



National Advisory Council on Innovation and Entrepreneurship (NACIE)



Official Minutes for Quarterly Meeting

Date: December 03, 2015

Time: 2:00 – 3:30 pm Eastern Time

Location:

Google, Inc.

25 Massachusetts Ave., N.W. Washington, DC 20001

Welcoming Remarks

Ms. Julie Lenzer, Director of the Office of Innovation and Entrepreneurship, opened the meeting in her capacity as Designated Federal Officer (DFO). She extended greetings to all members of the National Advisory Council on Innovation and Entrepreneurship (NACIE). She indicated the purpose of this meeting is to better define and narrow potential initiatives, and focus on what the Council expects to deliver at the end of their term. Ms. Lenzer concluded her remarks by providing a brief overview of the five approved recommendations. Developing initiatives would be discussed during workgroup breakouts and discussed further the following day with the entire Council.

Updates on Approved Initiatives

Data Modernization Pilot

The purpose of this pilot is to use Virginia's standardized labor market data such as jobs titles, to better match potential employees to job openings. Currently, the State of Virginia and Glassdoor are still working on finalizing the agreement to release the data. Glassdoor remains committed to completing a minimally viable product a few weeks after receiving the data and anticipates having a demonstration for the March NACIE meeting. As the pilot nears completion, NACIE will begin to explore options for scaling it.

Macro-Level Innovation Measure

The proposal recommends that the Economics and Statistics Administration (ESA) within the Department of Commerce (DOC) lead an interagency working group focused on developing a dollar-denominated measure of innovation to be incorporated into the measure of GDP via the National Income and Product Accounts (NIPAs). NACIE plans to engage the Bureau of Economic Analysis (BEA) to discuss planning and feasibility of the proposed work plan.

Encyclopedia of Innovation Indices

NACIE proposes that the Commerce Department create an encyclopedia of indices which will characterize the state of innovation in the United States and give policy makers and the private sector the tools they need to support innovation where it is most needed. The Council is working

with the Economic & Statistics Administration (ESA) to complete the draft project plan; current target date for draft encyclopedia is June 2016.

Small Business Innovation Research (SBIR)/Small Business Technology Transfer (STTR) Restructure

The SBIR/STTR program requires agencies with large external R&D budgets (>\$100m per year, e.g., NSF, NIH, NIST, NOAA, DoD) to grant a small percentage of research funds to small businesses to do research and development around technologies with market potential. The program is the closest thing the USG has to a startup venture fund. However, because most SBIR/STTR technologies are developed in a lab by scientists and not by experienced business leaders, NACIE strongly believes the program can significantly improve its commercialization outcomes. Members are conducting research and outreach to identify means to improve these outcomes, and have received extensive interest and feedback from stakeholders (including the SBA SBIR/STTR team). The target date to present recommendations is at NACIE's March meeting.

What Works Playbook

A multi-year program that compiles existing research on ecosystem- and cluster-focused development into a Best Practices Playbook that communities use to create and execute the most promising innovation and entrepreneurship economic development plans. Members are working on identifying and defining taxonomy, before aggregating the development plans.

Mid-Point Check in and Discussion

Co-Chair Ms. Marie Lynch acknowledged the Council's hard work thus far but felt it was important, with only 10 months remaining in their two-year term, to take a moment to pause and reflect on what they hoped to accomplish and identify a strategy to achieve it. She facilitated a Strengths Weaknesses Opportunities and Threats or SWOT analysis, where she encouraged members to be candid in their responses. She stated that the purpose of the analysis is to help the Council focus on its strengths, minimize threats, and take the greatest possible advantage of opportunities available to them. Members participated by providing feedback. Throughout the brainstorming session, Ms. Lynch compiled the feedback and indicated that the results would be circulated to members at a later time.

Defining Roles and Strategy

A request, which arose from the mid-point discussion, was for clarity on the Council's objective and scope of activities as it relates to the Secretary and Commerce Department. Ms. Julie Lenzer responded by clarifying the role of NACIE, which is to advise the Secretary on key issues relating to innovation, and entrepreneurship. She stated that the objective is to identify and

recommend solutions to issues critical to enabling entrepreneurs and firms to successfully commercialize new ideas and technologies into high-growth, innovation-based businesses and create new jobs. In addition, it also serves as a vehicle for ongoing dialogue with the entrepreneurship and innovation communities and other stakeholders. She also noted the duties of the Council which can include, but are not limited to, developing policies, identifying barriers and ways to overcome them, and providing access to relevant data or research. Members acknowledged and thanked Ms. Lenzer for the clarification.

Members revisited the previous discussion on approved and ongoing initiatives; they discussed their strategy for the remainder of the meeting and determined that they needed to define next steps, set milestone dates, formulate prioritization criteria, and identify initiatives that, due to limited time, will need to be handed off to their successors, NACIE 3.0. As the discussion shifted to NACIE 3.0, and with an upcoming presidential election, members raised concerns about the future political environment and the likelihood of a next iteration of the Council. Ms. Kate McAdams, Senior Advisor and Ms. Julie Lenzer addressed the concern by informing the Council that their successors would be appointed before any administration change, and highlighted the fact that in the past, innovation and entrepreneurship have been a bipartisan agenda and did not anticipate any barriers.

Public Comment

Ms. Julie Lenzer opened the floor for the public comment session, but there were no members of the public in the physical meeting, or on the conference line to comment.

Meeting Adjournment

Ms. Lenzer thanked all in attendance and adjourned the meeting.

Meeting Attendees

NACIE Members

Robert Atkinson	Information Technology and Innovation Foundation
Brian Balasia	Digerati, Inc.
Lou Anne Bynum	Long Beach Community College, Office of College Advancement
Greg Cangialosi	Betamore
Fred Dedrick	National Fund for Workforce Solutions
William Generett	Urban Innovation21
Julie Goonewardene	The University of Texas (UT) System

Lila Ibrahim	Coursera
Tiffany Wilson	Global Center for Medical Innovation
David Kenney	Oregon Best
Chauncy Lennon	JP Morgan Chase Foundation
Marie Lynch	Skills for Chicagoland's Future
Dr. Sethuraman Panchanathan	Arizona State University
Eric Severson	Felton Institute
Rohit Shukla	Larta Institute
Amy Stursberg	Blackstone Charitable Foundation

Representatives of the U.S. Department of Commerce and Its Agency Subcomponents

Joshua Mandell	Office of the Secretary
Kate McAdams	Office of the Secretary
Jay Williams	Economic Development Administration
Julie Lenzer	Office of Innovation and Entrepreneurship
Craig Buerstatte	Office of Innovation and Entrepreneurship
Eric Smith	Office of Innovation and Entrepreneurship
Andria Fisanich	Office of Innovation and Entrepreneurship
Nathan Ohle	Economic Development Administration

Representatives of Other Federal Agencies

Ben Seigel	Department of Labor
------------	---------------------



National Advisory Council on Innovation and Entrepreneurship (NACIE)



Official Minutes for Quarterly Meeting

Date: December 4, 2015

Time: 8:00 am – 12:00 pm

Location:

Google, Inc.

25 Massachusetts Ave., N.W. Washington, DC 20001

Welcoming Remarks

Mr. Craig Buerstatte, OIE, opened the meeting and extended greetings to all members of the National Advisory Council on Innovation and Entrepreneurship (NACIE). Mr. Buerstatte summarized workgroup outcomes and provided an overview of the day's events.

Remarks from Secretary Pritzker

In her remarks, Secretary Pritzker thanked members of NACIE for their contributions to the overall mission of the Department of Commerce. She tasked NACIE with the delivery of tangible outcomes for innovation, entrepreneurship, and employer-driven workforce development projects and policies to better enable American businesses to access and develop a skilled, globally competitive workforce. Secretary Pritzker also offered support and encouraged collaboration between NACIE and other Department of Commerce resources to enhance NACIE's efforts.

Initiative Updates and Feedback from Secretary Pritzker

During this session, representatives from the Council delivered initiative updates, to Secretary Pritzker, on the SBIR/STTR, Employer Training Survey and Capital Continuum proposals.

SBIR/STTR Programs Update

Mr. David Kenney, Oregon BEST, stated that approximately \$2 billion dollars is allocated each year to the SBIR/STTR programs to encourage small businesses to engage in R&D that has the potential for commercialization; these programs were built as America's seed fund. Although consideration for commercial potential and planning is an important factor in making award decisions, the Council believes that some changes to the SBIR program should be considered to put a greater emphasis on commercialization success on the part of awardees. The recommendations were (1) to increase allocation of project budget to commercialization activities, (2) change the criteria and composition of review panels, and (3) encourage engagement of intermediary organizations in development of startups. Mr. Kenney explained that with successful implementation of these revisions, the Council strongly believes the program can significantly improve its commercialization outcomes. He added that there are already successful pilot programs that have adopted similar recommendations; for example, the National

Science Foundation (NSF) has seen strong results in their efforts to prioritize commercialization in their SBIR funding efforts. In response to a question from Secretary Pritzker, Mr. Kenney pointed out that the timing couldn't be better with the program's upcoming reauthorization taking place in 2017. Secretary Pritzker remarked that she was personally excited about the idea of having business representatives and scientists together on SBIR panels. She added that working together to strategically invest our research dollars to start more companies, serve more customers and grow more jobs, is smart government at work.

Employer Training Survey Update

Mr. Chauncey Lennon, JP Morgan Case Foundation, updated the Secretary and Council members on challenges related to employee tech training. He described the difficulties in matching skills training with employer needs, and highlighted two contributing factors which are a lack of data and the rapidly changing needs of employers. NACIE's role will be to bring more focus on the demand (employer) side of training, and is currently exploring the feasibility and impact of implementing an annual National Employer Engagement Survey (issued by BLS or in partnership with Census) which could help collate important employee training information. For example: collecting data on employer's hiring standards, dollars spent on training, types of training (formal vs on the job) and how they structure their jobs. In his concluding remarks, Mr. Lennon indicated that initiative is still in an early stage, and when necessary he would engage members for input.

Capital Continuum Learning Exchange Update

Ms. Tiffany Wilson, Global Center for Medical Innovation, informed the Secretary and Council members that the objective of the Exchange is to convene entrepreneurs, public funding organizations, and private investors to share information, gain insight, and identify synergies regarding not only the "Valley of Death" but also other gaps and barriers throughout the spectrum of funding, from seed capital through scaling investments and beyond. She also highlighted the lack of inclusion in the capital continuum and discussed challenges for women and minorities to get involved in mentorship programs. Lastly, Ms. Wilson reported that the workgroup will prepare a proposal to vote on at the next meeting

Council Discussion: 1099 workgroup and the Future of Work

Mr. Tom Mesenbourg, former Deputy Director of the Census Bureau, introduced himself and applauded the members for their work on the Free Agent proposal. He discussed his current research for Census on identifying data gaps, and emerging data needs, and subsequently pointed

out synergies between both projects. He informed the members that his final report will be available in mid-December and encouraged members to contact him directly with any questions.

Mr. Eric Severson, Felton Institute, asked Council members for their input on the proposed Free Agent proposal. Members provided valuable feedback on action-able next steps.

Council Discussion: Career Accelerator / Tech Hire/ Department of Labor Grant

Mr. Ben Seigel, Department of Labor, kicked off the discussion by highlighting President Obama's new initiative, TechHire, a bold multi-sector effort and call to action to empower Americans with the skills they need, through universities and community colleges, but also nontraditional approaches like "coding bootcamps" and high-quality online courses that can rapidly train workers for a well-paying job, often in just a few months. He stated that this year, America had about 5.5 million open jobs, and over half a million job openings are in information technology (IT) fields. Employers are in critical need of tech talent and too many Americans lack the skills and experience to access these well-paying jobs. He added that recently, the President announced a \$100 million TechHire grant competition through the Labor Department, to expand accelerated tech training. Members followed up with questions regarding the program. Mr. Chauncey Lennon, JP Morgan Chase Foundation, pointed out that currently NACIE is exploring ways to support, connect and grow these types of organizations – without duplicating existing efforts – so more businesses have the skilled talent they need to succeed.

Following the discussion, Mr. Lennon presented a preview of JP Morgan Chase research on career accelerators and using that as a basis for discussing NACIE's opportunities to assist in this space.

Voting on NACIE proposals

Before each vote, NACIE member, Eric Severson, provided a brief overview of the following workforce/talent committee proposal:

- a) Free Agent Economy Proposal

During the roll call vote, Council members unanimously approved the proposal.

After the roll call vote, Ms. Lenzer, DFO, remarked that these proposals will be presented to the Secretary for evaluation by Commerce staff.

Next Steps

March 3-4 Meeting – Nashville, TN

The Council will reconvene in Nashville, TN, in early March; the meeting will be hosted by co-chair, Michael Burcham, Narus Health. Mr. Burcham disclosed

Public Comment

Ms. Julie Lenzer opened the floor for the public comment session, but there were no members of the public in the physical meeting, or on the conference line to comment.

Meeting Adjournment

Ms. Lenzer thanked all in attendance and adjourned the meeting.

Meeting Attendees

NACIE Members

Robert Atkinson	Information Technology and Innovation Foundation
Brian Balasia	Digerati, Inc.
Michael Burcham	Narus Health
Lou Anne Bynum	Long Beach Community College, Office of College Advancement (<i>via telephone</i>)
Greg Cangialosi	Betamore
Jim Clements	Clemson University
Fred Dedrick	National Fund for Workforce Solutions
William Generett	Urban Innovation21
Julie Goonewardene	The University of Texas System
Lila Ibrahim	Coursera
David Kenney	Oregon Best
Chauncy Lennon	JP Morgan Chase Foundation
Marie Lynch	Skills for Chicagoland's Future
Dr. Sethuraman Panchanathan	Arizona State University
Eric Severson	Felton Institute
Rohit Shukla	Larta Institute
Amy Stursberg	Blackstone Charitable Foundation (<i>via telephone</i>)
Tiffany Wilson	Global Center for Medical Innovation

Representatives of the U.S. Department of Commerce and Its Agency Subcomponents

Joshua Mandell	Office of the Secretary
Kate McAdams	Office of the Secretary
Julie Lenzer	Office of Innovation and Entrepreneurship
Craig Buerstatte	Office of Innovation and Entrepreneurship
Eric Smith	Office of Innovation and Entrepreneurship
Andria Fisanich	Office of Innovation and Entrepreneurship
Jay Williams	Economic Development Administration
Nathan Ohle	Economic Development Administration

Representatives of Other Federal Agencies

Jodi Black	National Institutes of Health
Ben Seigel	Department of Labor

Number of Additional Attendees Who Did Not Present Oral or Written Statements

Mark Skinner	State Science & Technology Institute
--------------	--------------------------------------