

Contact: Anthony Girardi

GROW IOWA VALUES FUND PROPOSALS

Action Requested:

Consider the universities' proposals.

Executive Summary:

The 2005 Iowa General Assembly's House File 809 appropriated \$5 million annually through FY 2015 to the Board of Regents through a reconstituted Grow Iowa Values Fund. The funds are for capacity-building infrastructure in areas related to technology commercialization, entrepreneurship, and business development for the purposes of state economic development.

Each of the Regent universities has submitted a proposal for how it will direct a share of these appropriations in FY 2005-2006. Appropriations require a one-to-one match of non-appropriated institutional dollars.

The proposals from the Regent universities are for a combined total of \$4.8 million. The Economic Development Committee is asked to consider at a later meeting how to award the remaining \$200,000 in the FY 2005-2006 budget award.

Brief Descriptions of Project Proposals

The universities' proposals are summarized here. Complete proposals are included in the Regents Exhibit Book. The universities' complete proposals include information on matching funds sources and an outline of metrics to evaluate results.

University of Iowa (Two project categories) – Total Budget \$1,925,000

1. **Phase I Program: ISTART - Iowa Startup and Entrepreneurship Fund (\$1,400,000).**
This program would support a competitive request-for-proposals (RFP) process to identify and support commercialization projects based on the university's or partnering companies' intellectual property. The university's proposal names and describes four businesses with high potential for recruitment or advancement in Iowa. These include, for example, a faculty-launched start-up that produces diagnostic and therapeutic tools for healthcare and biodefense, and a Technology Innovation Center tenant company that markets software with applications in the detection and treatment of lung disease.
2. **Phase II Program: IGROW - Iowa Growth and Development Fund (\$525,000)**
This program would fund investment for long-term growth of Iowa-based businesses. The university would direct funds to promote high-tech entrepreneurship and build new networks among people with technical, financial, and business expertise and sustain the growth of industries that provide high-paying jobs for the citizens of Iowa. For example, fund dollars would help to recruit entrepreneurial faculty who plan to operate new companies in Iowa.

Iowa State University (Three project categories) – Total Budget \$1,925,000

1. **Commercialization Infrastructure and Campus-Wide Entrepreneurial Culture (\$600,000)**
This share of GIVF funding would be used to strengthen important elements of the existing commercialization infrastructure, namely, the Pappajohn Center for Entrepreneurship; the ISU Research Park; the Institute for Physical Research and Technology; and, the Office of the Vice Provost for Research.
2. **Commercialization Program (\$825,000)**
GIVF funding would support a biannual request-for-proposals (RFP) process on campus to solicit new commercialization opportunities. The proposal names and describes four projects as examples with high potential for commercialization; e.g., carbohydrate chips

to be used in diagnosis of disease. The proposal states anticipated results for each project; e.g., formation of a company; development of a prototype to demonstrate feasibility; construction of a field-deployable instrument that uses new technology.

3. Specific short-term projects for Year 1 funding (\$500,000)

The proposal names and describes six short-term projects to develop new products and new companies. For example, \$150,00 would purchase equipment to develop a metabolite vitamin D purification process. For each of the six projects, the proposal provides a statement of anticipated results; e.g., \$350,000 sales in year one; addition of 25 jobs to an Iowa town's local economy. After FY 2005, this \$500,000 would become part of project category two (above), the "commercialization program."

University of Northern Iowa (Five project categories) – Total Budget \$950,000

The University of Northern Iowa proposes funding for the projects outlined and described below. For each project, the university identifies project objectives.

1. Technology Transfer and Business Incubation (\$310,000)

GIVF funding would fund staffing (e.g., an Intellectual Property Officer/Technology Transfer Coordinator position), marketing resources, faculty incentive grants, and a student business incubator. In addition, it would provide further support for the construction of the Innovation Accelerator/Incubator at the UNI campus. Specific project objectives include, for example, generation of 9-12 new IP disclosures (compared to a recent average of 1-2 annually).

2. Rural Entrepreneurship (\$155,000)

This share of GIVF funding would provide added support for UNI's existing MyEntreNet program, which provides capital, training, and networking opportunities for rural entrepreneurs. Specific project objectives include, for example, 20 new or expanded rural companies, 76 new FTE jobs, and \$3 million aggregate commercial investment.

3. Market Research (\$120,000)

This share of GIVF funding would assist Strategic Marketing Services, a program within UNI's Business and Community Services division, in providing market research for Iowa businesses. Project costs would be shared with clients to leverage GIVF investments. Specific project objectives include, for example, implementation of five market research plans and studies to determine commercialization potential for three university IP projects.

4. Capacity Building and Implementation for Regional Development (\$140,000)

GIVF funding would help support the Institute for Decision Making (IDM) in its efforts to assist county and community leadership to establish regional economic development organizations or programs. Specific project objectives include, for example, facilitating the formation or advancement of at least two economic regions in Iowa.

5. National Ag-Based Lubricants (NABL) Center (\$225,000)

The NABL Center is a national leader in the development of bio-based lubricants. GIVF funding would be used to expand the center's technical capability and staff resources. Specific project objectives include, for example: achieving laboratory certification and development of Standard Operating Procedures; 30% expansion of acreage (i.e., 5,400 new acres) for soybeans grown for industrial applications.