

# Idaho Technology Incubator Network Proposal

## Department Of Education CARES Act Stabilization Fund – Workforce Preparation Grant Draft Executive Summary

In early 2020, the global COVID-19 pandemic was declared a U.S. national emergency by President Donald Trump<sup>1</sup>, signaling a health crisis that has subsequently had a severe impact on state and national economies. On an annualized basis, the 2020 2<sup>nd</sup> quarter saw a U.S. GDP decline by 32.9%, the worst period ever recorded in the history of the United States.<sup>2</sup>

Consequently, multiple industry sectors have been affected, including small businesses and entrepreneurs who are one of the driving forces in creating new jobs, new technologies, and increasing productivity in the economy.<sup>3</sup> As such, future economic rebound rests on the shoulders of our nation’s entrepreneurs and startups getting back on their feet. As state and federal governments look towards plans that will help their economies rebound, officials have wisely looked to support our nation’s entrepreneurial talent in the road to recovery. In March 2020, the U.S. Congress passed the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, allocating a broad range of funding specifically for small business and entrepreneurship support and development.

Idaho is no stranger to leveraging the state’s small business and entrepreneurial engine to drive economic growth. Often cited as one of the “Top States For Business”<sup>4</sup> and “Best States for Entrepreneurs”<sup>5</sup>, Idaho is a state with rich entrepreneurial talent, and a higher education sector that considers Idaho’s next generation of entrepreneurs a critical investment.

In Summer 2020, the Idaho Workforce Development Council brought together the state’s higher education institutions to assess Idaho’s entrepreneurship resources, and how utilizing funding from the **CARES Act Education Stabilization Fund-Workforce Preparation Grants** could be best used to supercharge entrepreneurship education and startup growth across the state. The following proposal describes how Idaho can work collaboratively to leverage Idaho’s education and workforce assets, and developed a new program that encourages job creation, technology development, skill acquisition, and an overall economic rebound for the state of Idaho to recalibrate and support new business opportunities through defined entrepreneurship regional needs.

### Idaho Technology Incubator Network Program

It’s proposed that the *Idaho Technology Incubator Network* (ITIN) is developed to encourage and assist technology-based startup growth in both rural communities and urban centers of Idaho, promoting near-term job creation, long-term business growth, and overall economic recovery from COVID-19.

As a collaborative, state-wide program, ITIN will leverage the institutional knowledge, connections, and resources of four higher education institutions across the state of Idaho to develop a network of *Technology Incubator* programs, filling a critical gap in Idaho’s entrepreneurship ecosystem. The ITIN will serve entrepreneurs in four distinct ways:

- Develop and utilize a statewide education “sandbox” where ITIN entrepreneurship education programming and resources can be quickly accessed, leveraged, and implemented by participating ITIN institutions in their service territory.
- Create short-term, non-credit programming; entrepreneur skill badging; educational collateral; and other entrepreneurship resources that are directly applicable to technology-based startups in Idaho.
- Implement a 6-9 month “Virtual C-Suite” accelerator program, which curates and leverages the statewide ITIN network of institutional resources, industry advisors, and mentors; with the goal of assisting business development, technology commercialization, and business growth.

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<sup>1</sup> (Facher, 2020 )

<sup>2</sup> (Cox, 2020)

<sup>3</sup> (Kritikos, 2014)

<sup>4</sup> (CNBC Staff, 2018)

<sup>5</sup> (Pullen, 2013)

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- Prepare “Virtual C-Suite” graduates for ongoing funding opportunities, including SBIR/STTR, angel, and venture capital through additional technology-based education and advising utilizing the statewide ITIN network.

### Partnership Structure & Locations

In partnership with the Idaho Workforce Development Council, four higher education institutions will be central to the programming, delivery, and outcomes of the ITIN. These institutions are:

- University of Idaho – Lead Partner (Moscow)
- North Idaho College – Support Partner (Coeur d’Alene)
- Lewis and Clark State College – Support Partner (Lewiston)
- Boise State University – Support Partner (Boise)

To be accessible and connected to current and future technology-based entrepreneurs, the ITIN will designate four physical offices (one for each ITIN Institution) across the state of Idaho. ITIN locations will be co-located near existing entrepreneurship programs and resources such as the North Idaho College Venture Center and University of Idaho Office of Technology Transfer, giving ITIN direct access to each institution’s entrepreneurship programming and unique assets.

### ITIN Need Assessment

Idaho is considered one of the fastest growing states in the U.S,<sup>6</sup> with new talent, capital, and businesses choosing the gem state as their place to reside and do business. As the state’s economy diversifies from resource-based to one that includes high-tech manufacturing, software development, and medical technology- likewise new business resources and support programs must mirror these changes to capture the economic impact of economy diversification.

The bulk of business assistance resources are currently focused on small business and non-tradable sector (service & retail) support through programs such as the Idaho Small Business Development and Idaho Women’s Business Centers. Conversely, ITIN partner institutions have entrepreneurship or technology transfer programs that focus on high-tech businesses, but are often internally-focused towards student entrepreneurship and institutional intellectual property.

What makes the ITIN unique is that it takes advantage of existing higher education programs and entrepreneurial resources across the state of Idaho, and adds further talent capacity, educational deliverables, and economic outcomes. This strategy will allow for the ITIN to be quickly and cost-effectively deployed, and ultimately lead to the further job creation, technology development, and economic growth needed for Idaho to recover from the impact of COVID-19.

### Funding Request

\$20,000,000 over 36 months for execution of grant by Idaho WDC and institutional sub grantees.

### Outcomes (Non-Finalized Examples)

By the end of the 36 month grant, the Idaho Technology Incubator Network will contribute:

- 200 New Jobs Created
- 25 “Virtual C-Suite” Business Graduates
- 50 New Idaho Companies Started
- 25 SBIR/STTR Funding Submissions

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<sup>6</sup> (MCGINNIS-BROWN, 2017)