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Robert Donley, Executive Director

January 29, 2015

Glen Dickinson
Legislative Services Agency
State Capitol

Re: IPRT FY 2014 Annual Report

Dear Mr. Dickinson:

Pursuant to 2013 Iowa Acts, Chapter 141 §30(3), the attached summary highlights company assistance activities of the Institute for Physical Research and Technology (IPRT) at Iowa State University for FY 2014. Note that the IPRT administrative unit was phased out at the end of FY2014 as part of an ongoing ISU effort to improve administrative efficiency and streamline research and economic development units. The Center for Industrial Research and Service (CIRAS) now manages the company assistance activities formerly managed by IPRT administration.

The attached spreadsheet includes the FY2014 matching funds, expenditures, and industry awards. This report is being sent to you for distribution to the Joint Appropriations Subcommittee on Economic Development.

If there are any questions concerning this report, please do not hesitate to contact us.

Sincerely,

Robert Donley

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cc: Robin Madison
Legislative Liaisons
Legislative Log

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Center for Industrial Research and Service

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January 27, 2015

FY14 Progress Report on the Institute for Physical Research and Technology's
Technical Assistance and Industrial Incentive Program Funds

Per the code of Iowa, Iowa State University's Institute for Physical Research and Technology (IPRT) is to provide a report to the legislature on the IPRT Industrial Incentive Program (IIP). Specifically, ISU must "report annually to the joint appropriations subcommittee on economic development and to the legislative services agency the total amount of private contributions, the proportion of contributions from small businesses and other businesses, and the proportion for directed contract research and nondirected research of benefit to Iowa businesses and industrial sectors." This report highlights the FY14 IIP efforts, together with a summary of IPRT technical assistance activities. In combination, these activities are referred to as the IPRT Company Assistance (IPRTCA) program. This report also highlights future plans to improve the efficiency and effectiveness of the IPRTCA economic development program.

The attached summary highlights activities associated with the IIP funds in FY14. There were 14 directed contract research projects started during or before FY13 that were continued into FY14. Eight new IIP research projects were initiated in FY14, four with small companies (20 or fewer employees) and four with larger companies.

Total new private contributions within the FY14 IPRTCA IIP program were \$251,400. The FY14 proportion of contributions from small companies was 47%. Larger companies comprised 53% of contributions. All of the contributions were for directed research.

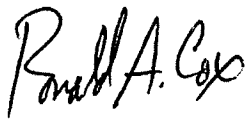
In addition, the IPRTCA program funded non-directed research of benefit to Iowa companies in the areas of virtual reality and nondestructive evaluation. Directed technical assistance was provided to Iowa companies in a number of technical areas, including materials, quality systems, and nondestructive evaluation. There were 45 companies across Iowa that received technical assistance in FY14. In total, businesses in 29 counties received some type of assistance from IPRTCA programs in FY14.

IPRT was realigned beginning on July 1, 2014 as part of the university's ongoing effort to improve administrative efficiency and streamline research and economic development units. Several centers that had been operating under the auspices of IPRT now report to other administrative units on campus, as the institute's administrative role for these centers has ended. Program management of IPRTCA is now under the Center for Industrial Research and Service (CIRAS), a joint program of the Office of Economic Development and Industry Relations and the College of Engineering.

CIRAS has a 51 year history of providing services to Iowa businesses. Staff have expertise in engineering, government contracting, management practices, innovation, emergency management, productivity, quality management, supply chain management, and sustainability. In 2013, 1,280 businesses from 94 counties in the state received assistance on projects or attended educational workshops from CIRAS staff and partners. Companies responding to surveys reported \$446 million of total economic impact.

Management of IPRTCA by CIRAS was a natural fit because of the long history of the two units working together. CIRAS has outreach staff located across Iowa that can promote IPRTCA programs, make connections to companies, and enhance coordination.

FY15 goals for the IPRTCA program include enhancing the marketing of services, improving processes to shorten transaction time, reducing administrative burden, and increasing both the number of Iowa counties served and the impact of these economic development programs.

A handwritten signature in black ink that reads "Ronald A. Cox". The signature is written in a cursive style with a large initial 'R'.

Ronald A. Cox
Director, Center for Industrial Research and Service

IPRT Company Assistance FY14 Expenditures
Allocations to IIP and Industry Awards
Carryforward from FY12

Company	Small Co.	City	County	Industry Award	FY14 Amendments (if applicable)	FY14 Industry Spent	FY14 Revenue	IIP Award	FY14 Amendments (if applicable)	13 IIP Carry Forward	14 IIP Spent
Softronics	*	Marion	Linn	\$ 16,577.00		\$ -	\$ -	\$ 7,378.00		\$ -	\$ -
Endometric	*	Ames	Story	\$ 25,606.00		\$ 4,478.84	\$ -	\$ 24,974.91		\$ 3,001.28	\$ -
				\$ 42,183.00		\$ 4,478.84	\$ -	\$ 32,352.91		\$ 3,001.28	\$ -
DuctSox		Peosta	Dubuque	\$ 22,713.00	\$ (3.58)	\$ -	\$ -	\$ 22,709.97	\$ (489.82)	\$ 3,760.43	\$ 3,270.61
Harvest Innovations		Indianola	Warren	\$ 42,030.00		\$ -	\$ -	\$ 24,639.00		\$ -	\$ -
Amana Farms		Amarna	Iowa	\$ 17,283.00		\$ -	\$ -	\$ 15,111.00	\$ (0.08)	\$ 0.08	\$ -
Vi-Cor		Mason City	Cerro Gordo	\$ 18,900.00		\$ -	\$ 9,450.00	\$ 14,683.00		\$ 230.91	\$ 200.00
				\$ 100,926.00	\$ (3.58)	\$ -	\$ 9,450.00	\$ 77,142.97	\$ (520.81)	\$ 3,991.42	\$ 3,470.61

IPRT Company Assistance FY14 Expenditures
Allocations to IIP and Industry Awards
Carryforward from FY13

Company	Small Co.	City	County	Industry Award	FY14 Amendments (if applicable)	FY14 Industry Spent	FY14 Revenue	IIP Award	FY14 Amendments (if applicable)	13 IIP Carry Forward	14 IIP Spent
Solum, Inc	*	Ames	Story	\$ 10,000.00	\$ (0.60)	\$ 9,999.40	\$ -	\$ 25,000.00		\$ 0.01	\$ 18,079.65
Wootworks	*	Des Moines	Polk	\$ 7,789.00		\$ 6,698.30	\$ -	\$ 18,547.00		\$ -	\$ 1,704.92
				\$ 17,789.00	\$ (0.60)	\$ 16,697.70	\$ -	\$ 43,547.00		\$ 0.01	\$ 36,564.18
Diamond V		Cedar Rapids	Linn	\$ 83,491.00		\$ 10,097.73	\$ -	\$ 25,000.00		\$ -	\$ -
Pella		Pella	Marion	\$ 4,297.00		\$ -	\$ -	\$ 4,297.00		\$ -	\$ -
Pella		Pella	Marion	\$ 17,056.00		\$ 8,377.50	\$ -	\$ 16,935.00		\$ -	\$ 14,353.10
Nutra-Flo Company		Sioux City	Woodbury	\$ 12,978.00		\$ 10,256.40	\$ -	\$ 12,300.00		\$ -	\$ 12,300.00
Scott's Company, LLC		Fort Madison	Lee	\$ 17,952.00	\$ (5,420.62)	\$ 12,531.38	\$ -	\$ 17,803.00		\$ -	\$ 17,129.93
MAHLE Engine Components		Atlantic	Cass	\$ 22,686.00		\$ 7,245.33	\$ 22,686.00	\$ 22,331.00		\$ -	\$ 10,760.02
				\$ 158,460.00	\$ (5,420.62)	\$ 48,508.34	\$ 22,686.00	\$ 98,666.00		\$ -	\$ 54,543.05
											\$ 46,017.35

IPRT Company Assistance FY14 Expenditures
Allocations to IIP and Industry Awards
Newly allocated in FY14

Company	Small Co.	City	County	Industry Award	FY14 Amendments (if applicable)	FY14 Industry Spent	FY14 Revenue	IIP Award	FY14 Amendments (if applicable)	13 IIP Carry Forward	14 IIP Spent
Quad County Ethanol	*	Galva	Ida	\$ 28,848.00		\$ 9,234.95	\$ 14,924.00	\$ 24,491.00		\$ -	\$ 2,624.38
inVinci Safety Systems	*	Lamoni	Decatur	\$ 55,286.00		\$ 12,089.64	\$ -	\$ 24,999.00		\$ -	\$ -
Iowa Cage Free	*	Goldfield	Wright	\$ 25,449.00		\$ 5,678.56	\$ 25,449.00	\$ 25,000.00		\$ -	\$ 15,164.71
Summit Technology Group	*	Mount Vernon	Linn	\$ 7,257.00		\$ -	\$ -	\$ 21,776.00		\$ -	\$ -
				\$ 117,840.00		\$ 27,003.15	\$ 40,373.00	\$ 96,266.00		\$ -	\$ 17,789.09
Feed Energy Corporation		Pleasant Hill	Polk	\$ 9,983.00	\$ (3,914.62)	\$ 6,068.38	\$ 9,983.00	\$ 9,932.00	\$ (9.04)	\$ -	\$ 9,922.96
Seabee Cylinders		Hampton	Franklin	\$ 26,207.00		\$ 9,616.67	\$ 13,103.50	\$ 25,000.00		\$ -	\$ 9,288.95
MAHLE Engine Components		Atlantic	Cass	\$ 25,311.00		\$ 25,311.00	\$ 12,655.50	\$ 24,680.00		\$ -	\$ 24,680.00
Vi-Cor		Mason City	Cerro Gordo	\$ 72,059.00		\$ -	\$ -	\$ 26,509.00		\$ -	\$ -
				\$ 133,560.00	\$ (3,914.62)	\$ 40,996.05	\$ 35,742.00	\$ 86,121.00	\$ (9.04)	\$ -	\$ 43,891.91

* Indicates a small company.
A small company is defined as 20 or fewer employees.

	Industry Award	FY14 Amendments (if applicable)	FY14 Industry Spent	FY14 Revenue	IIP Award	FY14 Amendments (if applicable)	13 IIP Carry Forward	14 IIP Spent
Previous Year Carry-over projects:								
Small companies	\$ 59,872.00	\$ (0.60)	\$ 21,176.54	\$ -	\$ 75,899.91	\$ 0.01	\$ 39,565.46	\$ 19,784.58
Other companies	\$ 259,386.00	\$ (5,424.20)	\$ 48,508.34	\$ 32,136.00	\$ 175,808.97	\$ (520.81)	\$ 58,534.47	\$ 49,487.96
	\$ 319,258.00	\$ (5,424.80)	\$ 69,684.88	\$ 32,136.00	\$ 251,708.88	\$ (520.80)	\$ 98,099.93	\$ 69,272.54
Newly allocated FY 13 projects:								
Small companies	\$ 117,840.00	\$ -	\$ 27,003.15	\$ 40,373.00	\$ 96,266.00	\$ -	\$ -	\$ 17,789.09
Other companies	\$ 133,560.00	\$ (3,914.62)	\$ 40,996.05	\$ 35,742.00	\$ 86,121.00	\$ (9.04)	\$ -	\$ 43,891.91
	\$ 251,400.00	\$ (3,914.62)	\$ 67,999.20	\$ 76,115.00	\$ 182,387.00	\$ (9.04)	\$ -	\$ 61,681.00
Carry-over and New projects:								
Combined small co. total	\$ 177,812.00	\$ (0.60)	\$ 48,179.69	\$ 40,373.00	\$ 172,165.91	\$ 0.01	\$ 39,565.46	\$ 37,573.67
Combined other co. total	\$ 392,946.00	\$ (9,338.82)	\$ 89,504.39	\$ 67,878.00	\$ 261,929.97	\$ (529.85)	\$ 58,534.47	\$ 93,379.87
	\$ 570,758.00	\$ (9,339.42)	\$ 137,684.08	\$ 108,251.00	\$ 434,095.88	\$ (529.84)	\$ 98,099.93	\$ 130,953.54