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## FISCAL TOPICS

Fiscal Services Division

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Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

# Innovation and Commercialization Development Fund

## Purpose and History

The Innovation and Commercialization Development Fund was created by the 2009 enactment of [SF 142](#) (Economic Development Assistance — Funds, Tax Credits, and Benchmarks Act) and codified in Iowa Code section [15.412](#). The Fund is created in the State treasury under the control of the Iowa Economic Development Authority (IEDA). The Fund is a component of the Innovative Business Development Program<sup>1</sup> and operated by the IEDA. The Fund consists of moneys appropriated to the IEDA and any other moneys available to, obtained by, or accepted by the IEDA for placement in the Fund. Payments of interest, repayments of moneys loaned from the Fund, and recaptures of financial assistance are credited to the Fund. Moneys in the Fund are not subject to reversion, and interest or earnings on moneys in the Fund are credited to the Fund.

Moneys in the Fund are appropriated to the IEDA and, with the approval of the IEDA Board, are used to facilitate agreements, enhance commercialization, and increase the availability of skilled workers in innovative businesses. The moneys must not be used for the support of retail businesses, health care businesses, or other businesses requiring a professional license.

Moneys in the Fund can be used for the following purposes:<sup>2</sup>

- For assistance to entities providing student internship opportunities.
- For assistance to entities engaged in prototype and concept development activities.
- For developing a statewide commercialization network.
- For establishing and administering the programs described in Iowa Code section [15.411](#).

## Innovative Business Development Programs

The Innovative Business (originally termed “Targeted Industry”) Development Program includes programs that provide internships, technical assistance, and financial assistance.<sup>3</sup> Current programs supported by the Fund include the following:

- [Demonstration Fund](#). The Demonstration Fund was created in 2007 with the enactment of [HF 829](#) (Targeted Industry Promotion, Development, and Education Activities Act) and is currently codified in Iowa Code section [15.411](#)(2). The Demonstration Fund is established to provide financial and technical assistance to encourage high technology prototype and concept development activities that have a clear potential to lead to commercially viable products or services within a reasonable period. The primary purpose of the Fund is to help businesses with high-growth potential reach a position where they can attract later-stage private sector funding.
- [Iowa Student Internship Program](#). The Iowa Student Internship Program provides grants to small and

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<sup>1</sup> Iowa Code §[15.411](#)

<sup>2</sup> Iowa Code §[15.412](#)(3)

<sup>3</sup> Iowa Code §[15.411](#)

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## More Information

Iowa Economic Development Authority (IEDA): [www.iowaeda.com](http://www.iowaeda.com)  
LSA Staff Contact: Eric Richardson (515.281.6767) [eric.richardson@legis.iowa.gov](mailto:eric.richardson@legis.iowa.gov)

medium-sized companies in targeted industries to support internship programs with a goal of transitioning interns to full-time employment in Iowa upon graduation. The goal is to retain educated workers in Iowa.

- [Small Business Innovation Research \(SBIR\) and Small Business Technology Transfer \(STTR\) Outreach Program](#). The IEDA has delegated the delivery of the SBIR and STTR Outreach Program to the [Iowa Innovation Corporation](#) to help companies apply for federal small business funding. This Program reviews ideas, offers professional proposal assistance, and provides matching funds for awarded companies. The Program was authorized by the 2012 enactment of [HF 2473](#) (Economic Development Programs and Funding Act) and is administered pursuant to Iowa Administrative Code (IAC) [261—106](#).
- [Proof of Commercial Relevance Program](#) (POCR). The POCR is designed to define and articulate the opportunity for businesses that demonstrate a proof-of-concept for innovative technology and was authorized by the 2012 enactment of [HF 2473](#) (Economic Development Programs and Funding Act) and is administered pursuant to IAC [261—108](#).
- Statewide Commercialization Network Development.

### **Technology Commercialization Committee**

The Technology Commercialization Committee (TCC) evaluates and makes recommendations to the IEDA on appropriate funding for the projects and programs applying for financial assistance from the Fund.<sup>4</sup>

### **Fund Revenue**

The Innovation and Commercialization Development Fund established in Iowa Code section [15.412](#) receives an allocation from the [High Quality Jobs Program](#). The High Quality Jobs Program receives an annual Skilled Worker and Job Creation Fund (SWJCF) appropriation in the Economic Development Appropriations Act. The SWJCF receives an allocation from State wagering tax receipts.<sup>5</sup>

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<sup>4</sup> Iowa Code [§15.116](#)

<sup>5</sup> Iowa Code [§8.57\(5\)\(f\)\(1\)\(d\)](#)