

CHAPTER 308

ECONOMIC DEVELOPMENT APPROPRIATIONS

S.F. 520

AN ACT relating to and making appropriations to the department of economic development.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. There is appropriated from the general fund of the state to the department of economic development for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. General administration

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	826,570
.....	FTEs	23.0

2. For tourism and promotion programs, including salaries and support for not more than the following full-time equivalent positions:

.....	\$	951,406
.....	FTEs	15.97

As a condition, limitation, and qualification of the appropriation made by this subsection, the appropriation shall not be used for advertising for in-state and out-of-state tourism marketing.

As a condition, limitation, and qualification of this appropriation, the department shall develop and initiate a program to provide cassette tape-recorded explanations of regional points of interest and tourist attractions to be made available without charge at state welcome centers. The department may charge a reasonable deposit to ensure that the tape is returned to a state welcome center or rest stop, or other location as specified by the department.

3. For contracting exclusively for advertising for in-state and out-of-state tourism, tourism marketing, and tourism promotion programs for electronic media and printed materials:

.....	\$	2,785,000
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As a condition, limitation, and qualification of this appropriation, the department shall develop public-private partnerships with Iowa businesses in the tourism industry, Iowa tour groups, Iowa tourism organizations, and political subdivisions in this state to assist in the development of advertising efforts. The department shall, to the fullest extent possible, match funds expended for advertising contracts on a dollar-for-dollar basis with contributions from other sources.

As a condition, limitation, and qualification of this appropriation, the department shall develop and initiate a program to provide cassette tape-recorded explanations of regional points of interest and tourist attractions, to be made available without charge at state welcome centers. The department may charge a reasonable deposit to ensure that the tape is returned to a state welcome center or rest stop, or other location as specified by the department.

As a condition, limitation, and qualification of this appropriation, the department shall expend not more than \$100,000 for a study on state historical sites. The department shall cooperate with the state historical society in determining the most appropriate sites for the study. The study shall examine and make recommendations on how best to develop, promote, and advertise state historical sites. The study shall also make recommendations on how best to utilize state historical sites in the state's tourism advertising and promotion. The department shall report to the general assembly the findings of the study by February 1, 1991.

4. For national marketing programs, including salaries and support for not more than the following full-time equivalent positions:

.....	\$	744,614
.....	FTEs	13.75

**Item veto; see message at end of the Act*

As a condition, limitation, and qualification of the appropriation made by this subsection, the appropriation shall not be used for contracting for marketing and advertising contracts for out-of-state national marketing programs.

5. For the operation and maintenance of the film office, including salaries and support for not more than the following full-time equivalent positions:

.....	\$	151,851
.....	FTEs	2.0

6. For contracting exclusively for marketing and advertising contracts for out-of-state national marketing programs for electronic media and printed materials:

.....	\$	3,000,000
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As a condition, limitation, and qualification of this appropriation, the department shall develop public-private partnerships with Iowa businesses, Iowa business organizations, Iowa chambers of commerce, and political subdivisions in this state, to assist in the development of the marketing efforts. The department shall, to the fullest extent possible, match funds expended for advertising contracts on a dollar-for-dollar basis with contributions from other sources.

7. International trade programs

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	409,509
.....	FTEs	6.0

The department shall coordinate with international programs at Iowa colleges and universities to develop a network of trade contacts overseas through the use of alumni from Iowa colleges and universities.

The department shall review the feasibility of locating a staff person within the office of the United States department of commerce for coordination of development of international trade programs.

The department of economic development shall identify and report to the general assembly by November 1, 1990, the amount spent and full-time equivalent positions used by the department for the promotion of agricultural products in the domestic and international market during the fiscal period beginning July 1, 1989, and ending June 30, 1990.

8. Export trade activities

For international trade activities including a program to encourage and increase participation in trade shows and trade missions by providing financial assistance to businesses for a percentage of their costs of participating in trade shows and trade missions, by providing for the lease/sublease of showcase space in existing world trade centers, by providing temporary office space for foreign buyers, international prospects, and potential reverse investors, and by providing other promotional and assistance activities, including salaries and support for not more than the following full-time equivalent positions:

.....	\$	400,000
.....	FTEs	0.25

As a condition, limitation, and qualification, any official Iowa trade delegation led by the governor which receives financial or other support from the appropriation in this subsection shall be represented by a bipartisan delegation of the executive council or their designees. Notwithstanding section 8.39, funds appropriated by this subsection shall not be subject to transfer.

9. For the operation and maintenance of the European trade office, including salaries and support for not more than the following full-time equivalent positions:

.....	\$	223,350
.....	FTEs	1.5

10. For the operation and maintenance of the Asian trade office, including salaries and support for not more than the following full-time equivalent positions:

.....	\$	199,416
.....	FTEs	2.0

*Item veto; see message at end of the Act

11. For the operation and maintenance of the Japanese trade office, including salaries and support for not more than the following full-time equivalent positions:

.....	\$	300,709
.....	FTEs	2.0

12. Agricultural product advisory council

For support, maintenance, and miscellaneous purposes:

.....	\$	4,885
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13. For developing and implementing programs that assist the growth and development of small business by implementing programs to provide information, technical assistance, and support to new businesses and maintain regular ongoing contact with existing businesses and industries to assist in problem resolution and to offer general assistance and support, including salaries and support for not more than the following full-time equivalent positions:

.....	\$	145,815
.....	FTEs	2.0

14. For the small business advisory council to serve as an advocate for small businesses by providing advice and counsel and by making recommendations to the economic development board, the department of economic development, and the general assembly on small business issues:

.....	\$	5,000
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15. For the provision of services and assistance to encourage and stimulate development and growth of small businesses owned and operated by women and minorities and by providing direct assistance to targeted small businesses, maintaining a directory of certified targeted small businesses, and coordinating with state purchasing officials and contract compliance officers for operation of a set-aside program, including salaries and support for not more than the following full-time equivalent positions:

.....	\$	44,901
.....	FTEs	1.0

16. For the provision of services and assistance to existing industries, community training on the importance of retaining existing industry, and the promotion of the expansion of activities for businesses already located in this state, including salaries and support for not more than the following full-time equivalent positions:

.....	\$	123,677
.....	FTEs	2.0

17. For community progress programs, including salaries and support for not more than the following full-time equivalent positions:

.....	\$	455,124
.....	FTEs	8.0

18. For the displaced homemakers program, including salaries and support for not more than the following full-time equivalent positions:

.....	\$	500,000
.....	FTEs	0.75

Notwithstanding section 8.39, funds appropriated by this subsection shall not be subject to transfer. **Notwithstanding section 8.33, funds appropriated under 1988 Iowa Acts, chapter 1273, section 1, subsection 16, for the fiscal year beginning July 1, 1988, and ending June 30, 1989, shall not revert to the general fund of the state but shall remain available for expenditure in the fiscal year beginning July 1, 1989, and ending June 30, 1990.**

19. Mississippi river parkway commission

For support, maintenance, and miscellaneous purposes:

.....	\$	19,535
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20. Community development block grant administration and related federal housing and urban development grant administration

*Item veto; see message at end of the Act

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	275,000
.....	FTEs	14.0

21. Job training partnership Act: dislocated workers

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	480,000
.....	FTEs	28.5

The department may use up to but no more than \$100,000 of the funds appropriated in this subsection for the administration of the Iowa new jobs training program.

Notwithstanding section 8.33, funds appropriated under 1988 Iowa Acts, chapter 1273, section 2, for the fiscal year beginning July 1, 1988, and ending June 30, 1989, shall not revert to the general fund of the state but shall remain available for expenditure in the fiscal year beginning July 1, 1989, and ending June 30, 1990.

22. Iowa youth corps and youth services administration

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions to develop and administer employment opportunities for youth:

.....	\$	290,164
.....	FTEs	2.0

23. Iowa finance authority

For the housing trust fund program, to be deposited in the housing trust fund and to be used for the grant program for services for the homeless and for the construction, rehabilitation, or expansion of group home shelter for the homeless:

.....	\$	100,000
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Notwithstanding section 8.39, funds appropriated by this subsection shall not be subject to transfer.

24. For the sister state program:

.....	\$	20,000
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Funds appropriated for the sister state program shall be matched on a dollar-for-dollar basis by private sources. In-kind expenditures from the private sector may be considered as a portion of the dollar-for-dollar match. The department shall secure the necessary private participation from groups and organizations most appropriate for this program.

Sec. 2. Notwithstanding sections 15.246, 15.247, and section 28.120, subsections 5 and 6, there is appropriated from the Iowa community development loan fund to the department of economic development for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. Iowa youth corps and youth services administration

.....	\$	109,836
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2. Self-employment loan program

.....	\$	140,430
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Notwithstanding section 8.39, funds appropriated by this subsection shall not be subject to transfer.

3. Targeted small business financial assistance program

.....	\$	500,000
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Notwithstanding section 8.39, funds appropriated by this subsection shall not be subject to transfer.

4. Self-employment loan case management

.....	\$	84,000
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Notwithstanding section 8.39, funds appropriated by this subsection shall not be subject to transfer.

*Item veto; see message at end of the Act

- 5. Financing rural economic development \$ 165,362
- Notwithstanding section 8.39, funds appropriated by this subsection shall not be subject to transfer.
- 6. For the purchase of POW/MIA flags to be flown on all public buildings for public agencies that apply for the flags: \$ 10,000

Sec. 3. It is the intent of the general assembly that for purposes of the traditional and new infrastructure categories for which funds may be available under the revolving fund created pursuant to section 15.287 references to a rural water district incorporated and organized under chapter 357A shall also include those rural water districts or entities incorporated under chapter 504A.

Sec. 4. All federal grants to and federal receipts of the agencies appropriated under this Act, not otherwise appropriated, are appropriated for the purposes set forth in the federal grants and receipts unless otherwise provided by the general assembly.

Approved May 3, 1989, except the items which I hereby disapprove and which are designated as section 1, subsection 2, unnumbered paragraph 2; that portion of section 1, subsection 8, unnumbered paragraph 2, which is herein bracketed in ink and initialed by me; that portion of section 1, subsection 18, unnumbered paragraph 2, which is herein bracketed in ink and initialed by me; and section 1, subsection 21, unnumbered paragraph 3. My reasons for vetoing these items are delineated in the item veto message pertaining to this Act to the president of the senate this same date a copy of which is attached hereto.

TERRY E. BRANSTAD, *Governor*

Dear Madam President:

I hereby transmit Senate File 520, an Act relating to and making appropriations to the Department of Economic Development.

Senate File 520 is, hereby, approved on this date with the following exceptions which I hereby disapprove.

I am unable to approve the item designated as Section 1, subsection 2, unnumbered paragraph 2. This provision in Senate File 520 would prevent any of the funds appropriated in subsection 2 for tourism promotion from being used for tourism advertising. However, the legislature included \$215,000 in this particular line item for that very purpose. In order to meet our commitment to provide a total of \$3 million for tourism marketing in the coming fiscal year, the \$215,000 included in subsection 2 will be needed. To allow that to occur and to correct this oversight, I must eliminate that language included in Section 1.

I am unable to approve the designated portion of Section 1, subsection 8, unnumbered paragraph 2. This provision in Senate File 520 stipulates that any official trade mission led by the governor must include representatives of the executive council. Frankly, as a matter of course, we have invited the secretary of agriculture to participate in trade missions when agricultural products are being promoted. The purpose of trade missions has not been and should not be made political; instead, the purpose should be to further the sale of Iowa-made products and to encourage reverse investment into our state. We have been most successful at the efforts we have made to date in that regard and we plan to continue those efforts.

The funds the General Assembly have provided to the Department of Economic Development will greatly assist Iowa in its export activities. Should a trade mission require the participation from a member of the executive council in an area of their particular interest and expertise, the General Assembly can be assured that the member will be invited. To require their participation regardless of their expertise or interest would simply be a waste of the taxpayers' funds.

I am unable to approve the designated portion of Section 1, subsection 18, unnumbered paragraph 2 and the item designated as Section 1, subsection 21, unnumbered paragraph 3. These provisions in Senate File 520 prevent any unspent funds appropriated to the displaced homemakers and dislocated workers programs from reverting to the state's general fund. Apparently, this anti-reversion language was inadvertently left in the legislation from my original budget bill draft. However, the final legislative action significantly increased the funding available for both of these programs, as compared to my original draft, thus making it unnecessary to include language allowing a carryover of the funds. If additional funds are needed to be provided in future fiscal years, the legislature can provide those appropriations at that time.

Senate File 520 is generally a good bill that supports our efforts to diversify the economy and to market and promote Iowa. I applaud the legislature for taking this responsible action to further the state's economic development efforts.

For the above reasons, I hereby respectfully disapprove this item in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 520 are hereby approved as of this date.

Sincerely,
TERRY E. BRANSTAD, *Governor*