



**FISCAL YEAR 2016 REPORT ON THE COMMITMENT,
DISBURSEMENT, AND USE OF FUNDS**

Citation of Law or Resolution:	S.L. 2007-323
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Receiving Entities:

The Joint Legislative Commission on Governmental Operations
The Chairs of the House of Representatives and Senate Finance Committees
The Chairs of the House of Representatives and Senate Appropriations Committees
The Fiscal Research Division of the General Assembly

Submitting Entity:

North Carolina Board of Science, Technology & Innovation of the Department of
Commerce

Introduction:

Established by the North Carolina General Assembly during the 2007-2008 legislative session, the North Carolina Green Business Fund awards competitive grants to North Carolina small for-profit businesses, non-profit organizations, and State and local governments to encourage the development and commercialization of promising green technologies in the following three designated priority areas:

1. The development of the biofuels industry in North Carolina;
2. The development of the green building industry in North Carolina;
3. Attracting and leveraging private sector investment and entrepreneurial growth in environmentally conscious clean technologies and renewable energy products and businesses.

Consistent with the reporting requirements set forth in §143B-437.8 of the North Carolina General Statutes, this report details the commitment, disbursement and use of funds allocated from the NC Green Business Fund during the period July 1, 2015–June 30 2016 (“Fiscal Year 2015-2016” or “FY2016”), and includes a report of disbursed funds committed to the awardees in previous years.

Eligibility requirements and review process:

The North Carolina Board of Science, Technology & Innovation, a division of the North Carolina Department of Commerce, administers the Fund. An applicant must satisfy four conditions in order to be eligible to ***apply*** for the program:

- The applicant must be eligible to apply during the Solicitation period and have its principal place of business in North Carolina.
- An applicant cannot apply for a second award for activity for which the applicant has already received an award.
- Any applicant that, in the judgment of the Board, has failed to correct a material breach of an award agreement or of any grant agreement under any program administered by the Board or the State of North Carolina is ineligible to submit an application.
- Applicants are required to satisfy any other eligibility requirements established by the Board and published in a Solicitation.

To be eligible for ***funding***, applicants must demonstrate that:

- The proposed project is technically sound and to be undertaken by an applicant with the necessary technical, financial and management capacity;
- The proposed project is undertaken in a collaborative and innovative manner as appropriate;
- Any new technologies and any related intellectual property developed during the performance period will be commercialized in a timely manner in relevant market sectors; and
- The funding is necessary to ensure that the project proceeds in a manner to ensure broad benefits to North Carolinians.

Solicitations are issued by the Board, inviting eligible applicants to submit an application and written proposal for an award. Under the Fund, awards can be made to eligible organizations for up to the maximum amount of \$100,000. An Advisory Committee, composed of scientists, engineers, and qualified experts (including industry, academia, and other Government agencies) drawn from across the state from both inside and outside of the Board, evaluates the merit of proposals. To avoid any potential

conflicts of interest between the applicant and the prospective reviewer, reviewers are required to sign a Conflict of Interest and Nondisclosure Agreement with the Board, and to recuse themselves from review of any proposals that may pose a conflict of interest.

Program Impact

Performance-based data show that the program has had a significant impact in developing and sustaining a green economy in this state. All 27 award winners have completed their projects and submitted their final reports to date. The total amount awarded to these organizations is \$1.84 million. Data from their final reports, submitted in 2010, indicate the following actual, not projected, impact measures. Collectively, these 27 small businesses:

- Created and retained 68 jobs;
- Leveraged \$9.2M in external capital investments;
- Generated over \$15M in follow-on funding (existing or in negotiation) from external investors;
- Applied for 17 patents and licensed six technologies;
- Developed and deployed innovative commercial technologies in numerous areas including solar, wind, biofuels, clean water management, and energy efficiency.

Most of these companies are small and still growing, albeit rapidly; therefore the impact of the Green Business Fund will multiply as more companies benefit, grow, and realize full commercial potential.

Sample Testimonials

"Semprius has benefitted greatly from its interactions with the Green Business Fund, whether from the actual award money, the publicity generated from the award, the focus of the Green Business Fund funding process on creating jobs in North Carolina, or from the interactions with the diligent and accessible Fund staff. It is clear, through interactions with the Green Business Fund, that the State Government is highly attentive to facilitating business growth in North Carolina."

~Semprius, Durham

"Our NCGBF award has been fundamental to our success. The award made it possible to transition our wastewater treatment and recycle system prototype into an automated production model that is simple to operate and that consistently produces clarified water that has less heavy metals than the EPA's threshold for drinking water."

~ Clean Marine Solutions, LLC, Wilmington

"The Green Business Fund Award that we received has allowed us to greatly expand our offerings to clients. The award provided us with funding we may have not otherwise been able to raise. The work to date has allowed us to bring in two out-of-state clients that we would likely have not been able to sign without the developments made possible by the Green Business Fund."

~NC Solar Center, Raleigh

State Appropriations and Disbursement

In FY 2007-2008, and FY2008-2009, respectively, the NC General Assembly appropriated \$1 million to the Green Business Fund for each of the fiscal years, of which \$50,000 was allocated to a grant administrator position. In each year, the remaining \$950,000 was awarded to North Carolina small businesses. For a given award, 50% of the grant total was disbursed upon the initial award announcement, 25% was disbursed upon receipt of an interim report (usually at the six-month mark), and the final disbursement of 25% was made upon receipt of a final report. During FY 2016, no grantees received a disbursement of funds, as all grant disbursements occurred in previous fiscal years, the last being FY 2013.

General Funds and American Recovery and Reinvestment Act (ARRA) funds

For FY 2009–2010 and FY 2010-2011, respectively, the General Assembly directed that \$5 million of American Recovery and Reinvestment Act (ARRA) dollars be allocated to the North Carolina Green Business Fund each year as part of the Department of Energy’s State Energy Plan (SEP).

During this period and inclusive of FY 2011-2012, a total of 47 awardees were funded with ARRA funds, totaling \$ 9,431,482.91. The remaining \$568,517.09 (~5%) was set aside for administrative costs (ARRA allows up to 10% administrative costs). Funds were disbursed to awardees on a reimbursement basis, as the awardees incur expenses. All ARRA-funded projects were complete, and all funds were disbursed, by March 31, 2012.