

Board Phone Meeting
November 18, 2015

**November 18, 2015
Phone Board Meeting
10:00 a.m.**

Board Members

Attending: Marty Connell, Chairman
Prairie Bighorn - Absent
Larry Farrar - Absent
Eric Fulton – left the meeting at 10:26 a.m.
David Opitz

Others

Attending: Dave Desch, Executive Director
Sean Becker, Administrator, Office of Tourism & Business Development
Michael Sullivan, Program Manager, MTIP, Office of Tourism &
Business Development
Jane Todd, Program Specialist

I. Call to Order

Chairman Marty Connell called the meeting to order at 10:05 a.m.

Dave Desch welcomed Sean Becker and Michael Sullivan and asked them to introduce themselves.

Sean Becker stated he is the Administrator for the Office of Tourism & Business Development at the Department of Commerce.

Michael Sullivan stated he is the Program Manager for the Montana Technology Innovation Program (MTIP).

Dave Desch also introduced the newest Board member, David Opitz. Mr. Opitz stated his background is computer science and that he has done both business and university research. Currently, he is working with entrepreneurs and start-up companies. As owner of a previous company, Visual Learning Systems, he collaborated with the Department of Defense and Intelligence agencies. Over six years, and before it was sold, the company received seven SBIR Phase II awards and several products were commercialized.

Dave Desch welcomed Mr. Opitz to the Board saying his experience and knowledge would be very useful to the program.

II. Approve Board Minutes of July 1, 2015, Meeting

It was moved and seconded to approve the minutes of the July 1, 2015 Board meeting. All in favor, the minutes were adopted as presented.

III. Election of Chairman

The Board took no action to elect a Chairman.

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IV. Executive Director's Report

Dave Desch referred the Board to the documents on the CD and stated he would like to go through the files on the CD in order and discuss each of those briefly. The purpose of this exercise is to inform the Board of actions over the last year.

Final Reports

These are the Final Reports received over the last year for projects funded by the Board.

Mr. Desch highlighted two of the final reports:

Bridger Photonics was funded for research on deformable lenses. The project went well and resulted in a spin-off company. Revibro is working with a German company, Zeiss, to explore applications for microscopy. Zeiss is currently doing beta testing. Bridger Photonics is using the Montana Manufacturing Facility (MMF) at MSU, which is a facility the Board funded half a dozen years ago. This is a great example of collaboration where the Board funded a university project and now a local company is using the MMF to figure out how to produce the mirrors.

Bacterin was funded to research nerve allografts for transplants. The project was successful, but, unfortunately, the FDA changed its rules regarding the regulatory approval process, resulting in a much more expensive and time-consuming endeavor. This caused Bacterin to delay commercialization of the project and consider other alternatives.

Program Budgets

FY2015 Budget

Mr. Desch discussed a number of items in the FY2015 Accounts Balances statement, which is an accounting of the program's starting balance, revenues, expenditures and cash position. The Food and Agricultural Development program at the Montana Department of Agriculture had access to \$300,000 out of the program's FY2015 budget. The administrative cost of running the MBRCT program was \$203,333.

Current Year Budget – July through October, 2015

Administrative expenditures to date are about \$72,000, which is about 32% of the total budget amount of \$223,000.

Program Operations

Annual Net Increase in Follow-On-Funding

This chart shows follow-on funding figures over the course of the program. The rate of increase has dropped significantly due to decrease in available funds for new projects.

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Commercialization Successes

This is a follow-up tracking tool for projects that have commercialized or have potential to commercialize. Mr. Desch briefly discussed the commercialization potential for Bridger Photonics and Montana BioAgriculture.

Follow on Funding by Project

One hundred forty projects have attracted following-on-funding. Seventy-eight of these have attracted over half a million dollars. This shows there is a lot of success by quite a few projects in attracting additional capital.

Follow-on Funding Spreadsheet

This spreadsheet tracks money that has come in to a project after it has received funding by MBRCT and shows total follow-on funding of \$352 million. Interestingly, about 13% of the total follow-on funding has come from private sources. This spreadsheet was used as the basis for a report done by BBER at the University of Montana in March 2014 to show the positive impact of MBRCT activity on the state's economy.

MBRCT Funding History

This chart shows the number of applications for funding and illustrates the strong correlation of available funds to the number of proposals submitted. Larger amounts of available funding result in increased numbers of applications.

Pre-Agreement Status

This report shows the status of the projects that were funded July 1, 2015, by the Board.

Summary of Projects Funded

This report provides a quick snapshot of program statistics.

Project Report Summaries

This compilation of summaries of the final reports and progress reports enables the Board to quickly retrieve information about each project.

Annual Report from Department of Agriculture, Food & Agriculture Development Centers

This is an annual report provided by the Department of Agriculture the use of Board money to the Food & Agriculture Development Centers.

Request for Proposal

Request for Proposals will be released in December for the FY2017 funding cycle. There is approximately \$750,000 available for new projects. The RFP will be similar to the previous year except for the elimination of the 30% clean coal/renewable resource requirement due to the passage of House Bill 352 in the last legislative session.

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V. Set Time and Date for Next Meeting

The next meeting will be held in mid-March for the purpose of reviewing proposals submitted on the March 1, 2016 deadline. Staff will poll the Board for meeting availability.

VI. Public comment

There was no public comment.

Marty Connell thanked the guests for attending this informative meeting and invited them to attend an in-person meeting at any time.

VII. Adjourn

Marty Connell called to adjourn the meeting at 10:44 a.m.

Respectfully submitted,

Martin Connell, Chairman