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ECONOMIC GROWTH

HOUSE FILE 5  
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Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

- 1 An Act creating an Iowa new economy council.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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HF 5

1 Section 1. Section 15.108, Code 2003, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 12. SCIENCE AND TECHNOLOGY. To provide,  
4 through the science and technology advisor appointed by the  
5 governor pursuant to section 15E.225, advice to state  
6 governmental entities, academia, the business community, and  
7 other constituencies regarding science and technology issues.

8 Sec. 2. NEW SECTION. 15E.221 SHORT TITLE.

9 This division shall be known and may be cited as the "Iowa  
10 New Economy Act".

11 Sec. 3. NEW SECTION. 15E.222 PURPOSE.

12 The purpose of the Iowa new economy Act is to establish a  
13 structure for coordinating the development and implementation  
14 of a technology-led economic development strategic plan to  
15 competitively position Iowa as a world leader in the new  
16 economy and create high-wage, high-growth jobs in targeted  
17 industry clusters. The Iowa new economy council will work  
18 with the Iowa economic development board, the community  
19 colleges, and the state board of regents to create regional  
20 technology innovation networks in areas of the state with a  
21 high concentration of technology-intensive businesses within  
22 the targeted industry clusters.

23 Sec. 4. NEW SECTION. 15E.223 DEFINITIONS.

24 As used in this division, unless the context otherwise  
25 requires:

26 1. "Board" means the Iowa economic development board  
27 created in section 15.103.

28 2. "Department" means the Iowa department of economic  
29 development created in chapter 15.

30 3. "Industry clusters" means a group of companies that  
31 operate in the same or a related field, are linked by buyer-  
32 seller relationships, common customers, or other  
33 relationships, and rely on an active set of relationships  
34 among themselves for individual efficiency and  
35 competitiveness.

1 4. "Industry leadership councils" means the councils  
2 established pursuant to section 15E.227.

3 5. "Science and technology advisor" means the person  
4 appointed by the governor and employed by the department  
5 pursuant to section 15E.225, subsection 2.

6 Sec. 5. NEW SECTION. 15E.224 INDUSTRY CLUSTERS.

7 The Iowa new economy council shall define industry clusters  
8 from the targeted industries listed in section 15.329,  
9 subsection 2.

10 Sec. 6. NEW SECTION. 15E.225 IOWA NEW ECONOMY COUNCIL.

11 1. An Iowa new economy council is created.

12 2. A science and technology advisor shall be appointed by  
13 the governor and employed by the department. The advisor  
14 shall have significant, extensive expertise in the fields of  
15 science and technology. The advisor shall advise state  
16 governmental entities, academia, the business community, and  
17 other constituencies regarding science and technology issues.

18 3. The council shall initially consist of fifteen senior-  
19 level decision makers, who are voting members, and five ex  
20 officio, nonvoting members. With the exception of the member  
21 designated in paragraph "f", the fifteen senior-level decision  
22 makers shall be appointed by the governor. The fifteen  
23 senior-level decision makers include all of the following:

24 a. One representative from each of the industry leadership  
25 councils. If more than three industry leadership councils are  
26 established, the voting membership of the council shall be  
27 expanded to allow one representative of each industry  
28 leadership council to serve on the council.

29 b. Three additional representatives of the business  
30 community. Representation under this paragraph shall be from  
31 various-sized companies and from different geographic areas of  
32 the state.

33 c. Two representatives of the university of Iowa, the  
34 university of northern Iowa, or Iowa state university of  
35 science and technology designated by the state board of

- 1 regents on a rotating basis.
- 2 d. Two representatives from the community college system  
3 on a rotating basis.
- 4 e. One representative of a labor union.
- 5 f. The director of the department.
- 6 g. The science and technology advisor.
- 7 h. One representative of the Iowa capital investment board  
8 created in section 15E.63.
- 9 i. One representative of the insurance industry.
- 10 4. The ex officio members of the council shall include all  
11 of the following:
- 12 a. One representative of the primary and secondary  
13 educational system appointed by the governor.
- 14 b. The president of the senate, or a member of the senate  
15 appointed by the president.
- 16 c. The minority leader of the senate, or a member of the  
17 senate appointed by the minority leader.
- 18 d. The speaker of the house of representatives, or a  
19 member of the house of representatives appointed by the  
20 speaker.
- 21 e. The minority leader of the house of representatives, or  
22 a member of the house of representatives appointed by the  
23 minority leader.
- 24 5. Appointees to the council shall be senior-level  
25 decision makers within their organizations. Any designee  
26 serving on the council shall also be a senior-level decision  
27 maker who has the ability to make a decision on behalf of the  
28 appointee. The appointee or designee shall not designate a  
29 substitute to participate in council meetings and activities.
- 30 6. The administration of the council shall be coordinated  
31 by the science and technology advisor.
- 32 7. The initial appointments to the new economy council  
33 made pursuant to subsection 3, paragraph "a", shall be made  
34 after the Iowa leadership councils are established.
- 35 8. The Iowa new economy council shall annually elect a

1 chairperson from among its members.

2 9. The council shall be subject to the open meetings law  
3 in chapter 21 and all meetings of the council shall be  
4 conducted in the presence of a representative of the  
5 department. The council shall be subject to the provisions of  
6 chapter 22.

7 Sec. 7. NEW SECTION. 15E.226 STRATEGIC FOCUS AND  
8 ACTIVITIES.

9 1. The strategic focus of the Iowa new economy council  
10 shall be to support and strengthen the competitiveness of Iowa  
11 businesses within each of the industry clusters. At a  
12 minimum, the council shall perform all of the following  
13 duties:

- 14 a. Develop collaborative industry-led projects in the  
15 industry clusters.
  - 16 b. Lead efforts to improve Iowa's competitive position in  
17 the industry cluster areas.
  - 18 c. Facilitate activities designed to strengthen  
19 relationships and advocate collaboration among Iowa research  
20 institutions and Iowa's technology intensive businesses.
  - 21 d. Develop a three-year strategic plan with an annual  
22 operating plan to share with the board for consideration in  
23 developing the department-wide strategic plan.
- 24 2. The Iowa new economy council shall develop and assist  
25 the department in implementing activities addressing all of  
26 the following economic foundation issues of the new economy:
- 27 a. Skilled and adaptable human resources.
  - 28 b. Access to technologies on which new products and  
29 processes are based.
  - 30 c. Availability of financial capital to support new  
31 ventures, expansion of existing companies, and reinvestment in  
32 transition industries.
  - 33 d. Support of advanced physical infrastructure for  
34 transportation, communications, energy and water, and waste  
35 handling.

1 e. A review of the regulatory and taxation environment and  
2 business climate resulting in recommendations to balance  
3 competitiveness.

4 3. The council shall focus on nondiscriminatory market  
5 expansion and shall foster a competitive and open environment.  
6 The council shall not be a mechanism to allocate markets, fix  
7 prices, or stifle competition.

8 Sec. 8. NEW SECTION. 15E.227 INDUSTRY LEADERSHIP  
9 COUNCILS.

10 In conjunction with the creation of the Iowa new economy  
11 council, industry leadership councils shall be established in  
12 the advanced manufacturing, information solutions, and life  
13 science industry clusters as well as other industry clusters  
14 identified by the Iowa new economy council. The industry  
15 leadership councils shall be comprised of representatives of  
16 business and industry, academia, government, and other  
17 representatives identified by the Iowa new economy council.  
18 The industry leadership councils shall be established to  
19 address issues specific to the industry clusters. The ongoing  
20 structure, membership, and operational objectives of the  
21 industry leadership councils shall be determined by the Iowa  
22 new economy council.

23 Sec. 9. NEW SECTION. 15E.228 FUNDING.

24 The Iowa new economy council and the industry leadership  
25 councils shall not receive a direct appropriation from the  
26 state. The department may allocate to the Iowa new economy  
27 council moneys that have been appropriated to the department  
28 for purposes identified by the council to support council  
29 activities. Public resources allocated for the operation of  
30 the Iowa new economy council and the industry leadership  
31 councils or for specific projects sponsored by the Iowa new  
32 economy council and the industry leadership councils shall be  
33 received through appropriate performance agreements  
34 administered by the department or other appropriate public  
35 entities. Private moneys secured through contributions,

1 contracts, or other means shall be administered and accounted  
2 for as determined by the Iowa new economy council.

3 Sec. 10. NEW SECTION. 15E.229 REPORTS.

4 The Iowa new economy council shall annually submit a  
5 written report to the governor and the general assembly  
6 concerning the use of resources and the results derived from  
7 investments in the activities sponsored by the council.  
8 Copies of status reports provided under any performance  
9 agreement with the department or other public entity shall be  
10 provided to the governor and the general assembly.

11 Sec. 11. NEW SECTION. 15E.230 COUNCIL COORDINATION.

12 The Iowa new economy council shall work with the Iowa  
13 economic development board and state board of regents to  
14 review, evaluate, and monitor business outreach and assistance  
15 programs, including university technology transfer programs on  
16 an ongoing basis. In reviewing, evaluating, and monitoring  
17 programs and activities, the council shall seek input from  
18 business, academia, government, and other constituencies. The  
19 council shall make recommendations to the board and state  
20 board of regents with respect to each of the following:

- 21 1. Strengthening collaboration among business and industry  
22 and Iowa's research institutions.
- 23 2. Coordinating activities to facilitate the growth of the  
24 industry clusters.

25 EXPLANATION

26 This bill creates a 20-member Iowa new economy council, 15  
27 of which are voting members. The bill provides that members  
28 shall be senior-level decision makers within their  
29 organizations.

30 The bill provides that the strategic focus of the council  
31 shall be to support and strengthen the competitiveness of Iowa  
32 businesses within each of the industry clusters defined by the  
33 council. The bill provides that the council shall develop  
34 collaborative, industry-led projects; lead efforts to improve  
35 Iowa's competitive position in the industry cluster areas;

1 facilitate activities designed to strengthen relationships and  
2 advocate collaboration among Iowa research institutions and  
3 Iowa's technology intensive businesses; and develop a three-  
4 year strategic plan with an annual operating plan to share  
5 with the Iowa economic development board.

6 The bill provides that the council shall develop and assist  
7 the department in implementing activities addressing skilled  
8 and adaptable human resources; access to technologies on which  
9 new products and processes are based; availability of  
10 financial capital to support new ventures, expansion of  
11 existing companies, and reinvestment in transition industries;  
12 support of advanced physical infrastructure for  
13 transportation, communications, energy and water, and waste  
14 handling; and a review of the regulatory and taxation  
15 environment and business climate.

16 The bill provides that industry leadership councils shall  
17 be established in the advanced manufacturing, information  
18 solutions, and life science industry clusters as well as other  
19 industry clusters identified by the Iowa new economy council.

20 The bill provides that the structure, membership, and  
21 operational objectives of the industry leadership councils  
22 shall be determined by the Iowa new economy council. The bill  
23 provides that the industry leadership councils shall address  
24 issues specific to the industry clusters.

25 The bill provides that a science and technology advisor  
26 appointed by the governor and employed by the department of  
27 economic development shall advise state governmental entities,  
28 academia, the business community, and other constituencies  
29 regarding science and technology issues. The bill provides  
30 that the science and technology advisor shall serve as a  
31 voting member on the Iowa new economy council and shall  
32 coordinate the administration of the council.

33 The bill provides that the Iowa new economy council and the  
34 industry leadership councils shall not receive a direct  
35 appropriation from the state; however, the department may



1 allocate to the Iowa new economy council moneys appropriated  
2 to the department for purposes identified by the council to  
3 support council activities.

4 The bill requires the Iowa new economy council to annually  
5 submit a written report to the governor and the general  
6 assembly concerning the use of resources and the results  
7 derived from investments in the activities sponsored by the  
8 council.

9 The bill requires the Iowa new economy council to work with  
10 the Iowa economic development board and the state board of  
11 regents to review, evaluate, and monitor business outreach and  
12 assistance programs, including university technology transfer  
13 programs on an ongoing basis.

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