

# OREGON BUSINESS DEVELOPMENT DEPARTMENT

## DIVISION 88

### UNIVERSITY INNOVATION RESEARCH FUND

#### **123-088-0010**

##### **Purpose**

The University Innovation Research Fund was established by the Oregon Legislature in 2019 through HB 2377. The purpose of this division of rules is to document the process and criteria by which this fund will be used to support innovation and commercialization of technology that has a direct or potential connection to economic development from Oregon's public universities and Oregon Health & Science University (OHSU).

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#### **123-088-0020**

##### **Definitions**

For the purposes of these rules additional definitions may be found in Procedural Rules, OAR 123-001. For purposes of this division of administrative rules, unless the context demands otherwise:

1. "Committee" means the group that does the initial evaluation of requests for matching commitments from the University Innovation Research Fund.
2. "Council" means the Oregon Innovation Council.
3. "Fund" means the University Innovation Research Fund.
4. "SRO" means the Senior Research Officer.
5. "SROC" means the Senior Research Officer Council, which consists of the SRO from each public university in Oregon and OHSU.

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#### **123-088-0030**

##### **Qualifying Universities**

All public universities in Oregon as established in ORS 352.002 and OHSU are eligible to request access to the fund. That is, Eastern Oregon University, Portland State University, Oregon State University, Oregon Institute of Technology, Southern Oregon University, University of Oregon, Western Oregon University and OHSU are eligible. Hereafter, all of these institutions are collectively referred to as the universities.

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### **123-088-0040**

#### **Eligible and Ineligible Uses of the Fund**

The Fund can be used as match for federal proposals that require financial match for projects that will support innovation or commercialization of technology at the universities that has a direct or potential connection to economic development. Projects must require a match of at least \$250,000 to access the Fund. The Fund is not to be used as match for basic research projects or other projects that do not have a direct or potential connection to economic development. The projects should align with priority industries, such as advanced manufacturing, high technology, outdoor gear and apparel, health care innovation, food and beverage, and forestry and wood products. The Department, after reviewing information from the Council and the Committee, will make the final determination of whether a project is eligible or not.

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### **123-088-0050**

#### **Application, Review and Decision-making Processes with Evaluation Criteria**

The Committee will consist of members of the Senior Research Officers Council (SROC) and at least one private-sector representative from the Council. The Department will also have an observer on the Committee. The Committee will review requests for matching commitments from the Fund as follows:.

- (1) No more than 75% of the Fund shall be committed in the first fiscal year of the 2019-21 biennium to ensure funding is available to proposal submitted in the second fiscal year.
- (2) Match funding will be committed on a first-come-first-served basis, based on the federal award notice.
- (3) For matching requests of \$1,000,000 or more, a university must request funds by having its SRO submit a non-binding letter of intent to the Committee at least three (3) months in advance of the federal proposal deadline. This letter should specify the federal program, project title, estimate of the total project budget and estimated amount of match requested from the Fund. The letter should also provide brief summaries of the project, project leaders/principal investigators, and any public and/or other collaborators as well as a description of the project's connection to economic development and its alignment with the Council's priority areas. The Committee will review the initial letter of intent and provide feedback to the requesting SRO within 30 days on whether they should proceed with further effort to secure matching funds. Within 45 days of the proposal deadline, the requestor(s) will submit an updated project description and budget with a not-to-exceed amount of matching funds requested to the Committee for final review.
- (4) For matching requests of less than \$1,000,000, an SRO will submit a letter of intent as described above. The request will be considered up to 45 days before a proposal deadline. SROs are encouraged to submit the letter as early as possible.

(5) Notwithstanding subsections (1) and (2) of this section, the Committee may consider matching requests made closer to the proposal deadline if a university would like the Committee to make an exception, the requesting SRO must explain the reasons for not meeting the 45 day deadline, which the Committee will consider as it sees fit. This applies to requests of above or below \$1,000,000. All requests will be evaluated using the same criteria that are used to review and approve other proposals.

(6) The Committee will have a standing meeting each month to review requests submitted by universities. If no letters of intent have been submitted, the monthly meeting may be canceled.

(a) The Committee will evaluate requests based on these criteria:

(A) Likelihood that proposal will have economic development benefits for Oregon;

(B) Alignment with the Council's priority areas

(C) Likelihood that the proposal will enhance research and innovation capacity in Oregon including opportunities for student engagement; and

(D) Balance among campuses and industry sectors

(b) The Committee will use the following principles in formulating their recommendations:

(A) All universities should have an opportunity to access the fund. Accordingly, no one university may have more than 50% of the fund allocated to it at any given time although this cap may be exceeded if multiple universities collaborate on a proposal or if a quorum of the Committee agree to it for reasons that are consistent with the criteria used to review and evaluate proposals. In addition, if there are uncommitted moneys remaining in the Fund six months prior to the end of a biennium, the Committee may support proposals that meet the criteria used to evaluate proposals from an institution that has reached its cap or been allowed by the Committee to exceed its cap.

(B) Given the key purpose of the Fund, which is to attract more federal funding to support innovation and commercialization in Oregon that has a direct or potential connection to economic development, most of the Fund should be used for projects of \$1,000,000 or more. The Committee will aim for targets of 80% of the Fund going to these larger projects with the remaining 20% going to projects under \$1,000,000.

(C) Given the key purpose of the Fund, proposals that meet the criteria should generally be supported unless the institution has reached its Fund cap or a university has already been allowed to exceed its allocation.

(D) When possible, universities are encouraged to pursue collaborative projects with other Oregon public universities/OHSU.

(E) Proposals that return more federal dollars per dollar of State match provided are preferred.

(c) The Committee will attempt to come to a consensus on whether the proposal should secure a funding commitment. The Committee may not decide to recommend that a proposal receives matching funds unless at least three SROs or their designees from University of Oregon, Portland State University, Oregon State University and OHSU are present. The Committee will recommend to the Council requests for funding that meet the criteria in section (5)(a) and align with the principles of section (5)(b).

(A) In cases where consensus is reached that the project should have access to the Fund, the Committee will make recommendations to the Council that the proposal should receive a funding commitment and a summary of the reasons why.

(B) In cases where consensus cannot be reached, the Committee will summarize the arguments for and against and submit that information to the Council. The Council will then engage in a discussion with the Committee, after which the Council will make a recommendation to the Department on whether or not matching funds should be committed to the project.

(C) In cases where the committee's consensus is that the project should not have access to the Fund, a letter will be sent to the SRO documenting this fact and summarizing the reasons for the decision.

(7) During the Committee's review process, a university will be able to give a proposal a higher or lower priority than any of its existing requests that have already been approved by the Committee.

(8) The Council will review requests for match as part of its regular meetings unless it decides to delegate authority to review requests to another group per the Council's rules and normal processes. If the Council does review the requests and agrees with the Committee's recommendation to commit match to a project, the Council will notify the Department of its support for the Committee's recommendation. If the Council does not agree with the Committee's recommendation, the Council will notify the Committee and the Department of the reasons the match is not recommended to be committed. In cases where the Committee was not able to come to a consensus recommendation, the Council will discuss the situation with the Committee as well as Department staff and decide whether to make a recommendation to the Department that match be committed for the project.

(9) The Department will evaluate the recommendations, including information from the Committee's review process. If the Department agrees with the recommendation, the Director of the Department will send a letter to the respective SRO and/or relevant federal agency committing match to the project. If the Department does not agree with the recommendation, Department staff will send the SRO for the university and the Committee an explanation for why the match is not being committed. The Department will provide the letter within one week of receiving the recommendation.

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**123-088-0060**

**Grant Agreements and Reporting Requirements**

(1) For all proposals receiving match commitment from the Fund, SROs shall inform the Department within two weeks of notification by the federal agency whether a proposal has been accepted or rejected. A rejected proposal that will be resubmitted to an agency must make a new request for matching funds and go through the full process again.

(2) For the proposals that are funded by the federal government, the Department will negotiate and enter into grant agreements with the university for the financial match.

(3) The Department shall disburse monies from the Fund only after entering into a binding agreement with the university.

(4) The agreement will be in form and substance as provided by the Department and contain provisions that the Department considers necessary or appropriate to implement the assistance, and must include

(a) A provision that the obligation of the Department under the agreement is contingent upon the availability of moneys in the Fund;

(b) A provision for reporting to the Department that includes, at a minimum, data on the benefits of the project, performance measures or return on investment from the project, and other information necessary to evaluate the success and impacts of the project; and

(c) A provision that the organization shall maintain accounts and records of all project-related activities and shall allow Department access to such records.

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