

IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT

PERFORMANCE REPORT

Performance Results Achieved for Fiscal Year 2004

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Introduction

I am pleased to present the Iowa Department of Economic Development (IDED) performance report for fiscal year 2004 (July 1, 2003 – June 30, 2004). This report contains valuable information about the services of the IDED and its partners during the past fiscal year in the area of economic development.

The IDED works to attract, retain, and expand businesses that will provide quality jobs for Iowans. Specific services and programs include development of business projects from existing Iowa firms, as well as from other firms worldwide. The department administers business financial assistance programs in conjunction with these efforts. The IDED also facilitates worker recruitment and job training services, to provide employees with the skills necessary for high-wage jobs.

The IDED supports community development projects to make communities more attractive for growth and business location. Activities include financial assistance for public works and other community facilities, and housing. Main Street Iowa preserves and revitalizes historic downtowns in several dozen participating communities. IDED's Tourism programs and Vision Iowa projects enhance the quality of life as well as contribute to the state's economy.

A major caveat must be made regarding what is presented in the following pages: This Performance

Plan reflects accomplishments toward goals that were set in June, 2003. Since that date, the Department has undertaken a thorough and exhaustive revision of its Strategic Plan, involving multiple boards established under the Iowa Values Fund, as well as pre-existing boards. While the new directions are fundamentally clear, some operational details are still being worked on. The upshot is that we substantially changed our measures and targets for the FY 2005 Performance Plan, and we are expecting further refinements to be reflected in our FY 2006 Plan. So there will be differences between this year's report and the reports for at least the next two years, reflecting that this is a work in progress.

Major programmatic accomplishments during Fiscal Year 2004 included the establishment and implementation of the Iowa Values Fund (IVF). This program was passed during a special legislative session in June, 2004. The first IVF project was approved in July. A total of 36 projects were funded during the first year, creating or retaining nearly 7,500 jobs, with an average starting wage of about \$40,800 per year. Combined with the other IDED business finance programs, over 140 projects were funded, creating or retaining over 11,000 jobs, at a wage of about \$38,800 per year. These numbers far exceed any previous year for the department.

In order to produce more business projects and jobs in the future, business development staff worked to increase the number of active

business prospects. This number grew from 51 in January 2003 to 376 by July 2004. The ultimate goal is maintenance over time of at least 500 sustained business prospects, from which quality projects will be developed. These represented interested business startups and expansions within Iowa, as well as relocations and investments from other states and countries.

A major Battelle Institute report was completed on the development of Bio Science industries in Iowa. This effort was guided by a large steering committee representing diverse stakeholder interests. Initial steps were taken to carry out the recommendations in the report, and continued aggressive

implementation of the report is a high departmental priority now and in the coming months.

Major challenges for Fiscal Year 2005 are the reinstatement and future funding of the Iowa Values Fund, implementation of the Battelle report, and further encouragement and funding for regional economic development efforts, including establishment of business accelerators to nurture startup- and young companies.

Sincerely,

Michael T. Blouin
Director, Iowa Department of
Economic Development

Agency Overview

Vision: All Iowans enjoy a vibrant economy.

Mission: To engender and promote economic development policies and practices which stimulate and sustain Iowa's economic growth and climate and that integrate efforts across public and private sectors.

The main products and services IDED offers are generally under one of two categories, business development or community development. The types of products and services in both categories include the following:

- Technical assistance to communities and community organizations and businesses.
- Marketing and promotion to encourage customers and partners to help achieve our common development goals.
- Financial assistance to communities and businesses for specific development.

Financial assistance passed through to business and community customers accounts for more than 90% of the department's budget, and requires substantial staff support. IDED receives and distributes over \$40 million annually from federal community development and housing programs. Other large components are the Vision Iowa and Community Attraction and Tourism Development programs, which have provided hundreds of millions of dollars for local projects which enhance quality of life. On the business side, incentives for job

creation, which had been in the range of several millions of dollars per year, grew to \$100 million over Fiscal Years 2004 and 2005 with the passage of the Grow Iowa Values Fund. All financial assistance is awarded by application processes, which are typically very competitive.

Marketing and promotion consists of various campaigns directed at businesses, development organizations, and others and is generally designed to provide information on the advantages of locating, expanding, or otherwise improving Iowa's economic base, workforce, and quality of life.

Activities in this category include proactive business and workforce recruitment trips throughout the U.S. and internationally. The state's tourism promotion program targets Iowans and visitors in surrounding states. Web site development has augmented print advertising in recent years as a major marketing tool.

Technical assistance is an activity that tends to pervade all agency programs. There is significant outreach to existing businesses to encourage expansion and continuing competitiveness. Community development staff work extensively with local staff on federal compliance as well as grant performance issues.

IDEED has 133 employees, all of whom work out of the Des Moines office. The majority of employees have four-year or advanced degrees, typically in fields related to business or community development. IDEED also contracts for the staffing of two foreign offices, in Germany and

Japan, and has had firms under contract to represent Iowa's business development interests in various other countries.

The organizational structure of the IDEED is made up of three divisions: Administration, Business Development and Community Development. The IDEED has three Core Functions, which roughly align with the three Divisions. The Core Function of Economic Growth and Management is the responsibility of the Business Development Division. The Core Function of Community Coordination and Development is covered by the activities of the Community Development Division. Finally, the Core Function of Resource Management is overseen by the Administration Division.

The IDEED Board of Directors governs several key activities of the department, including approval of the

strategic plan, administrative rules, budgets, and business finance awards. Division administrators report to the Director's office.

Several programs are involve formal boards to oversee functions. These boards include the City Development Board (overseeing city boundary changes), the Vision Iowa Board (overseeing the funding of projects), the Iowa Capital Investment Corporation (involved in venture capital funding), the Agricultural Products Advisory Council, the Small Business Advisory Council, the Beer and Wine Promotion Board and the Iowa Commission on Volunteer Service (overseeing a number of volunteer programs, including Americorps in Iowa). The formal boards of the IDEED are established by the Iowa Legislature and all programs follow administrative rules as approved by the Iowa Administrative Rules Committee.

STRATEGIC PLAN RESULTS

Strategic plan results will be reported in the Performance Report for Fiscal Year 2005, which will be completed in December, 2005.

During Fiscal 2004, the IDED completed an entirely new strategic plan. This plan was adopted in March, and became the basis for significant changes to the Performance Plan for Fiscal Year 2005. The Department judges that presentation of results from the previous, obsolete plan would serve no useful purpose. Therefore we will defer this discussion until the next Performance report.

PERFORMANCE PLAN RESULTS

Core Function: Community Coordination & Development

Description: Iowa Department of Economic Development (IDED) offers services and financing programs including grants for public facilities and services, aid to local economic development organizations, and Main Street development.

Why we are doing this: These programs enhance communities' attractiveness for economic growth.

What we're doing to achieve results: We strive to continually improve the effectiveness of the programs.

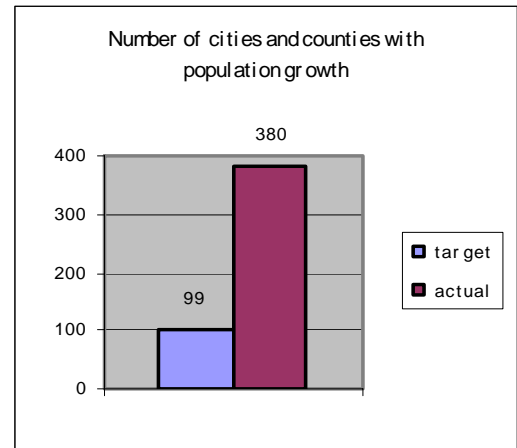
Performance Measure: Number of cities and counties with population growth.

Performance Target: Growth in 99 cities and counties.

Data Sources: U.S. Census estimates

Data Reliability: Census estimates are regarded as the most reliable source.

Why we are using this measure: This measure was eliminated for FY 2005.



What was achieved: Growth was achieved in 380 cities and counties.

Analysis of results: The number of cities and counties with growth was almost 4 times the target.

Factors affecting results: None noted

Resources used: State General Fund resources of \$5,505,725 and non-General Fund resources of \$60,062,872, plus state staff of 61.75 FTE's were involved in delivering these grants and services.

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Why we are doing this: These programs enhance communities' attractiveness for economic growth.

What we're doing to achieve results: We strive to continually improve the effectiveness of the programs.

Performance Measure: Rate of population growth in Iowa.

Performance Target: Growth rate of 2% per year.

Data Sources: U.S. Census estimates

Data Reliability: Census estimates are regarded as the most reliable source.

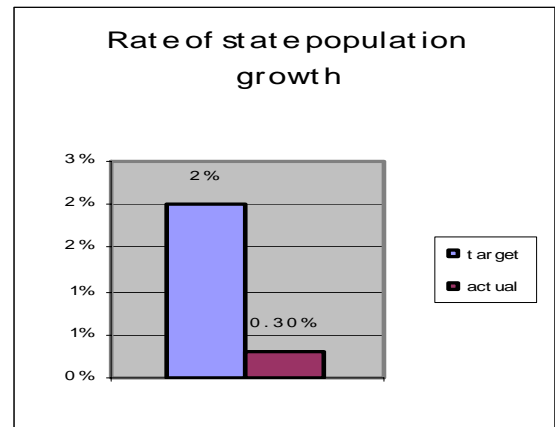
Why we are using this measure: Population growth is a desired outcome for community development.

What was achieved: Population growth was .3%.

Analysis of results: Population growth fell short of the target of 2%. The target was probably unrealistic given the short time span and the dynamics of population change in Iowa.

Factors affecting results: Lingering effects of the national recession could account for low population growth.

Resources used: State General Fund resources of \$5,505,725 and non-General Fund resources of \$60,062,872, plus state staff of 61.75 FTE's were involved in delivering these grants and services.



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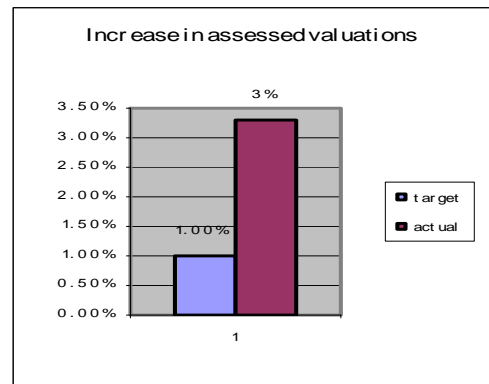
Performance Measure: Increase in assessed valuations.

Performance Target: 1% increase in valuations

Data Sources:

Iowa Department of Revenue (IDOR)

Data Reliability: All assessed valuation in the state is reported to the IDOR.



Why we are using this measure: This measure has been eliminated for FY 2005.

What was achieved: Assessed valuation increased 3.3%.

Analysis of results: Growth in assessed valuation was over 3 times the target.

Factors affecting results: None noted

Resources used: State General Fund resources of \$5,505,725 and non-General Fund resources of \$60,062,872, plus state staff of 61.75 FTE's were involved in delivering these grants and services.

PERFORMANCE PLAN RESULTS

Services/Products/Activities: Downtown/Main Street program

Description: Activities with selected Iowa communities to enhance business vitality and preserve historic buildings in Iowa downtowns

Why we are doing this: This contributes to economic development and community attractiveness.

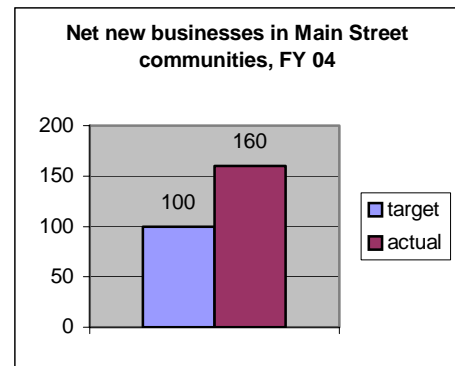
What we're doing to achieve results: Intensive programs of downtown planning, marketing, and preservation in 34 communities.

Performance Measure: Net new businesses in Main Street areas of participating communities

Performance Target: 100 new businesses in past year.

Data Sources: Total counts made by local staff of participating communities.

Data Reliability: Most reliable source.



Why we are using this measure: This measure directly indicates business vitality.

What was achieved: A net of 160 new businesses were counted for FY 04.

Analysis of results: The target was exceeded by 60%.

Factors affecting results: General business conditions in participating communities.

Resources used: Main Street program staff of 6.0 FTE's, with a budget of \$579,334 from the state General Fund, and \$500,000 from federal sources.

PERFORMANCE PLAN RESULTS

Services/Products/Activities: Development of major community attractions

Description: The Vision Iowa and Community Attraction and Development programs provide partial financing for projects that will enhance tourism and quality of life.

Why we are doing this: Enhancing community attractions will encourage business investment and population growth.

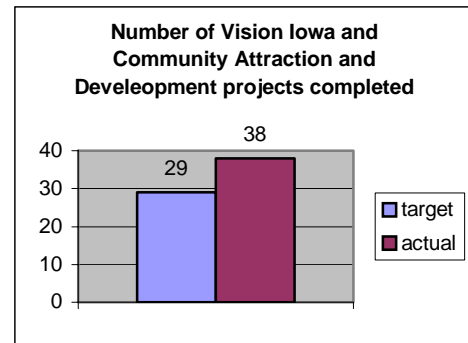
What we're doing to achieve results: Through the Vision Iowa Board, providing grants and loans to communities for projects.

Performance Measure: Number of projects for whom financing was completed in FY 04.

Performance Target: 29 projects.

Data Sources: IDED files for completed financing projects

Data Reliability: Complete count made and verified internally.



Why we are using this measure: The primary role of the Department is to expeditiously commit financing for projects. This measure was changed for FY 2005.

What was achieved: Funding commitments were completed for 38 projects.

Analysis of results: The number of projects funded was about 1/3 more than the target.

Factors affecting results: None noted

Resources used: State project commitments amounted to \$12,250,000 in non-General Fund sources; IDED staff assisting with the administration of the program was 2.25 FTE's.

PERFORMANCE PLAN RESULTS

Services/Products/Activities: Regional strategies

Description: Resources for areawide, multi-county approaches for local economic development

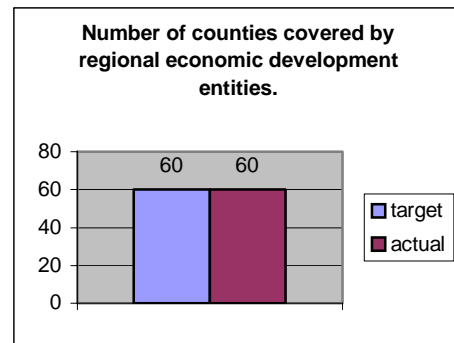
Why we are doing this: Areawide approaches to economic development are proving to be more effective and efficient than community-by-community operations.

What we're doing to achieve results: IDED seeks to incent communities to join together in areawide approaches through planning grants and technical assistance.

Performance Measure: Number of counties covered by recognized regional economic development entities.

Performance Target: 60 counties covered by areawide entities.

Data Sources: IDED records of local economic development entities.



Data Reliability: Internal records compiled from direct counts.

Why we are using this measure: This measure shows us how much of Iowa is meeting the goal of regional economic development approaches. This measure was changed for FY 2005.

What was achieved: 60 counties are served through areawide economic development entities.

Analysis of results: The target was met.

Factors affecting results: None noted

Resources used: State funds used were \$983,717 from the General Fund, and \$340,000 from other, non-General Fund sources. 10.45 FTE's were involved with the administration of this program.

PERFORMANCE PLAN RESULTS

Services/Products/Activities: Financing for water/sewer and other community facilities

Description: Awarding of funds for local projects

Why we are doing this: Basic public works and community facilities (such as day care) enhance community growth and economic development.

What we're doing to achieve results: Devoting federal resources from the U.S. Department of Housing and Urban Development to these purposes in eligible non-urban cities and rural areas of Iowa.

Performance Measure: Number of projects awarded for water/sewer systems, and other community facilities.

Performance Target: 42 water/sewer system projects funded; and 20 community facility projects funded.

Data Sources: IDED program records.

Data Reliability: IDED maintains a complete inventory of projects awarded.

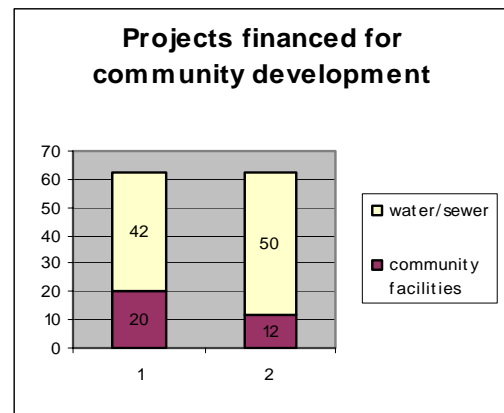
Why we are using this measure: These measures provide a benchmark for providing a targeted mix of projects to Iowa communities. This measure was eliminated for FY 2005.

What was achieved: 50 water/sewer projects and 12 community facilities were funded.

Analysis of results: While there is some variance above and below the targeted figures for the two categories of projects, the total number of projects funded is close to the target.

Factors affecting results: Types of projects funded is greatly influenced by the current needs among eligible applicants.

Resources used: Federal funds of \$24,369,220; State General Funds of \$313,445; and 14.1 FTE's are involved in this program.



PERFORMANCE PLAN RESULTS

Services/Products/Activities: Financing for housing projects

Description: Awarding of funds for local projects

Why we are doing this: Availability of sound, affordable housing enhances community growth and economic development.

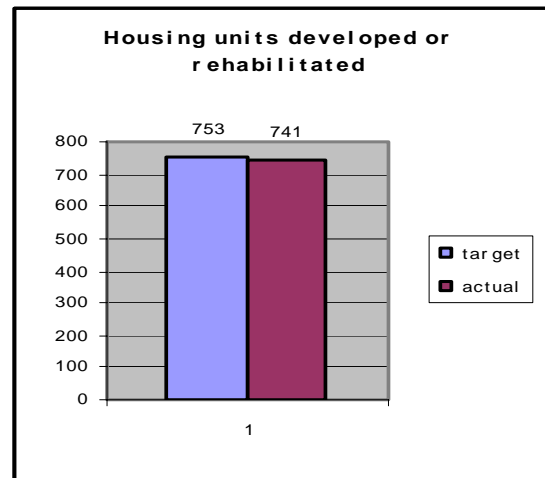
What we're doing to achieve results: Devoting federal resources from the U.S. Department of Housing and Urban Development to this purpose.

Performance Measure: Number of projects awarded for housing development or rehabilitation.

Performance Target: 753 Housing units developed or rehabilitated

Data Sources: IDED program records.

Data Reliability: IDED maintains a complete inventory of projects awarded, and units funded by project.



Why we are using this measure: This measure provides a benchmark for providing housing assistance to lowa communities. This measure was eliminated for FY 2005.

What was achieved: 741 housing units were developed or rehabbed.

Analysis of results: The total number of housing units funded is very close to the target figure.

Factors affecting results: Number and cost of projects funded is greatly influenced by the current needs among eligible applicants.

Resources used: Federal funds of \$22,278,662; State General Funds of \$286,555; and 12.9 FTE's are involved in this program.

PERFORMANCE PLAN RESULTS

Services/Products/Activities: Tourism promotion

Description: State marketing efforts to increase tourism.

Why we are doing this: Tourism provides jobs and income; it also enhances the image of Iowa as a place to live and do business.

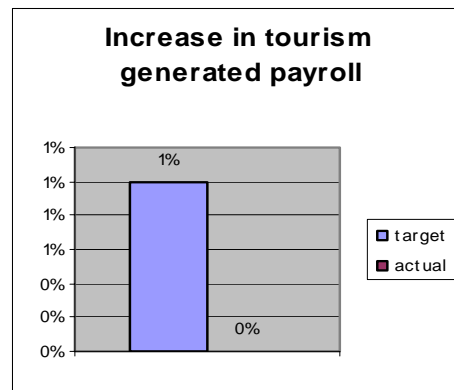
What we're doing to achieve results: A variety of marketing activities, including provision of tourism guides, advertising in print and broadcast media, providing assistance to local tourism promotion efforts.

Performance Measure: Change in tourism-generated payroll.

Performance Target: Increase of 1% in last year.

Data Sources: Travel Industry Association of America

Data Reliability: Recognized source for travel and tourism expenditures nationwide.



Why we are using this measure: Best available overall indicator of volume of tourism activity, and resultant economic impact. This measure was changed for FY 2005.

What was achieved: Expenditures increased by 0.01%; there was almost no change detected in tourism expenditures in the past year.

Analysis of results: The result for estimated tourism payroll increase was below the target. However, estimates from the same data source are that the number of tourist visits was up 14% from 2002 to 2003. Also, estimated tourism expenditures was up 3.7%.

Factors affecting results: General economic conditions affecting travelers from target states.

Resources used: State general funds of \$3,342,674 and other, non-General Fund funds of \$325,000, plus 16.0 FTE's are involved on tourism promotion efforts.

PERFORMANCE PLAN RESULTS

Core Function: Economic Growth and Expansion

Description: Creation and retention of high-skill, high-wage jobs

Why we are doing this: To raise wages and long-term business investment in Iowa.

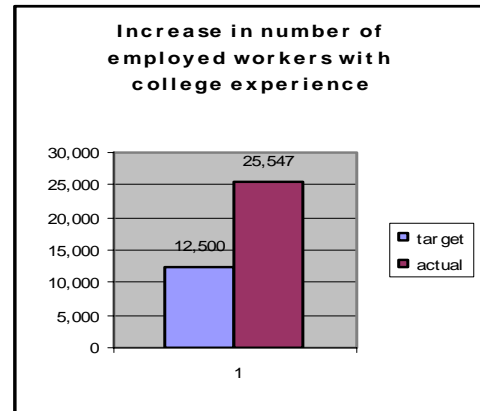
What we're doing to achieve results: Encouraging and incenting business location and expansion projects within Iowa, providing job training, and employee recruitment activities.

Performance Measure: Number of employed workers with college experience

Performance Target: Increase by 50,000 the number of employed workers with college experience within 4 years (12,500 per year).

Data Sources: IWD, from US Census surveys

Data Reliability: U.S. Census is most reliable source available.



Why we are using this measure: Directly measures education level of Iowa workers. This measure was eliminated for FY 2005.

What was achieved: Census estimates show that the number of employed workers with college experience grew by 25,547 in the past year.

Analysis of results: Results show a growth rate of twice the target.

Factors affecting results: Figures are based on a sample survey.

Resources used: General Fund resources of \$6,112,286, other, non-General Fund resources of \$15,281,000, and 64.0 FTE's

PERFORMANCE PLAN RESULTS

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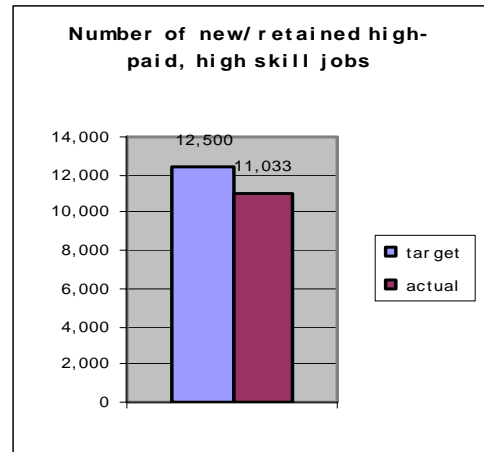
What we're doing to achieve results: Encouraging and incenting business location and expansion projects within Iowa, providing job training, and employee recruitment activities.

Performance Measure: Number of new or retained high-paid, high skill jobs that require two years post-secondary education

Performance Target: 50,000 jobs over 4 years (12,500 per year)

Data Sources: IDED records for business financial assistance projects.

Data Reliability: These are numbers specified in contracts with businesses receiving assistance.



Why we are using this measure: Most direct measure of IDED involvement in job growth.

What was achieved: IDED has recorded 11,033 jobs for FY 04.

Analysis of results: Job creation numbers were 88% of target.

Factors affecting results: This was the first year for the Iowa Values Fund program.

Resources used: General Fund resources of \$6,112,286, other, non-General Fund resources of \$15,281,000, and 64.0 FTE's

PERFORMANCE PLAN RESULTS

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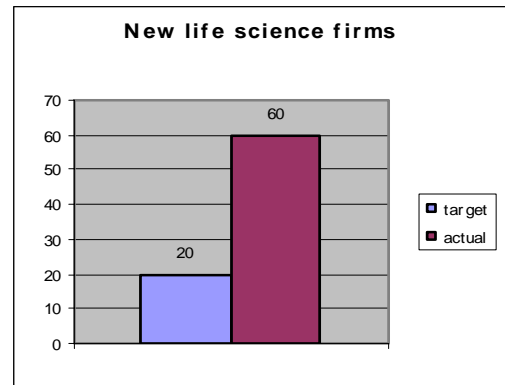
What we're doing to achieve results: Encouraging and incenting business location and expansion projects within Iowa, providing job training, and employee recruitment activities.

Performance Measure: Number of new life science firms

Performance Target: 100 new life science firms in 5 years (20 per year).

Data Sources: IWD, collected for the US Department of Labor

Data Reliability: This information is based on federally-required reporting from businesses



Why we are using this measure: This measure represents growth in one of Iowa's targeted industry clusters, life sciences

What was achieved: 60 new life science businesses

Analysis of results: The number of new life science firms exceeded the target by 40%.

Factors affecting results: General business conditions.

Resources used: General Fund resources of \$6,112,286, other, non-General Fund resources of \$15,281,000, and 64.0 FTE's

PERFORMANCE PLAN RESULTS

Services/Products/Activities: Business financial assistance

Description: Providing financing for business projects

Why we are doing this: To increase high-skill, high wage jobs.

What we're doing to achieve results: Providing grants, loans, and other financial incentives to companies that will create new jobs, or retain jobs that will otherwise be lost.

Performance Measure: Number of jobs created/retained

Performance Target: 12,500 jobs

Data Sources: IDED records

Data Reliability: These are the figures for jobs specified in contracts with firms receiving financial assistance.

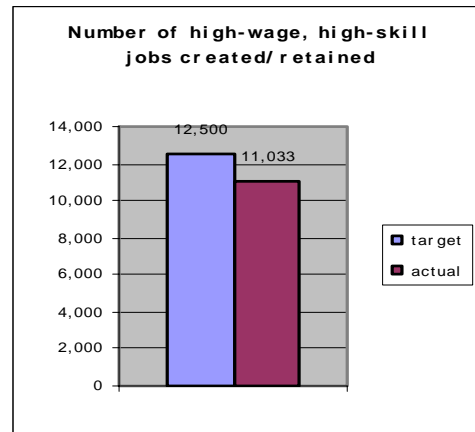
Why we are using this measure: Most direct measure of desired results

What was achieved: 11,033 jobs in FY 04

Analysis of results: Jobs created/retained were 88% of the target. Ability to meet the target is dependent on the level of funding for the Iowa Values Fund. A sharp reduction in funds will mean a revised target of 7,000 for FY 2005.

Factors affecting results: This was the first year of the Iowa Values Fund operation.

Resources used: A total of \$4,800,000 in non-General Fund sources and 12.1 FTE's were involved in this activity.



PERFORMANCE PLAN RESULTS

Services/Products/Activities: Business financial assistance

Description: Providing financing for business projects

Why we are doing this: To increase high-skill, high wage jobs.

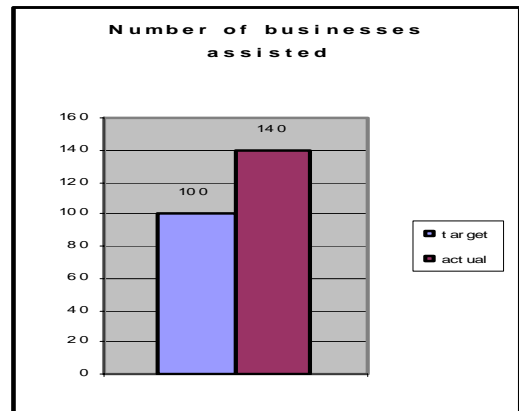
What we're doing to achieve results: Providing grants, loans, and other financial incentives to companies that will create new jobs, or retain jobs that will otherwise be lost.

Performance Measure: Number of business projects assisted

Performance Target: 100 business finance projects.

Data Sources: IDED records

Data Reliability: Number of firms under contract for financial assistance



Why we are using this measure: Most direct measure of desired results

What was achieved: 144 business finance projects.

Analysis of results: Results were 44% over target.

Factors affecting results: General business conditions

Resources used: A total of \$4,800,000 in non-General Fund sources and 12.1 FTE's were involved in this activity.

PERFORMANCE PLAN RESULTS

Services/Products/Activities: Job training for new and existing employees

Description: Job training costs provided for employers who will create or retain jobs

Why we are doing this: Upgrading skills of employees will aid in securing new high-paid jobs.

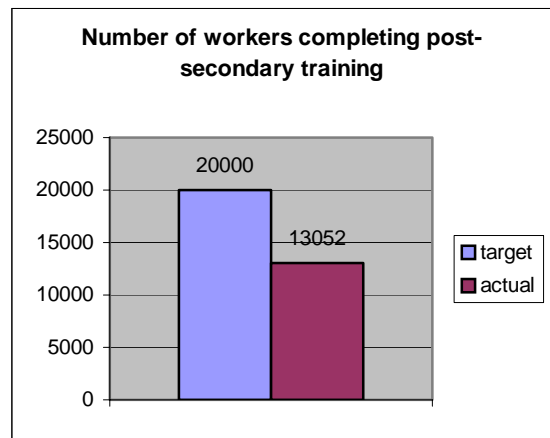
What we're doing to achieve results: In cooperation with Iowa's 15 community colleges, providing funds and packaging job training financing with other employer incentives to create, upgrade or retain jobs. This funding is provided through the Industrial New Jobs Training Act (IA Code Section 260E) and the Iowa Jobs Training Act (Section 260F).

Performance Measure: Number of workers completing post-secondary training through state-funded programs.

Performance Target: 20,000 workers trained

Data Sources: IDED records of job training completions for state-funded programs.

Data Reliability: Information is provided directly from post-secondary institutions providing the training.



Why we are using this measure: Training contributes directly to a high-skill, high wage workforce.

What was achieved: 13,052 workers trained

Analysis of results: Result is 65% of target

Factors affecting results: Company needs for outside support for job training

Resources used: State non-General Fund sources of \$9,750,000 and 4.0 FTE's are involved in this program.

PERFORMANCE PLAN RESULTS

Services/Products/Activities: Human resource recruitment

Description: A program to encourage workers, especially those with high skills, to relocate to/return to Iowa.

Why we are doing this: Companies in Iowa need higher-skill employees; many young people with high skills leave Iowa after their education.

What we're doing to achieve results: Our program includes an interactive website, and targeted recruitment of former Iowans.

Performance Measure: Number of private sector jobs filled with persons recruited from outside Iowa.

Performance Target: 500 persons recruited from outside Iowa

Data Sources: IDED records from follow up on those reached through the program

Data Reliability: Data is from direct contact with participants

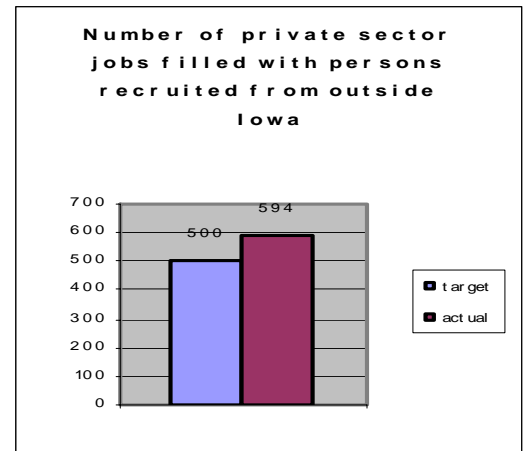
Why we are using this measure: This measure shows direct results from our outreach and recruitment efforts.

What was achieved: 594 new employees from outside Iowa.

Analysis of results: Results exceeded target by 19%.

Factors affecting results: Overall job markets in Iowa and other states

Resources used: State General Funds of \$246,183 and 1.75 FTE's, plus \$110,000 in private funds from participating firms were involved in this program.



PERFORMANCE PLAN RESULTS

Services/Products/Activities: Business development and marketing

Description: Working with companies in Iowa, around the U.S. and globally to encourage locations or expansions in Iowa.

Why we are doing this: To bring high-paid, high skill jobs to Iowa

What we're doing to achieve results: Direct marketing to firms, sales calls, advertising, assisting with local developers in Iowa

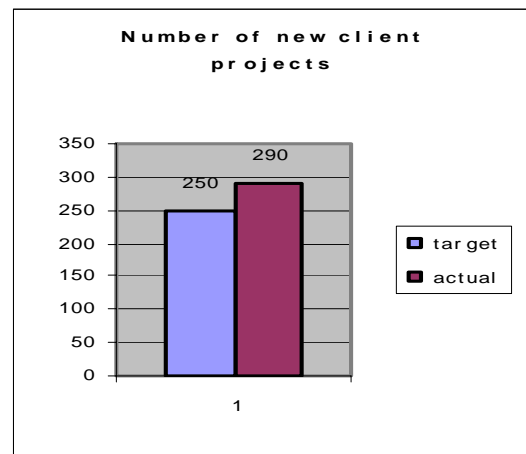
Performance Measure: Number of new client prospects

Performance Target: 250 new client projects

Data Sources: IDED records

Data Reliability: Based on direct contacts with client businesses

Why we are using this measure: A proportion of business clients reached through IDED marketing programs develop into job-creation/retention projects. This measure has been changed for FY 2005.



What was achieved: 290 new client projects

Analysis of results: Results exceeded the target by 16%.

Factors affecting results: None noted

Resources used: State General Fund resources of \$5,008,880, non-General Fund resources of \$731,000, and 40.45 FTE's are involved in this program.

PERFORMANCE PLAN RESULTS

Services/Products/Activities: Business development and marketing

Description: Working with companies in Iowa to expand export sales

Why we are doing this: To increase high-paid, high skill jobs in Iowa

What we're doing to achieve results: Assisting companies to prepare for and conduct export programs.

Performance Measure: Increase in Iowa company export sales attributable to IDED foreign trade assistance.

Performance Target: \$5 million increase in Iowa company export sales

Data Sources: Global Trade Information Services

Data Reliability: Best available source, recognized among states

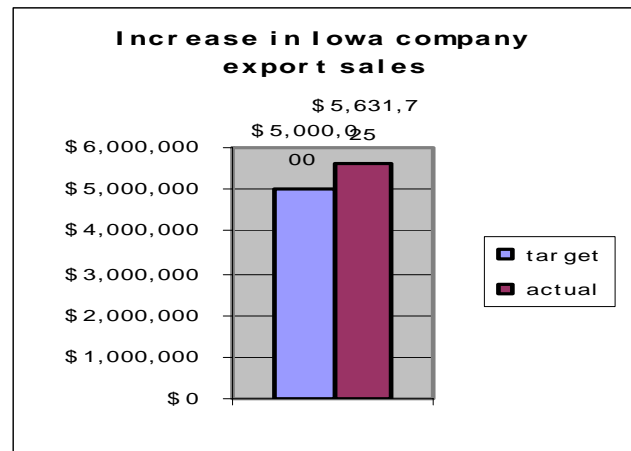
Why we are using this measure: Best estimate available of export sales by state. This measure has been eliminated for FY 2005.

What was achieved: \$5.63 million increase in export sales.

Analysis of results: Results exceeded target by 13%.

Factors affecting results: Global economic conditions

Resources used: \$1,851,782 in state General Funds, 5.75 state FTE's, and 6 contracted FTE's (in Tokyo and Frankfurt) are involved in this activity.



PERFORMANCE PLAN RESULTS

Core Function: Resource Management

Description: Agency management and support services

Why we are doing this: These activities are necessary to support agency program operations.

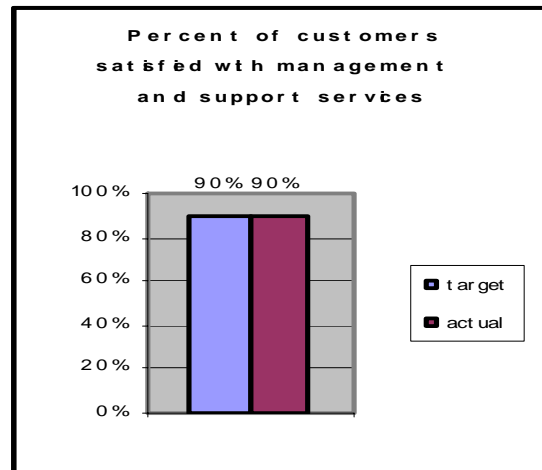
What we're doing to achieve results: Providing efficient and effective management and support services

Performance Measure: Per cent internal and external customer satisfaction with services provided by the Administration Division

Performance Target: 90 % satisfaction with services provided

Data Sources: Informal survey; no formal survey was done

Data Reliability: Data reliability derives from informal surveys at Divisional meetings.



Why we are using this measure: Direct measure of value of services to customers

What was achieved: Estimated at least 90% satisfaction

Analysis of results: We believe the target was met

Factors affecting results: none noted

Resources used: State General Fund resources of \$1,086,332, non-General Fund sources of \$395,000, and 19.0 FTE's are involved with this function.

PERFORMANCE PLAN RESULTS

Services/Products/Activities: Information Technology

Description: Maintenance of computer hardware, software, internal network, phones, and other electronic media.

Why we are doing this: Support for agency operations.

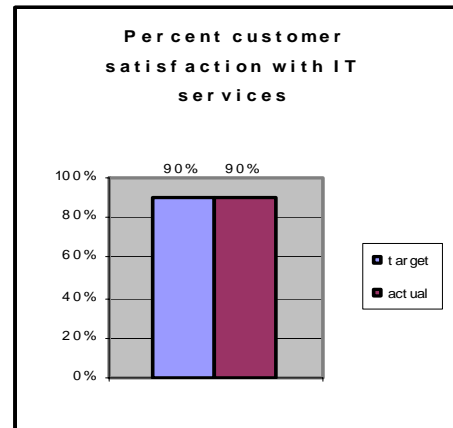
What we're doing to achieve results: Within budget constraints, maintain state-of-the-art information technology system and service capability.

Performance Measure: Customer satisfaction with agency information technology (IT) services.

Performance Target: 90% satisfaction with IT services.

Data Sources: Informal survey; no formal survey was done

Data Reliability: Data reliability derives from informal surveys at Divisional meetings.



Why we are using this measure: Most direct measure of value of IT to customers

What was achieved: Estimated at least 90% satisfaction

Analysis of results: We believe that target was met.

Factors affecting results: none noted

Resources used: \$289,000 in state General Funds and 4.0 FTE's are involved in this function.

PERFORMANCE PLAN RESULTS

Services/Products/Activities: General Administration

Description: Budget, personnel and related services to agency

Why we are doing this: Operating units require these centralized services

What we're doing to achieve results: Within budget constraints, providing sufficient oversight of overall agency administrative functions.

Performance Measure: Reportable comments on annual agency audit.

Performance Target: No more than 2 reportable comments

Data Sources: Annual audit report

Data Reliability: Direct source for data

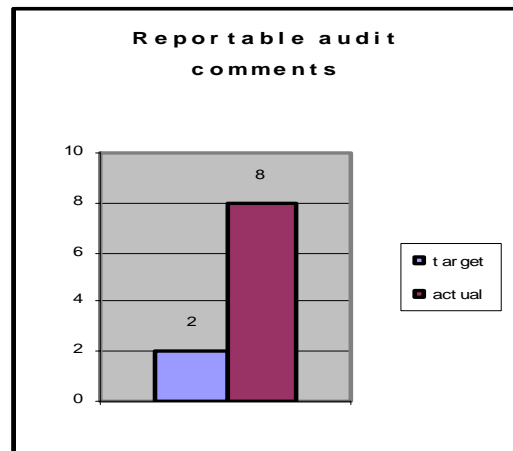
Why we are using this measure:
Measures agency administration against standards applicable to all state agencies.

What was achieved: 8 reportable comments

Analysis of results: Results were well above the desired maximum. Five of the comments involved timeliness for various cash management and reporting functions regarding recipients of IDED funds. Since the FY 2004 audit, we have put in place procedures, including a new grant management team, that will reduce or eliminate these problems. Another of the comments dealt with timeliness of receipt of a number of reports required by state law. New procedures have also been recently introduced here to centralize and monitor this function. The remaining two comments were about Board representation and attendance; the department pledged to improve efforts here to ensure compliance.

Factors affecting results: none noted

Resources used: State General Fund resources of \$1,086,332, non-General Fund sources of \$395,000, and 19.0 FTE's are involved with this function.



PERFORMANCE PLAN RESULTS

Services/Products/Activities: General Administration

Description: Budget, personnel and related services to agency

Why we are doing this: Operating units require these centralized services

What we're doing to achieve results: Within budget constraints, providing sufficient oversight of overall agency administrative functions.

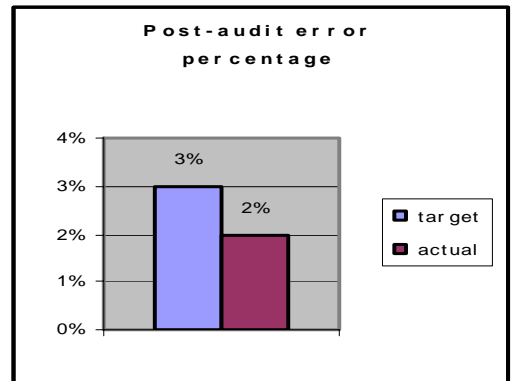
Performance Measure: Post-audit error percentage

Performance Target: No higher than 3%

Data Sources: Internal data; state audit

Data Reliability: Direct source of data

Why we are using this measure: This figure shows direct measure of success in complying with state regulations governing expenditures.



What was achieved: 2% post-audit errors

Analysis of results: The result is below the target, indicating better performance than projected.

Factors affecting results: none noted

Resources used: State General Fund resources of \$1,086,332, non-General Fund sources of \$395,000, and 19.0 FTE's are involved with this function.

PERFORMANCE PLAN RESULTS

Services/Products/Activities: Research/Evaluation/Performance Reporting

Description: Internal research, evaluation and reporting of performance for agency programs.

Why we are doing this: This information is used for agency management needs; much of it is also required by law to be sent to the Governor and Legislature.

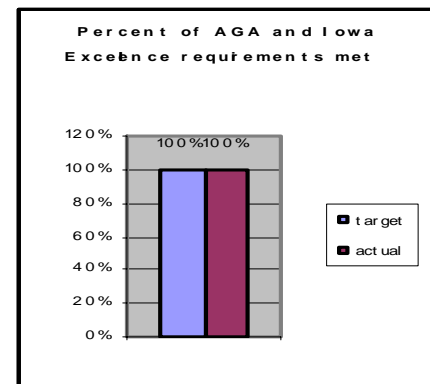
What we're doing to achieve results: Devoting the time and resources necessary to assemble, analyze and interpret the information.

Performance Measure: Percent fulfillment of Accountable Government Act and Iowa Excellence reporting requirements.

Performance Target: 100% of requirements met

Data Sources: Internal records; notices from IDOM of lack of required reports

Data Reliability: Using primary source of information.



Why we are using this measure: The Accountable Government Act and the Iowa Excellence program are the central reporting requirements from the Governor and Legislature.

What was achieved: 100% of reporting requirements were met.

Analysis of results: The target was met.

Factors affecting results: none noted

Resources used: \$125,000 in state General Funds and 1.25 FTE's are involved in this activity.

PERFORMANCE PLAN RESULTS

Services/Products/Activities: Iowa volunteerism

Description: Promotion and support for volunteer service activities among Iowans.

Why we are doing this: To enrich the quality of life and attractiveness of Iowa communities.

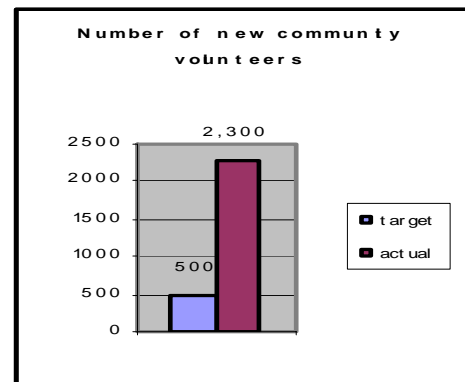
What we're doing to achieve results: Various promotional activities, including an annual telethon seeking commitments from volunteers across the state.

Performance Measure: Number of new community volunteers

Performance Target: 500 new community volunteers

Data Sources: IDED records

Data Reliability: Direct count of individual volunteer commitments.



Why we are using this measure: Shows increased number of Iowans publicly committing volunteer time. This measure was changed for FY 2005.

What was achieved: 2,300 new community volunteers

Analysis of results: The result was almost five times the target figure.

Factors affecting results: none noted

Resources used: \$62,000 in state General Funds, \$950,000 in non-General Fund sources, and 4.5 FTE's are involved in this activity.

RESOURCE REALLOCATIONS

We have no resource reallocations to report for Fiscal Year 2004.

AGENCY CONTACTS

Copies of the Iowa Department of Economic Development Performance Report are available on the IDED Web site at: <http://www.iowalifechanging.com/>. Copies of the report can also be obtained by contacting Lane Palmer at 515-242-4837.

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