

# **Economic Development Appropriations Bill Senate File 517**

***As amended by H-1745 (Senate Amendment)***  
*Senate/House Difference Report*

Last Action:

Senate Floor

June 21, 2011

## **Executive Summary Only**

**An Act relating to and making appropriations to the Department of Cultural Affairs, the Department of Economic Development, certain Board of Regents institutions, the Department of Workforce Development, the Iowa Finance Authority, and the Public Employment Relations Board, and addressing related matters including tax credits and including immediate effective date and retroactive applicability provisions.**

**Fiscal Services Division  
Legislative Services Agency**

### **NOTES ON BILLS AND AMENDMENTS (NOBA)**

Available on line at <http://www.legis.iowa.gov/LSAReports/noba.aspx>  
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# ECONOMIC DEVELOPMENT APPROPRIATIONS BILL EXECUTIVE SUMMARY NOBA

## SENATE FILE 517 AS AMENDED BY H-1745

**Funding Summary:** Senate File 517, as amended by H-1745, appropriates a total of \$36.2 million from the General Fund and 551.23 FTE positions for FY 2012. This is a decrease of \$1.92 million compared to estimated FY 2011 and a decrease of \$201,000 compared to H.F. 697 (Omnibus Appropriations Bill). Senate File 517 as amended by H-1745 also appropriates \$12.7 million from other funds. This is a decrease of \$4.3 million compared to estimated FY 2011 and an increase of \$3.3 million compared to H.F. 697. See the attached tracking document for funding totals and difference comparisons for individual budget unit items.

**Biennial Budgeting – FY 2013:** Division XVIII of the Omnibus Bill appropriates General Fund, other funds, and FTE positions for FY 2013 for the Economic Development budget and includes necessary corresponding language. These appropriations are equal to 85.0% of the House Omnibus appropriations for FY 2012, with the following exceptions:

- The House's authorization for FTE positions are the same for FY 2013 compared to FY 2012.
- The House continues funding for the DCA Battle Flag Stabilization efforts for FY 2013 at the \$100,000 appropriation amount.
- The House appropriates \$1,020,000 from the Unemployment Compensation Reserve Fund interest for FY 2013. This is 85.0% of the \$1,200,000 that is estimated to be available for FY 2013. This is \$3,218,260 (75.9%) below the FY 2012 appropriation by the Senate and the House. The FY 2012 appropriation of \$4,238,260 is 100.0% of the FY 2012 estimated available interest.

The Senate provides 50.0% of the FY 2012 Senate action appropriations for FY 2013 with the following exceptions:

- The Senate's authorization for FTE positions are the same for FY 2013 compared to FY 2012.
- The Senate appropriates \$1,200,000 from the Unemployment Compensation Reserve Fund interest for FY 2013. This is 100.00% of the \$1,200,000 that is estimated to be available for FY 2013.
- The Senate does not make an appropriation from the Save Our Small Business Fund because the FY 2012 appropriation used a one-time funding source.

### **FUNDING SUMMARY HIGHLIGHTS:**

- Department of Cultural Affairs (DCA)
  - Community Cultural Grants – The Senate appropriates \$172,090 more than the House from the General Fund. The House eliminates the Program.
  - Great Places – The House appropriates \$43,823 less than the Senate for FY 2012 from the General Fund. The House authorizes up to \$45,000, per fiscal year, of the Rebuild Iowa Infrastructure Fund (RIIF) appropriation for Great Places Grants to be used for administration of the Grants in FY 2012 and FY 2013.
  - Battle Flag Stabilization – The Senate makes a new \$60,000 General Fund appropriation to replace RIIF funding. The House appropriates \$40,000 more than the Senate.
- Department of Economic Development (DED)
  - DED Administration – The Senate appropriates \$289,269 less than the House from the General Fund due to an additional general reduction.
- Department of Workforce Development (IWD)
  - IWD - Workers' Compensation Division – The House appropriates \$627,980 less than the Senate from all funds for FY 2012.
    - General Fund – The House appropriates \$798,980 less than the Senate from the General Fund for FY 2012.
    - Filing Fees – The House and the Senate make the same appropriation of \$360,000 from Filing Fees for FY 2012.

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- Special Employment Security Contingency Fund (also known as the Penalty and Interest Fund or the P and I Fund) – The House makes an appropriation of \$471,000 from the P and I Fund for FY 2012 and the Senate does not.
- General Fund FY 2011 Supplemental – The Senate makes an FY 2011 General Fund supplemental appropriation of \$300,000 to be used during FY 2012 and the House does not.
- IWD Operations - Field Offices – The House appropriates \$2,768,967 less than the Senate from all funds for FY 2012.
  - General Fund - The House appropriates \$1,035,690 more than the Senate from the General Fund for FY 2012.
  - P and I Fund - The House appropriates \$554,657 less than the Senate from the P and I Fund for FY 2012.
  - Unemployment Compensation Reserve Fund – The House and the Senate make the same appropriation of \$4,238,260 from the Unemployment Compensation Reserve Fund for FY 2012.
  - Save Our Small Business Fund – The Senate makes a \$3,250,000 appropriation from the Save Our Small Business Fund for FY 2012 and the House does not. This is a one-time funding source.

### Language Differences:

- **Transfers to the Iowa Commission on Volunteer Service:** The House allows the Department of Economic (DED) to transfer funds and utilize FTE positions for the Iowa State Commission on Volunteer Service in addition to a direct appropriation. The Senate appropriates all FTE positions and funds directly to the Commission.
- **Transfers to the Grow Iowa Values Fund:** The Senate allows the DED to transfer funds and FTE positions to the Grow Iowa Values Fund. The House removes this provision.
- **University of Northern Iowa:** The Senate sets a spending floor for the Business Concierge component of the MyEntre.net Program. The House sets a spending ceiling.
- **Workforce Development (IWD) Field Office Allocation:** The Senate continues a specified allocation for Field Offices. The House does not specify an allocation for the Operations appropriation between the IWD Board and the Field Offices.
- **Field Office Definition:** The Senate includes a definition of what constitutes a Field Office. The House does not address this.
- **Workers' Compensation Carryforward Appropriation:** The Senate appropriates \$300,000 in FY 2011 to be expended in FY 2012. The Senate includes language to make this section effective on enactment. The House does not address this.
- **Save Our Small Business Fund:** The Senate appropriates and transfers the unobligated balance in the Save Our Small Businesses Fund, on March 31, 2011, to the IWD for funding Field Offices instead of transferring the Save Our Small Businesses Fund balance to the General Fund. The Senate includes retroactive applicability language. The House does not address this.
- **Wine and Beer Promotion Board:** The Senate eliminates Code Section 15E.117(3)(b) that transfers \$100,000 from the Iowa Wine and Beer Promotion Board to the Midwest Grape and Wine Industry Institute at Iowa State University. The House does not address this.
- **Shelter Assistance:** The Senate includes language that permits the Iowa Finance Authority to use money in the Shelter Assistance Fund for service evaluation, federal match, and administrative costs. The House does not address this.
- **Wine Gallonage Tax Fund Appropriation:** The Senate amends Code Section 123.183(2)(b) to create a standing appropriation of \$120,000 directly from the Wine Gallonage Tax Fund to the Midwest Grape and Wine Industry Institute at ISU. The House does not address this.
- **Historic Tax Credits:** The Senate modifies the State Historic Tax Credit Program definition of the "Rehabilitation Period" established in 2011 Iowa Acts, S.F. 521 (Property Rehabilitation Tax Credit Program), to remove a reference to the Federal Program. The House does not address this.
- **Low-Income Housing:** The Senate includes language to modify the definition of Low-income Housing, found in Code Section 427.1(21), to include properties that are owned by limited liability corporations or limited liability partnerships, and are controlled or managed by a nonprofit entity. The House does not address this.

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- **Workforce Development (IWD) One-Stop Centers:** The Senate amends H.F. 2699 (FY 2009 Economic Development Appropriation Act) to extend the time the IWD has to set a goal of having at least one certified one-stop center in each of the 15 workforce regions from the year 2012 to the year 2014. The Senate includes language to make this Section effective on enactment. The House does not address this.
- **DED Site Development Program:** The Senate amends S.F. 2389 (FY 2011 Infrastructure Appropriations Act) to require nonreversion of funds and the FTE positions authorized in FY 2011 for the DED Site Development Program until the end of FY 2012. The Senate includes language to make this Section effective on enactment. The House does not address this.
- **Taiwan Trade Office:** The Senate amends H.F. 2531 (FY 2011 Standing Appropriations Act) to require the nonreversion of funds appropriated to the DED for creating a Trade Office in Taipei, Taiwan until the end of FY 2012. The Senate includes language to make this Section effective on enactment. The House does not address this.
- **Investment Tax Credit Cap:** The Senate creates a Community-Based Seed Capital Fund Investment Tax Credit of \$2,000,000 and an Innovation Fund Investment Tax Credit of \$8,000,000. The tax credits are established under the DED's current cap of \$120,000,000. The House does not address this.

## Economic Development General Fund

	H Act Supp Omni FY 2011 (1)	Senate Supp FY 2011 (2)	House Act-Omni FY 2012 (3)	Senate FY 2012 (4)	Senate vs House FY 12 (5)	House Act-Omni FY 2013 (6)	Senate FY 2013 (7)	Senate vs House FY 13 (8)
<b><u>Cultural Affairs, Dept. of</u></b>								
<b>Cultural Affairs, Dept. of</b>								
Administration Division	\$ 0	\$ 0	\$ 171,813	\$ 181,813	\$ 10,000	\$ 146,041	\$ 90,907	\$ -55,134
Community Cultural Grants	0	0	0	172,090	172,090	0	86,045	86,045
Historical Division	0	0	2,767,701	2,767,701	0	2,352,546	1,383,851	-968,695
Historic Sites	0	0	426,398	426,398	0	362,438	213,199	-149,239
Arts Division	0	0	933,764	933,764	0	793,699	466,882	-326,817
Great Places	0	0	150,000	193,823	43,823	127,500	96,912	-30,588
Archiving Former Governor's Papers	0	0	5,000	65,933	60,933	4,250	32,967	28,717
Records Center Rent	0	0	227,243	227,243	0	193,157	113,622	-79,535
Battle Flag Stabilization	0	0	100,000	60,000	-40,000	100,000	30,000	-70,000
<b>Total Cultural Affairs, Dept. of</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 4,781,919</b>	<b>\$ 5,028,765</b>	<b>\$ 246,846</b>	<b>\$ 4,079,631</b>	<b>\$ 2,514,385</b>	<b>\$ -1,565,246</b>
<b><u>Economic Development, Dept. of</u></b>								
<b>Economic Development, Dept. of</b>								
Economic Dev. Administration	\$ 0	\$ 0	\$ 9,928,058	\$ 9,638,789	\$ -289,269	\$ 8,438,849	\$ 4,819,395	\$ -3,619,454
World Food Prize	0	0	500,000	500,000	0	425,000	250,000	-175,000
Iowa Comm. Volunteer Ser.-Promise	0	0	100,000	178,133	78,133	85,000	89,067	4,067
<b>Total Economic Development, Dept. of</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 10,528,058</b>	<b>\$ 10,316,922</b>	<b>\$ -211,136</b>	<b>\$ 8,948,849</b>	<b>\$ 5,158,462</b>	<b>\$ -3,790,387</b>
<b><u>Regents, Board of</u></b>								
<b>Regents, Board of</b>								
ISU - Economic Development	\$ 0	\$ 0	\$ 2,424,302	\$ 2,424,302	\$ 0	\$ 2,060,657	\$ 1,212,151	\$ -848,506
SUI - Economic Development	0	0	209,279	209,279	0	177,887	104,640	-73,247
UNI - Economic Development	0	0	574,716	574,716	0	488,509	287,358	-201,151
<b>Total Regents, Board of</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 3,208,297</b>	<b>\$ 3,208,297</b>	<b>\$ 0</b>	<b>\$ 2,727,053</b>	<b>\$ 1,604,149</b>	<b>\$ -1,122,904</b>

## Economic Development General Fund

	H Act Supp Omni FY 2011 (1)	Senate Supp FY 2011 (2)	House Act-Omni FY 2012 (3)	Senate FY 2012 (4)	Senate vs House FY 12 (5)	House Act-Omni FY 2013 (6)	Senate FY 2013 (7)	Senate vs House FY 13 (8)
<b><u>Iowa Workforce Development</u></b>								
<b>Iowa Workforce Development</b>								
IWD - Labor Services Division	\$ 0	\$ 0	\$ 3,495,440	\$ 3,495,440	\$ 0	\$ 2,971,124	\$ 1,747,720	\$ -1,223,404
IWD - Workers' Comp Division	0	300,000	2,267,788	3,066,768	798,980	1,927,620	1,533,384	-394,236
IWD Operations - Field Offices	0	0	9,707,042	8,671,352	-1,035,690	8,250,986	4,335,676	-3,915,310
Offender Reentry Program	0	0	284,464	284,464	0	241,794	142,232	-99,562
Employee Misclassification	0	0	451,458	451,458	0	383,739	225,729	-158,010
<b>Total Iowa Workforce Development</b>	<b>\$ 0</b>	<b>\$ 300,000</b>	<b>\$ 16,206,192</b>	<b>\$ 15,969,482</b>	<b>\$ -236,710</b>	<b>\$ 13,775,263</b>	<b>\$ 7,984,741</b>	<b>\$ -5,790,522</b>
<b><u>Public Employment Relations Board</u></b>								
<b>Public Employment Relations</b>								
PER Board - General Office	\$ 0	\$ 0	\$ 1,057,871	\$ 1,057,871	\$ 0	\$ 899,190	\$ 528,936	\$ -370,254
<b>Total Public Employment Relations Board</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,057,871</b>	<b>\$ 1,057,871</b>	<b>\$ 0</b>	<b>\$ 899,190</b>	<b>\$ 528,936</b>	<b>\$ -370,254</b>
<b><u>Iowa Finance Authority</u></b>								
<b>Iowa Finance Authority</b>								
Rent Subsidy Program	\$ 0	\$ 0	\$ 658,000	\$ 658,000	\$ 0	\$ 559,300	\$ 329,000	\$ -230,300
<b>Total Iowa Finance Authority</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 658,000</b>	<b>\$ 658,000</b>	<b>\$ 0</b>	<b>\$ 559,300</b>	<b>\$ 329,000</b>	<b>\$ -230,300</b>
<b>Total Economic Development</b>	<b>\$ 0</b>	<b>\$ 300,000</b>	<b>\$ 36,440,337</b>	<b>\$ 36,239,337</b>	<b>\$ -201,000</b>	<b>\$ 30,989,286</b>	<b>\$ 18,119,673</b>	<b>\$ -12,869,613</b>

## Economic Development Other Fund

	H Act Supp Omni FY 2011 <u>(1)</u>	Senate Supp FY 2011 <u>(2)</u>	House Act-Omni FY 2012 <u>(3)</u>	Senate FY 2012 <u>(4)</u>	Senate vs House FY 12 <u>(5)</u>	House Act-Omni FY 2013 <u>(6)</u>	Senate FY 2013 <u>(7)</u>	Senate vs House FY 13 <u>(8)</u>
<b><u>Economic Development, Dept. of</u></b>								
Economic Development, Dept. of Workforce Development Fund	\$ 0	\$ 0	\$ 4,000,000	\$ 4,000,000	\$ 0	\$ 3,400,000	\$ 2,000,000	\$ -1,400,000
<b>Total Economic Development, Dept. of</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 4,000,000</b>	<b>\$ 4,000,000</b>	<b>\$ 0</b>	<b>\$ 3,400,000</b>	<b>\$ 2,000,000</b>	<b>\$ -1,400,000</b>
<b><u>Iowa Workforce Development</u></b>								
<b>Iowa Workforce Development</b>								
Workers' Comp Div - Spec Cont Fund	\$ 0	\$ 0	\$ 471,000	\$ 0	\$ -471,000	\$ 400,350	\$ 0	\$ -400,350
IWD Field Offices (P and I)	0	0	662,427	1,217,084	554,657	563,063	608,542	45,479
IWD Field Offices (UI Reserve Interest)	0	0	4,238,260	4,238,260	0	1,020,000	1,200,000	180,000
IWD Field Offices (Save Our Small Business)	0	0	0	3,250,000	3,250,000	0	0	0
<b>Total Iowa Workforce Development</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 5,371,687</b>	<b>\$ 8,705,344</b>	<b>\$ 3,333,657</b>	<b>\$ 1,983,413</b>	<b>\$ 1,808,542</b>	<b>\$ -174,871</b>
<b>Total Economic Development</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 9,371,687</b>	<b>\$ 12,705,344</b>	<b>\$ 3,333,657</b>	<b>\$ 5,383,413</b>	<b>\$ 3,808,542</b>	<b>\$ -1,574,871</b>