

# National Commission on Innovation & Competitiveness Frontiers

## Key Takeaways from Phase 2 Working Groups



Working Group 4

### The Future of Place Based Innovation: Broadening and Deepening the U.S. Innovation Ecosystem

#### Session 1: September 15<sup>th</sup>, 2023

#### I. KEY THEMES

*Working Group discussion identified several key themes during the first session:*

- 1) **Measuring innovative capacity, gaps, and opportunities** to direct investment and inform regional priorities
- 2) **Strategically pursuing funding opportunities** according to a regional strategy integrated with other development and planning efforts
- 3) **Improving the federal grant process** to streamline funding, reduce overlap, and maximize impact.
- 4) **Building and retaining vibrant regional innovation workforces** through new partnerships and broadened community engagement.
- 5) **Identifying and supporting communities of untapped potential** through data-driven analysis and capacity building efforts.

#### II. PRELIMINARY IDEAS & POTENTIAL RECOMMENDATIONS

##### Measuring innovative capacity, gaps, and opportunities

- Conduct a private sector-led baseline assessment of innovation assets and capacity, in part to inform investment and funding priorities.
- Conduct economic analysis to understand the impact of past place based policies on regional innovative capacities; examine how innovation ecosystems are evolving over time, regardless of funding.

- Clarify the goals of place based innovation, which should include boosting competitiveness, reducing inequality, addressing complex challenges within local contexts, and adapting technology for local needs.
- Define successful innovation ecosystems and identify common best practices that regional leaders can choose from to implement.

### **Strategically pursuing funding opportunities**

- Capitalize on the unique surplus of place based funding opportunities to make transformative investments, while recognizing that grant application capacity is limited, and behooves thoughtful prioritization.
- Conduct strategic planning efforts that are integrated with other community facets of economic development, aiming to establish connected projects rather than disparate ones that do not complement one another.
- Provide a flexible toolkit for regions to conduct integrated planning efforts, including a flow process that adjusts to varying ecosystems and regional contexts.
- Build capacity for communities to not only apply and secure grant funding, but implement and execute their project visions.
- Establish and support intermediaries that drive the regional innovation process through advocacy, education, and network development – for example, the Maryland Tech Council.

### **Improving the federal grant process**

- Regions have inadequate capacity to respond to all available grant opportunities, particularly in the communities that would most benefit from funding; provide technical assistance in researching, applying for, and implementing place based grants, targeting support at low-capacity communities.
- Ensure federal funding decisions are based on relevant and fair criteria that align with overall program goals to better direct funding to high-impact projects; consider the regional and local context of each place when making grant decisions.
- Consider the timeline of grant performance periods as a dimension of equity. For grants with shorter timeframes, regions and communities with less existing capacity and infrastructure may struggle to engage in meaningful work.
- Increase the focus of funding agencies on local capacity building. Too often, there is not enough focus on building capacity or setting up a framework to do so, and the work

stops as soon as the grant period ends; more focus on capacity building will enable ecosystems to continue developing after grant funding expires.

- Bolster the size and skills of the federal workforce to ensure adequate capacity for employees that oversee the grant process.
- Strengthen federal interagency collaboration and coordination around overlapping grants to increase clarity and reduce duplicative efforts.

### **Building and retaining vibrant regional innovation workforces**

- Improve data collection and measurement techniques to enable rigorous predictive analysis of future demand for workers and skills; make proactive investments in locations expected to experience growth and worker shortages.
- Pursue significantly increased engagement with diverse populations and growing demographic groups; connect these communities to the innovation ecosystem for workforce and idea generation purposes.
- Support small higher education institutions that are struggling with enrollment; recognize the role of small, non-urban institutions as a regional workforce engine.
- Connect universities and organizations in relatively disparate geographies to stimulate innovative thinking and boost capacity while circumventing local rivalries; rely on larger, well-funded institutions to help smaller schools make bold programming investments.
- Develop additional mechanisms to find senior executive talent who can help translate technology out of universities; consider creation of a regional online platform to connect researchers and university faculty with businesspeople and executives.

### **Identifying and supporting communities of untapped potential**

- Review rejected grants to find commonalities and share insights with communities that did not receive grant funding; target grant application capacity building in these communities.
- Map places with rejected grants to understand regional gaps and improve targeting of support; add layers of Council presence and economic distress to understand the most valuable areas for Council engagement.
- Develop innovation grants that weigh broad based economic development over scientific benefit. Most grants are built to weigh scientific benefit first, leading to funding being allocated to places that already have ample research capacity and assets; new rubrics and grant mechanisms could help push grant awards to new communities.

- Increase the number and stability of funding opportunities to reach new communities.
- Generate mechanisms to support rejected grant applicants and ensure that the network assets and momentum created during the grantmaking process do not dissipate.
- Establish pilot programs in challenging places to demonstrate enduring value of place based investment.