

FOR IMMEDIATE RELEASE

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NEWS RELEASE

Report shows significant return on state's Research Challenge Fund investment

The West Virginia Higher Education Policy Commission, Division of Science and Research (DSR), has released a report that shows the state's \$8.4 million investment in a program intended to support the creation of research centers and foster economic development and work force advancement has resulted in a substantial return on investment.

The report summarizes the results of the first six scientific research projects funded through the Research Challenge Grant (RCG) program and concludes that over five years, these projects at West Virginia University (WVU) and Marshall University (MU) leveraged external funding of more than \$20 million, and resulted in five startup companies with five-year projected revenues of \$124 million, 10 patent applications and five patents. In addition, two university research centers with industry partners were formed and one production facility is under development.

"We could not be more pleased that the Research Challenge Grant program has had such a positive and significant impact," said Dr. Paul L. Hill, HEPC vice chancellor for science and research. "We were able exceed our initial expectations for this program, sponsoring innovative research at our two research institutions and greatly improving their ability to be competitive for federal funding on the national level."

Hill added that two of the startup companies—Protea Biosciences LLC in Morgantown and Vandalia Research Inc. in Huntington—estimate they will be hiring 295 additional employees in the next five years.

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“These are exactly the type of high-tech, high-paying jobs we need to create in West Virginia,” he said. “The state’s investment in this program is clearly beginning to show that research can lead to a brighter economic future for West Virginia.”

The full report is available at www.wvresearch.org/1017.

The RCG program was begun by the West Virginia Legislature in 2002 and is funded through video lottery proceeds at the state’s racetracks. The fund is administered by the DSR.

A second round of RCG awards, made in May 2007, is funding projects ranging from the development of a world-class center for astrophysics at WVU to cardiovascular and cancer research at MU. The research grants can be renewed for up to five years and all projects must be self-supporting at the end of the grant period. Each grant is worth \$1-2 million over the five-year period.

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