding requirements upon a center at the time its application was approved, that center must also provide documentation evidencing the additional funding requirements have been met.

Subsequent Disbursements of Award Funds

A center shall make subsequent disbursement requests according to the budget and timeline outlined in its application. Any material changes to the budget or timeframe must be approved by the Commission.

A center making subsequent disbursement requests must provide documentation evidencing private-sector participation in the project. A center must also provide documentation evidencing the availability of the statutorily required matching funds.

When considering a subsequent disbursement request, the Commission shall take into account the level of statutorily required matching funds already received by the center making the request. The Commission may refer to the center’s most recent Functional Review to determine the level of match received or it may request up to date information directly from the center.

Supporting Documentation
To verify the availability of statutorily required matching funds which have been committed by private-sector partners, a center shall submit a letter, email, or other confirmation from the source of funding that indicates the pledged matching funds are still available and dedicated to the project. Such documentation should also include a timeline for when the pledged funds are expected to be contributed to the center or grant recipient.

To verify the availability of statutorily required matching funds which have been committed by sources other than private sector partners, a center or grant recipient shall submit copies of award letters, contracts, or other documentation deemed sufficient by the Commission.

To verify matching funds that have been received, a center shall submit applicable accounting records proving the receipt of cash. In the event of In-Kind or Cash Reserved contributions, documentation should be provided by the source and should, at a minimum, acknowledge the contributions were dedicated to the project and provide a justification for the valuation of the contributions.

Any applicable supporting documentation is to be submitted to Commerce along with the Disbursement Request Form.
Monitoring

Overview

The Commission shall monitor the activities of a center to determine whether it is having the desired economic impact; to ensure compliance with state laws; and to measure progress towards the assertions made in the center’s application.

Commerce shall perform the post-award monitoring of a center. Commerce shall report the results to the Commission.

A center that has received at least one disbursement of award funds and whose monitoring has not been concluded by the Commission is subject to post-award monitoring as a condition of its award.

A center designated directly through legislation is not subject to post-award monitoring, although it may participate voluntarily.

Timeframe

The monitoring period for a center shall be no less than six years and no more than ten years following center designation. During this timeframe, the monitoring of a center shall conclude at the will of the Commission.

A center may formally request that the Commission conclude its postaward monitoring of the center at anytime between six and ten years after its designation. Such requests should be made in writing and should include a justification for the request. Any such requests are to be submitted to Commerce for presentation to the Commission.

If the monitoring of a center is not concluded sooner, it shall effectively end ten years from the date of center designation.

A motion by the Commission, requiring a roll call vote with majority approval, is required to end the postaward monitoring of a center at any time prior to ten years from the date of center designation.

Upon conclusion of the postaward monitoring of a center, Commerce shall draft a final report detailing the center’s economic impacts, accomplishments, etc. The report shall be presented to the Commission.

Methods

Methods utilized for postaward monitoring of a center include: quarterly updates, functional reviews; site visits; agreed-upon procedures engagements, and financial audits. Other methods may become necessary over time and should be approved by the Commission prior to implementation.
Over the course of each year, a center shall report to Commerce on a quarterly basis. During the first and second quarters of each calendar year, a center shall complete Quarterly Update reports. During the third quarter of each calendar year, a center shall complete the Functional Review. During the fourth quarter of each calendar year, a center shall host a site visit to be performed by Commerce.

**Quarterly Updates**

A center shall complete a Quarterly Update (SFN 59442) report during the first and second quarters of the calendar year.

Commerce shall determine the contents of the Quarterly Update report. The contents of the report may be revised at anytime so long as a uniform format is distributed to the applicable centers.

Commerce shall provide centers with the Quarterly Update report format. Upon completion, a center shall submit its report electronically to Commerce.

Commerce shall provide the Commission with a summary of the Quarterly Update reports during each quarter in which the reports are collected.

**Functional Review**

The Functional Review is an in depth review of that shall be completed annually by a center.

The scope of the Functional Review shall be broad so that the same format may be used uniformly by centers. Topics to be addressed in the review include: assessing economic impacts; assessing timeline, budget, and sustainability assertions; assessing significant variations from the applications, documenting matching and leveraged funds; and compliance with state law and program guidelines. Economic impacts to be assessed shall include: job creation, spin out companies, expansion of existing ND companies, and expansion of out-of-state companies to ND.

Due to the diversity of the topics addressed in the Functional Review, a center is not expected to report results under each topic. Instead, a center is expected to report results under the topics that are applicable to and consistent with its stated purposes, objectives, and goals.

Commerce shall distribute the Functional Review format to centers at the end of each fiscal year. The reporting period for the review shall be the previous fiscal year, from July 1st of the previous calendar year to June 30th of the current calendar year.

Commerce shall establish the deadline for the submission of the Functional Review. Commerce shall communicate the deadline to centers. Completed Functional Reviews shall be submitted electronically to Commerce.
From time to time, the format of the Functional Review may require revision. Any format revisions to the Functional Review shall be approved by the Commission prior to implementation.

**Site Visits**

On an annual basis, Commerce shall meet with center management at a center’s physical location or place of business. Site visits shall serve as a follow up to the Functional Review. Commerce shall determine the objectives for each site visit. Objectives may vary between centers and over time.

The following protocol shall be consistently observed by Commerce when performing site visits:

**Pre-Visit Activities**

1. Perform necessary research
2. Establish agenda
3. Schedule the site-visit with center management
   a. Provide center with site visit agenda
   b. Confirm date and time prior to actual visit

**Site Visit**

1. Address agenda objectives
2. Obtain any necessary supporting documentation
3. Allow for questions from the center

**Post-Visit Activities**

1. Findings should be noted in the COE Monitoring Report.

**Annual Audits**

A center shall be subject to financial audits occurring twice during the postaward monitoring of the center. A center shall also be subject to an agreed-upon procedures engagement annually.

A center must contract with a private CPA firm to complete the financial audits or agreed-upon procedures engagements. Internal auditors cannot be used.

A center shall provide Commerce, the Foundation, and Budget Section of Legislative Management with financial audits and/or agreed-upon procedures reports annually.
**Financial Audits**

A center shall be audited on all funds distributed to the center under NDCC 15-69 after the second full fiscal year of postaward monitoring and after all funds distributed to the center under NDCC 15-69 have been expended.

Commerce shall develop the scope of work for the financial audits.

**Agreed-Upon Procedures Engagements**

A center shall contract for an agreed-upon procedures engagement annually. The agreed-upon procedures scope of work shall include the specific tasks identified in NDCC 15-69-05.2 as well as other tasks identified by Commerce that are necessary to effectively monitor the activities of a center.

**Reporting**

Commerce shall report the postaward monitoring results to the Commission. Methods of reporting may include memorandums, reports, emails, discussion during Commission meetings, or other reasonable methods requested by the Commission.

Monitoring results shall be reported to the Commission, at a minimum, on a quarterly basis. Any arising issues resulting from the monitoring of a center shall be reported to the Commission at its next meeting.

**Monitoring Report**

On an annual basis, the Department of Commerce shall draft a Monitoring Report which assesses applicable centers’ progress toward the major expected results identified in their respective applications. Findings identified through the postaward monitoring process shall also be noted in the Monitoring Report.

Prior to finalization of the Monitoring Report, centers shall be presented with the findings and allowed to formally respond. The responses shall be included in the final draft of the monitoring reports.

Once completed, the Monitoring Report shall be presented to the Commission for its review.

**Annual Report**

On an annual basis, Commerce shall draft an Annual Report which provides an overview of the COE program and information regarding each center. The specific content of the report shall be determined by Commerce.

Once completed, the Annual Report shall be presented to the Commission for its review. The Annual Report shall also be distributed to other appropriate entities as determined by the Commission and/or Commerce.
Assessing Centers’ Economic Impacts

The Commission shall review a center’s progress after it has reached three full fiscal years of operation to determine whether the center is having the economic impact that was projected in its application. A similar analysis will be completed after each subsequent year of operation until the postaward monitoring of the center has been completed.

Commerce shall gather, through postaward monitoring, the information necessary to make such a determination and shall report to the Commission. The Commission shall analyze and compare the progress made by a center to projections in the center’s application. The Commission may request additional information from a center or Commerce if necessary.

Upon reviewing a center’s progress, the Commission shall make a determination which may include: the center is currently on track to meet expectations; the center is currently on track to exceed expectations; or the center needs improvements in order to meet expectations.

Once the postaward monitoring of a center has been concluded, the Commission shall determine whether the center has had the desired economic impact.
Centers of Excellence Enhancement Grants
Disbursement of Award Funds

Overview

The “Legacy” Centers of Excellence disbursement policy on page 14 is also applicable to Enhancement Grants with the following exceptions:

Eligibility for Funding

A grant recipient that has received a letter of support from the BRIC, had its application signed by the university president, and been approved by the Commission is eligible for funding.

Matching Funds

Enhancement Grants do not have a matching funds requirement. Therefore, it is not necessary for a grant recipient to evidence the availability or receipt of matching funds when making a disbursement request.

As part of a disbursement request a grant recipient is required to provide evidence of the availability and/or receipt of leveraged funds identified in the grant recipient’s application.
Monitoring

Overview

The “Legacy” Centers of Excellence monitoring policy on page 16 is also applicable to Enhancement Grants with the following exceptions:

**Functional Review**

Commerce will develop a separate Functional Review format that is specific to the Enhancement Grant program. The scope of the Enhancement Grant Functional Review shall address topics including: assessing economic impacts; assessing timeline and budget; leveraged funds, variations from the application; and compliance with state law and program guidelines.

**Agreed-Upon Procedures Engagements**

The Commission may exempt an Enhancement Grant recipient from the annual agreed-upon procedures engagement requirement after all funds distributed to the recipient have been expended.
Centers of Research Excellence
Application Process

Overview

The Commission shall approve or disapprove applications submitted by North Dakota’s two research institutions. Each institution is limited to three applications per round of funding.

Approval Criteria

The legislature has identified six criteria in NDCC 54-65-02.4 to be considered when evaluating an application for a CORE grant. The Commission has identified the following additional criteria to be considered:

1. Community support;
2. Involve collaboration among institutions and among colleges within an institution; and

In making funding and designation determinations, the Commission shall give major consideration to the portion of matching funds provided in cash from the private sector.

The president of the research university must sign an application to indicate his approval and recommendation of the project and to signify that the funding request is consistent with the mission and development plans of the institution.

Application Format

Commerce shall develop an application format for the CORE program. The Commission shall approve the format prior to its distribution to the universities.

Over time, and if necessary, Commerce shall make any revisions to the application format. The Commission shall approve any revisions to the application format prior to its distribution.

The application format shall, at a minimum, address the approval criteria identified above.

Commerce shall distribute the application format to universities at the outset of each round of funding.

Timeline

Commerce shall establish a timeline for each round of funding. At a minimum, a timeline should identify applicable deadlines and meeting dates. The Commission shall approve a timeline at the outset of each round of funding. The timeline shall be included in the application format.

Due Diligence
Commerce shall perform a due diligence review on a submitted application to determine viability, verify assertions made in an application, and assess the likelihood that matching funds outlined in an application will be available.

Commerce shall also review a submitted application for completeness and compliance with state law. An application found to be incomplete or in noncompliance may be disqualified from consideration.

Commerce shall draft a report to the Commission detailing information ascertained through the due diligence review of a proposal. The report shall be presented to the Commission in accordance with the timeline established at the outset of the round of funding.

**Independent Expert Reviews**

After reviewing an application submitted during a round of funding, the Commission shall determine whether the application warrants an independent expert review. Objectives of such a review shall include: determining viability and the likelihood that desired economic impacts projected in the application will be achieved.

If the Commission determines an application does not require an independent expert review, no further action is necessary. If the Commission does request an independent expert review of an application, Commerce shall facilitate the contracting of an appropriate entity to perform the review. Commerce shall also serve as liaison between such an entity and the Commission.

**Presentations**

The Commission shall hold a meeting where an applicant shall give a presentation explaining its proposal. Time shall be allocated after an applicant's presentation for the Commission to ask questions.

An applicant shall work with Commerce regarding technology or other needs for their presentations. An applicant shall provide Commerce with copies of handouts or other materials and an electronic version of the PowerPoint used during the presentation. Commerce shall retain this information with the application.

**Application Evaluation**

The Commission shall evaluate the merits an application. Consideration shall be given to the criteria identified in NDCC 54-65-02.4 and the additional criteria identified by the Commission.

**Evaluation**

Each Commission member shall complete an application evaluation form for an application under consideration. The evaluation form is a tool which may be helpful in identifying perceived strengths and weaknesses of an application. Use of the evaluation form also encourages consideration and discussion of all applicable criteria. Evaluation forms are not to be used as or considered to be votes for or against an application.
Approval

Approval of an application requires a roll call vote with majority approval. Commerce shall notify an applicant of the action taken by the Commission. Notification may be in the form of a letter, email, or phone call.

Applications from Existing Centers of Excellence

The Commission shall give equal consideration to proposals submitted by existing COEs and proposals submitted by new applicants.

Reductions in Amount Funded

The Commission may approve an application at a reduced level of funding. Before approving an application at a reduced level of funding, the Commission shall consider the expected impact a reduction in funding will have on the project. The applicant shall be asked to determine such impacts which may include changes to scope, budget, and expected major results.

In instances when an application is approved at a reduced level of funding, the applicant shall submit a revised application reflecting, at a minimum, the resulting changes to the project budget and scope of work.

Exigent Circumstances

The Commission may hold a special round of funding to consider an application if there are exigent circumstances. Exigent circumstances may include a matching grant opportunity which has an upcoming deadline that is prior to the next scheduled round of funding.

A request for a special round of funding should be made to Commerce. Commerce shall consider the merits of the request and verify the exigent circumstances noted by the applicant. Commerce may forward the request to the Commission which will determine whether to grant the request for the special round of funding.

The Commission will determine the timeline and process to be used for consideration of an application during a special round of funding.
Disbursement of Award Funds

Overview

The “Legacy” Centers of Excellence disbursement policy on page 14 is also applicable to Centers of Research Excellence with the following exceptions:

Eligibility for Funding

A center that has received approval from the Commission is eligible for funding.
Monitoring

Overview

The “Legacy” Centers of Excellence monitoring policy on page 16 is also applicable to Centers of Research Excellence with the following exception:

Functional Review

Commerce shall develop a Functional Review format that is specific to the CORE program. The scope of the CORE Functional Review shall address topics including: assessing economic impacts; assessing timeline and budget; matching and leveraged funds; variations from the application; and compliance with state law and program guidelines.
Application Process

Overview

The Centers of Research Excellence Application Process on page 26 is also applicable to the Base Realignment Grant program with the following exceptions:

Approval Criteria

The Commission has identified the following criteria to be considered when evaluating a Base Realignment Grant:

1. Supports and/or enhances the mission of the Grand Forks Air Force Base;
2. Leverages additional money or services;
3. Creates private-sector jobs;
4. Provides private-sector partners;
5. Viability of the project;
6. Appropriate business plan including plan for sustainability after award funds are expended.

In evaluating a proposal that includes providing assistance for a specific business, the Commission will give major consideration to the strength of the business with a preference towards businesses that are not in the early stages of development.

An application must include a letter of support from the BRIC.
Disbursement of Award Funds

Overview

The “Legacy” Centers of Excellence disbursement policy on page 14 is also applicable to the Base Realignment Grant program with the following exceptions:

Eligibility for Funding

A grant recipient that has received approval from the Commission is eligible for funding.

Matching Funds

Base Realignment Grants do not have a matching funds requirement. Therefore, it is not necessary for a grant recipient to evidence the availability and/or receipt of matching funds when making a disbursement request.

As part of a disbursement request a grant recipient is required to provide evidence of the availability and/or receipt of leveraged funds identified in the grant recipient’s application.
Monitoring

Overview

The “Legacy” Centers of Excellence monitoring policy on page 16 is also applicable to Base Realignment Grants with the following exception:

Functional Review

Commerce shall develop a Functional Review format that is specific to the Base Realignment Grant program. The scope of the Base Realignment Grant Functional Review shall address topics including: assessing economic impacts; assessing timeline and budget; leveraged funds; variations from the application; and compliance with state law and program guidelines.
Limited Deployment Cooperative Airspace Project
Application Process

Overview

The Centers of Research Excellence Application Process on page 26 is also applicable to the Limited Deployment Cooperative Airspace Project (LD-CAP) program with the following exception:

Approval Criteria

The Commission has identified the following criteria to be considered when evaluating a Base Realignment Grant:

1. Leverage private and federal funding to advance state opportunities associated with a limited deployment cooperative airspace project in the state;
2. Direct job creation, although welcomed, is not necessarily a required result.
3. Private-sector partnerships
Disbursement of Award Funds

Overview

The “Legacy” Centers of Excellence disbursement policy on page 14 is also applicable to the LD-CAP program with the following exceptions:

Eligibility for Funding

A grant recipient that has received approval from the Commission is eligible for funding.

Matching Funds

LD-CAP grants do not have a matching funds requirement. Therefore, it is not necessary for a grant recipient to evidence the availability and/or receipt of matching funds when making a disbursement request.

As part of a disbursement request a grant recipient may be required to provide evidence of the availability and/or receipt of leveraged funds identified in the grant recipient’s application.
Monitoring

Overview

The “Legacy” Centers of Excellence monitoring policy on page 16 is also applicable to the LD-CAP program with the following exception:

Functional Review

Commerce shall develop a Functional Review format that is specific to the LD-CAP program. The scope of the LD-CAP Functional Review shall address topics including: assessing economic impacts; assessing timeline and budget; leveraged funds; variations from the application; and compliance with state law and program guidelines.
General Policies
Remedial Action by the Commission

Overview
Instances where a center or grant recipient is in noncompliance, not meeting stated expectations, or has experienced a material change to assertions made in its application may compel the Commission to take action.

Noncompliance
Instances of noncompliance include violations of state law or Commission policy.

Not Meeting Stated Expectations
A center or grant recipient is measured against the assertions made in its application.

Material Changes
Material changes to assertions made in a center or grant recipient’s application must be approved by the Commission. This includes material changes that occur before or after a center or grant recipient receives its initial disbursement of award funds.

Commission Action
The Commission shall determine whether action is necessary in the event a center or grant recipient is in noncompliance, not meeting expectations, or has experienced a material change.

The Commission may withhold undisbursed award funds from a center or grant recipient. In such an event, award funds shall only be disbursed after the center or grant recipient demonstrates, to the satisfaction of the Commission, that the matter has been resolved.

When necessary, the Commission may consult with Commerce and the Attorney General’s Office to determine other courses of remedial action.

Commerce shall serve as liaison between the Commission and a center or grant recipient facing action from the Commission.
Appendix A