

MSF Decision Document

Issue

Approval of the Early Stage Funding Request for Proposals

Background

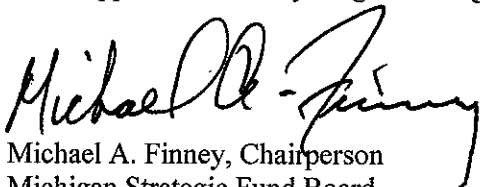
As provided for in MCL 125.2088k(2), the Strategic Economic Investment and Commercialization Board ("SEIC Board") shall award grants and loans from the 21st Century Jobs Trust Fund to encourage competitive edge technologies to create jobs in the State of Michigan. Pursuant to Executive Order 2010-8 the Governor ordered the SEIC Board abolished and all powers, duties, and functions of the SEIC Board were transferred to the Michigan Strategic Fund ("MSF"), including those powers and duties and functions provided under MCL 125.2088k. The MSF Board desires to allocate up to \$13 million, disbursed over 2 to 3 years, to non-profit organizations to capitalize a fund that invests in pre-seed and start-up competitive edge technologies that require capital to transition from research to the earliest stages of the commercialization process.

Public Hearing

A public hearing was held on April 11, 2011 to allow interested persons the opportunity to express data, views, questions, and arguments regarding the proposed Early Stage Funding Request for Proposals. Six people attended the public hearing and seven written comments were received. In addition, comments at the public hearing centered on the meaning of statewide in the eligibility requirements and the financial leverage and matching requirements. Minutes of the public hearing were presented to the MSF Board at its April 27, 2011 meeting.

Decision

At its April 27, 2011 meeting, the MSF Board considered the comments received at the public hearing, and agreed that there was a need for the Early Stage Funding program. On April 27, 2011, the MSF Board approved the Early Stage Funding Request for Proposals.



Michael A. Finney, Chairperson
Michigan Strategic Fund Board

MICHIGAN STRATEGIC FUND

**RESOLUTION
2011-043**

APPROVAL OF EARLY STAGE FUNDING REQUEST FOR PROPOSALS

WHEREAS, Public Acts 215 and 225 of 2005 (“Act”) established the 21st Century Jobs Trust Fund initiative;

WHEREAS, MCL 125.2088k created the Strategic Economic Investment and Commercialization Board (“SEIC Board”) for the purposes of awarding grants and loans for basic research, applied research, university technology transfer, and commercialization of products, processes and services to encourage the development of competitive edge technologies to create jobs within the State of Michigan;

WHEREAS, pursuant to Executive Order 2010-8, the Governor ordered the SEIC Board abolished and all powers, duties, and functions of the SEIC Board transferred to the Michigan Strategic Fund (“MSF”), including those powers, duties, and functions provided under MCL 125.2088k;

WHEREAS, the MSF desires to focus a Request for Proposals (“RFP”) to make awards to non-profit organizations that invest in pre-seed and early stage companies that require capital to transition from research to early stages of the commercialization process in the competitive edge technology sectors (“Early Stage Funding”);

WHEREAS, on April 11, 2011 a public hearing was held and public comments were received;

WHEREAS, modifications were made to the RFP based on comments received at the public hearing held on April 11, 2011;

WHEREAS, the MSF has reviewed a RFP form, which includes provisions required by the Act and establishes a competitive proposal process for awarding grants to non-profit organizations related to Early Stage Funding. A copy of this RFP form is attached to this Resolution; and

WHEREAS, the MSF desires to initiate the competitive proposal process to award grants to non-profit organizations for Early Stage Funding.

NOW, THEREFORE, BE IT RESOLVED, that the MSF approves the attached RFP form and authorizes its issuance; and

BE IT FURTHER RESOLVED, that the MSF authorizes a Board Member, after consultation with the Attorney General and Chief Compliance Officer, to modify the RFP as may be necessary or appropriate, if the modifications are not material or adverse to the interests of the MSF.

ADOPTED

Ayes: Linda Ewing; Michael Finney; James Herbert; Steven Hilfinger; Paul Hodges; George Jackson (via phone); Andrew Lockwood (on behalf of Andy Dillon, authorization attached); Mitch Mondry; James Petcoff; Richard Rassel; and Charlie Rothstein

Nays:

Recused:

Lansing, Michigan

April 27, 2011

MICHIGAN STRATEGIC FUND

**RESOLUTION
2011-044**

**APPROVAL OF FINAL DECISION DOCUMENT RELATED TO THE EARLY STAGE
FUNDING PROGRAM**

WHEREAS, Public Acts 215 and 225 of 2005 (“Act”) established the 21st Century Jobs Trust Fund initiative;

WHEREAS, MCL 125.2088k created the Strategic Economic Investment and Commercialization Board (“SEIC Board”) for the purposes of awarding grants and loans for basic research, applied research, university technology transfer, and commercialization of products, processes and services to encourage the development of competitive edge technologies to create jobs within the State of Michigan;

WHEREAS, pursuant to Executive Order 2010-8, the Governor ordered the SEIC Board abolished and all powers, duties, and functions of the SEIC Board transferred to the Michigan Strategic Fund (“MSF”), including those powers, duties, and functions provided under MCL 125.2088k;

WHEREAS, the MSF Board is required to establish a competitive process to award grants, as set forth in the Act;

WHEREAS, at its March 23, 2011 meeting, the MSF Board approved that a public hearing be held on April 11, 2011 to offer persons an opportunity to present data, views, questions, and arguments relating to a draft Request for Proposals regarding the proposed award of grants to non-profit organizations related to early stage funding;

WHEREAS, on April 11, 2011, a public meeting was held and public comments were received; and

WHEREAS, consistent with the requirements of the Act, the MSF Board desires to produce a final decision document which describes the basis for its decision approving the RFP (“Decision Document”). A copy of the Decision Document is attached to this Resolution.

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the final Decision Document and authorizes the MSF Chairperson to sign it.

ADOPTED

Ayes: Linda Ewing; Michael Finney; James Herbert; Steven Hilfinger; Paul Hodges; George Jackson (via phone); Andrew Lockwood (on behalf of Andy Dillon, authorization attached); Mitch Mondry; James Petcoff; Richard Rassel; and Charlie Rothstein

Nays:

Recused:

Lansing, Michigan
April 27, 2011