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SENATE FILE 515
BY COMMITTEE ON
APPROPRIATIONS

Passed Senate, Date 5/4/87 (p.1681) Passed House, Date 5/7/87 (p.2127)

Vote: Ayes 37 Nays 8 Vote: Ayes 92 Nays 3

Approved Stem Veto June 7, 1987
The bill to reauthorize (p. 1683) w/ R 5/5/87

A BILL FOR

1 An Act relating to the allocations and appropriations of lottery
2 revenues and the programs for which the revenues may be used.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 515

1 Section 1. Section 99E.10, subsection 1, unnumbered
2 paragraph 3, Code 1987, is amended to read as follows:

3 The Iowa plan fund for economic development, also to be
4 known as the Iowa plan fund, is created in the office of the
5 treasurer of state. Lottery revenue remaining after expenses
6 are determined shall be transferred to the Iowa plan fund on a
7 ~~quarterly~~ monthly basis. Revenues generated during the last
8 ~~quarter~~ month of the fiscal year which are transferred to the
9 Iowa plan fund during the following fiscal year shall be
10 considered revenues transferred during the previous fiscal
11 year for purposes of the allotments made to and appropriations
12 made from the separate accounts in the Iowa plan fund for that
13 previous fiscal year. However, upon the request of the
14 director and subject to approval by the treasurer of state, an
15 amount sufficient to cover the foreseeable administrative
16 expenses of the lottery for a period of twenty-one days may be
17 retained from the lottery revenue. Prior to the ~~quarterly~~
18 monthly transfer to the Iowa plan fund, the director may
19 direct that lottery revenue shall be deposited in the lottery
20 fund and in interest bearing accounts designated by the
21 treasurer of state in the financial institutions of this state
22 or invested in the manner provided in section 452.10.
23 Interest or earnings paid on the deposits or investments is
24 considered lottery revenue and shall be transferred to the
25 Iowa plan fund in the same manner as other lottery revenue.
26 Money in the Iowa plan fund shall be deposited in interest
27 bearing accounts in financial institutions in this state or
28 invested in the manner provided in section 452.10. The
29 interest or earnings on the deposits or investments shall be
30 considered part of the Iowa plan fund and shall be retained in
31 the fund unless appropriated by the general assembly.

32 Sec. 2. Section 99E.20, subsection 2, Code 1987, is
33 amended to read as follows:

34 2. A lottery fund is created in the office of the
35 treasurer of state. The fund consists of all revenues

1 received from the sale of lottery tickets or shares and all
2 other moneys lawfully credited or transferred to the fund.
3 The commissioner shall certify ~~quarterly~~ monthly that portion
4 of the fund that is transferred to the Iowa plan fund under
5 section 99E.10 and shall cause that portion to be transferred
6 to the Iowa plan fund of the state. The commissioner shall
7 certify before the twentieth of each month that portion of the
8 fund resulting from the previous month's sales to be
9 transferred to the Iowa plan fund.

10 Sec. 3. Section 99E.31, subsection 2, unnumbered paragraph
11 2, Code 1987, is amended by striking the paragraph and
12 inserting in lieu thereof the following:

13 Only a political subdivision of the state may apply to
14 receive funds for any of the above purposes. The political
15 subdivision shall make application to the department of
16 economic development specifying the purpose for which the
17 funds will be used. In ranking applications for funds, the
18 department shall consider a variety of factors including, but
19 not limited to:

20 (1) The proportion of local match to be provided.

21 (2) The proportion of private contribution to be provided,
22 including the involvement of financial institutions.

23 (3) The total number of jobs to be created or retained.

24 (4) The size of the business receiving assistance. The
25 department shall award more points to small businesses as
26 defined by the United States small business administration.

27 (5) The potential for future growth in the industry
28 represented by the business being considered for assistance.

29 (6) The need of the business for financial assistance from
30 governmental sources. More points shall be awarded to a
31 business which the department determines that governmental
32 assistance is most necessary to the success of the project.

33 (7) The quality of the jobs to be created. In rating the
34 quality of the jobs the department shall award more points to
35 those jobs that have a higher wage scale, have a lower

1 turnover rate, are full-time or career-type positions, or have
2 other related factors.

3 (8) More points shall be awarded for providing loans over
4 grants. The department shall document all repayments of
5 project loans made through the community economic betterment
6 program. During each legislative session the department shall
7 report to the economic development appropriation subcommittees
8 concerning the expected loan repayments to be collected for
9 the respective fiscal year and the nature and purposes of how
10 the funds resulting from the loan repayments are to be
11 expended.

12 (9) The level of need of the political subdivision.

13 (10) The impact of the proposed project on the economy of
14 the political subdivision.

15 (11) The impact of the proposed project on other
16 businesses in competition with the business being considered
17 for assistance. The department shall identify existing
18 businesses within an industry in competition with the business
19 being considered for assistance. The department shall
20 determine the probability that the proposed financial
21 assistance will displace employees of the existing businesses.
22 The level of probable employee displacement as determined by
23 the department shall be used in determining the total number
24 of jobs created or retained as a result of the proposed
25 financial assistance.

26 The department shall not provide more than one million
27 dollars for any project, unless at least two-thirds of the
28 members of the economic development board vote for providing
29 more. However, after the first ten million dollars in the
30 community economic betterment account have been provided to
31 political subdivisions, the amount that may be provided by the
32 department for a project from additional moneys credited to
33 that account is not subject to the one million dollar
34 limitation.

35 Sec. 4. Section 99E.31, subsection 4, paragraph a, Code

1 1987, is amended by adding the following new unnumbered
2 paragraphs:

3 NEW UNNUMBERED PARAGRAPH. In addition to the other
4 proposals mentioned, an institution under the control of the
5 state board of regents or an independent college or university
6 in the state may apply for a grant for an applied research
7 project. An applied research project is limited to specific
8 research or the testing of an idea, process, or product to
9 determine the potential for feasible commercial applications.
10 Institutions under the control of the state board of regents
11 and the independent colleges and universities shall submit
12 their proposals directly to the Iowa high technology council.
13 The Iowa high technology council shall receive and evaluate
14 the applied research project proposals from independent
15 colleges and state universities and make recommendations to
16 the Iowa department of economic development. Applied research
17 project proposals may be in, but are not limited to, the
18 following areas of research:

- 19 (1) Management development.
- 20 (2) Biotechnology.
- 21 (3) Microelectronics.
- 22 (4) Genetics.
- 23 (5) Molecular biology.
- 24 (6) Laser science.
- 25 (7) Third crop development.
- 26 (8) Productivity enhancement/process controls.
- 27 (9) Energy alternatives.

28 NEW UNNUMBERED PARAGRAPH. In the ranking of applied
29 research project proposals, the Iowa department of economic
30 development shall consider all of the following:

- 31 (1) Level of private sector support, assistance, or
32 participation in the project.
- 33 (2) The commercial feasibility of the project.
- 34 (3) The potential of the commercial feasibility of the
35 project to diversify the economic base of Iowa.

1 (4) The technical feasibility of the project.

2 (5) Matching funds from other sources.

3 Funded applied research projects shall be given priority by
4 the Iowa department of economic development in receiving
5 product development funds or other department services or
6 assistance designed to promote or encourage the development of
7 new products or new businesses; by the state board of regents
8 in receiving admission into campus incubators, assistance from
9 the small business development centers, or other services or
10 assistance designed for developing new products or new
11 businesses; and by the community colleges in receiving small
12 business job training programs or other assistance designed
13 for developing new products or new businesses.

14 Sec. 5. Section 99E.32, subsection 1, paragraphs a and b,
15 Code 1987, are amended to read as follows:

16 a. In the fiscal year beginning July 1, 1986 the first
17 three million four hundred thirty-eight thousand dollars, in
18 the fiscal year beginning July 1, 1987 the first one three
19 million four hundred thousand dollars, in the fiscal year
20 beginning July 1, 1988 the first one million dollars and in
21 the fiscal year beginning July 1, 1989 the first one million
22 dollars to the jobs now capitals account.

23 b. In each of the four fiscal years after the allotment in
24 paragraph "a", ten million dollars to the community economic
25 betterment account; for the fiscal years beginning July 1,
26 1986, July 1, 1987, July 1, 1988, and July 1, 1989, eight
27 million five hundred fifty thousand dollars, seven million one
28 hundred fifty thousand dollars, seven million nine hundred
29 thousand dollars, and seven million nine hundred thousand
30 dollars, respectively, to the jobs now account; and for the
31 fiscal years beginning July 1, 1986, July 1, 1987, July 1,
32 1988, and July 1, 1989, twelve million five hundred thousand
33 dollars, eight million dollars, eleven million five hundred
34 thousand dollars, and eleven million two hundred fifty
35 thousand dollars, respectively, to the education and

1 agriculture research and development account. However, the
2 allotment to the jobs now account for the fiscal year
3 beginning July 1, 1986 shall be eight million five hundred
4 fifty thousand dollars.

5 Sec. 6. Section 99E.32, subsection 3, Code 1987, is
6 amended to read as follows:

7 3. There are appropriated moneys in the jobs now account
8 for each of the fiscal years beginning July 1, 1986, July 1,
9 1987, July 1, 1988, and July 1, 1989 to the following funds,
10 agencies, boards or commissions in the amounts, or so much
11 thereof as may be necessary, as provided in section 99E.33 to
12 be used for the following purposes:

13 a. To the natural resource commission for the purposes
14 designated in section 99E.31, subsection 3, paragraph "a".
15 For the fiscal year beginning July 1, 1986, the amount
16 appropriated is two million five hundred thousand dollars.
17 For the fiscal year beginning July 1, 1987, the amount
18 appropriated is one million three hundred sixty-five thousand
19 dollars of which two hundred fifty thousand dollars shall be
20 used for grants-in-aid to county conservation boards; two hun-
21 dred fifty thousand dollars shall be used, only if federal
22 funds are available, for acquisition and development of
23 facilities under the western trails historical project; two
24 hundred fifty thousand dollars for the Union Grove lake
25 restoration development project; forty thousand dollars for
26 the A. A. Call state park restoration project; and seventy-
27 five thousand dollars for bike and recreational trail
28 development projects in the greenbelt area located in or near
29 the Iowa river corridor.

30 b. To the Iowa product development fund for the purposes
31 provided in section 28.89. For the fiscal year beginning July
32 1, 1987, the amount appropriated is one million dollars.

33 c. To the department of cultural affairs for the purposes
34 designated in section 99E.31, subsection 3, paragraph "d".
35 For the fiscal year beginning July 1, 1987, the amount

1 appropriated is one hundred seventy-five thousand dollars.

2 d. To the Iowa department of economic development for the
3 purposes designated in section 99E.31, subsection 3, paragraph
4 "e". For the fiscal year beginning July 1, 1986, the amount
5 appropriated is two million six hundred thousand dollars. For
6 the fiscal year beginning July 1, 1987, the amount
7 appropriated is two million fifty thousand dollars to be used
8 for the purposes and in the amounts as follows:

9 (1) Satellite centers under section 28.101, one million
10 one hundred twenty-five thousand dollars.

11 (2) Federal procurement offices, one hundred thousand
12 dollars.

13 (3) Iowa main street program, two hundred seventy-five
14 thousand dollars.

15 (4) Technical assistance for businesses for purposes of
16 the federal small business innovation research grants program,
17 two hundred fifty thousand dollars of which fifty thousand
18 dollars shall be expended to develop and operate a small
19 business information center.

20 (5) Business incubators, three hundred thousand dollars.
21 The funds shall be used to provide for operations of existing
22 incubators and for the establishment of new incubators. The
23 department will award grants to universities, community
24 colleges, and local communities on an annual basis. In
25 awarding the grants, the department shall consider the
26 incubator's plan to become self-sufficient within a certain
27 time frame. Future grants shall be contingent upon how the
28 incubator is succeeding in becoming self-sufficient. The
29 local community, university, or college is required to match
30 the state's grant on a dollar for dollar basis.

31 e. For the fiscal year beginning July 1, 1986 only, the
32 sum of two hundred thousand dollars for the targeted small
33 business loan guarantee program established pursuant to
34 section 220.111.

35 f. For the fiscal year years beginning July 1, 1986 and

1 July 1, 1987 only, to the Iowa conservation corps account the
2 sum of one million dollars and seven hundred fifty thousand
3 dollars, respectively. Of the funds appropriated under this
4 paragraph, five hundred thousand dollars shall be used for a
5 summer jobs program for young adults, as a part of the Iowa
6 youth corps and designed to provide part-time public service
7 employment to work on conservation-oriented projects.

8 g. ~~For~~ For the fiscal years beginning July 1, 1988 and July
9 1, 1989 only, to the Iowa department of economic development,
10 one million dollars for purposes of administration of the
11 "young adult program" of the Iowa conservation corps,
12 established in section 15.225.

13 Sec. 7. Section 99E.32, subsection 3, Code 1987, is
14 amended by adding the following new lettered paragraphs:

15 NEW LETTERED PARAGRAPH. h. For the fiscal year beginning
16 July 1, 1987 only, to the advance account of the area school
17 job training fund established in section 280C.6, one million
18 dollars. Of the funds appropriated by this paragraph, seven
19 hundred fifty thousand dollars shall be allocated to job
20 training agreements in which the business is located in a
21 community with a population of five thousand or less and two
22 hundred fifty thousand dollars shall be allocated to job
23 training agreements in which the business is located in a
24 community with a population greater than five thousand but not
25 more than ten thousand.

26 NEW LETTERED PARAGRAPH. i. For the fiscal year beginning
27 July 1, 1987 only, to the department of agriculture and land
28 stewardship the sum of three hundred thousand dollars for
29 developing pilot public/private partnerships to assist Iowa
30 producers of agricultural products in the promotion,
31 marketing, and selling of agricultural products to local and
32 regional markets.

33 NEW LETTERED PARAGRAPH. j. For the fiscal year beginning
34 July 1, 1987 only, to the Iowa department of economic
35 development the sum of sixty thousand dollars for the

1 establishment of visitor and tourism centers. Not more than
2 twenty thousand dollars shall be expended for each center.
3 The centers shall be located in or near communities with
4 populations of five thousand or less. The local communities
5 are required to equally match the state funds.

6 NEW LETTERED PARAGRAPH. k. For the fiscal year beginning
7 July 1, 1987 only, to the department of economic development
8 the sum of two hundred thousand dollars for the establishment
9 of a special event loan fund to offer short term loans to
10 organizers of events of national and regional significance.
11 Loans would be used by organizers of events to equally match
12 funds raised from other sources for purposes related to the
13 hosting of national or international meetings, conferences, or
14 trade shows. Loans would be repaid by organizers to the
15 revolving fund from gate receipts, exhibit fees, or other
16 sources. Funds shall be awarded only after the decision has
17 been made to locate the event in Iowa and funds shall not be
18 used as part of competitive negotiations between communities
19 to attract and relocate an event from another Iowa location.
20 The director of the department shall enter into contracts for
21 short term repayment of loans made for these purposes. Loans
22 shall not exceed the amount of funds held in the national
23 events assistance account. The department may make a grant
24 from the fund of up to one hundred thousand dollars to the
25 organizers for the 1988 world ag expo in the Amana colonies.

26 NEW LETTERED PARAGRAPH. l. For the fiscal year beginning
27 July 1, 1987 only, to the department of economic development
28 the sum of two hundred fifty thousand dollars for the
29 maintenance of the ambassador's program as established
30 pursuant to 1986 Iowa Acts, chapter 1246, section 1,
31 subsection 4.

32 Sec. 8. Section 99E.32, subsection 4, Code 1987, is
33 amended to read as follows:

34 4. There are appropriated moneys in the education and
35 agriculture research and development account for each of the

1 fiscal years beginning July 1, 1986, July 1, 1987, July 1,
2 1988, and July 1, 1989 to the following funds, agencies,
3 boards or commissions in the amounts, or so much thereof as
4 may be necessary, as provided in section 99E.33 to be used for
5 the following purposes:

6 a. To the Iowa college aid commission for the forgivable
7 loan program established in sections 261.71 to 261.73. For
8 the fiscal year beginning July 1, 1986, the amount
9 appropriated is seven hundred fifty thousand dollars.

10 Notwithstanding subsection 7, any moneys not expended under
11 this paragraph by June 30, 1987 shall not be used for purposes
12 of this paragraph but shall be transferred and used for the
13 purposes described in paragraph "c" for the fiscal year
14 beginning July 1, 1987. For the fiscal year beginning July 1,
15 1987, no amount is appropriated.

16 b. To the Iowa department of economic development for the
17 purposes and under the conditions specified in section 99E.31,
18 subsection 4, paragraph "a". For the fiscal year beginning
19 July 1, 1986, the amount appropriated is ten million seven
20 hundred fifty thousand dollars. For the fiscal year beginning
21 July 1, 1987, the amount appropriated is seven million
22 dollars.

23 c. To the Iowa college aid commission for the purposes and
24 under the conditions specified in section 99E.31, subsection
25 4, paragraph "b". For the fiscal year beginning July 1, 1987,
26 no amount is appropriated. However, the funds transferred
27 under paragraph "a" are available for use under this paragraph
28 for the fiscal year beginning July 1, 1987.

29 d. For the fiscal year beginning July 1, 1987 only, to the
30 college aid commission the sum of five hundred thousand
31 dollars for the establishment of an equipment and
32 communication and technical services grant program to be allo-
33 cated by the commission to independent institutions of higher
34 education. Funds appropriated under this paragraph shall be
35 used to develop and enhance educational course offerings and

1 programs in business enterprise for current and potential
2 owners, operators, and managers of businesses that produce or
3 market goods or services in Iowa, including but not limited
4 to, students of those institutions.

5 e. For the fiscal years beginning July 1, 1987 and July 1,
6 1988 only, to the Iowa peace institute, the sum of two hundred
7 fifty thousand dollars each fiscal year for salaries, support,
8 maintenance, and miscellaneous purposes provided, and to the
9 extent that, the appropriations are matched dollar for dollar
10 by the Iowa peace institute.

11 f. For the fiscal years beginning July 1, 1987, July 1,
12 1988, and July 1, 1989 to the Iowa State University of science
13 and technology, the sum of two hundred fifty thousand dollars
14 for each fiscal year for allocation to the Iowa State
15 University water resource research institute for a subsurface
16 water and nutrient management system. This research shall
17 concentrate its efforts on providing optimum soil water table
18 level throughout the growing season, reduction of nitrates in
19 Iowa's surface and subsurface waters, reduction of Iowa's
20 dependency on subsurface water for irrigation, increasing
21 productivity of selected Iowa soils for selected crops. The
22 Iowa State University water resource research institute shall
23 administer the research funds and report to the general
24 assembly by February 1 of each year, on the program's progress
25 and results.

26 Sec. 9. Section 99E.32, subsection 5, paragraphs a and c,
27 Code 1987, are amended to read as follows:

28 a. There is appropriated from the allotment made to the
29 jobs now capitals account under subsection 1 for each of the
30 fiscal years beginning July 1, 1986, ~~July 1, 1987,~~ July 1,
31 1988 and July 1, 1989 to the department of education the sum
32 of one million dollars for the purposes and under the
33 conditions specified in section 99E.31, subsection 5,
34 paragraph "c".

35 c. There is appropriated from the allotment made to the

1 jobs now capitals account under subsection 1 for the fiscal
2 year years beginning July 1, 1986 and July 1, 1987 to the Iowa
3 state university of science and technology for funding for the
4 small business development centers the sum of seven hundred
5 thousand dollars and eight hundred twenty-five thousand
6 dollars, respectively.

7 Sec. 10. Section 99E.32, subsection 5, Code 1987, is
8 amended by adding the following new lettered paragraphs:

9 NEW LETTERED PARAGRAPH. i. There is appropriated from the
10 allotment to the jobs now capitals account under subsection 1
11 for the fiscal year beginning July 1, 1987 to the Iowa
12 department of economic development the sum of one million
13 dollars for the establishment of tourism and cultural centers.

14 NEW LETTERED PARAGRAPH. j. There is appropriated from the
15 allotment to the jobs now capitals account under subsection 1
16 for the fiscal year beginning July 1, 1987 to the department
17 of general services the sum of five hundred thousand dollars
18 for capitol building restoration and major repairs.

19 NEW LETTERED PARAGRAPH. k. There is appropriated from the
20 allotment to the jobs now capitals account under subsection 1
21 for the fiscal year beginning July 1, 1987 to the department
22 of transportation the sum of one million dollars for improving
23 services of the state aircraft pool.

24 NEW LETTERED PARAGRAPH. l. There is appropriated from the
25 allotment to the jobs now capitals account under subsection 1
26 for the fiscal year beginning July 1, 1987 to the department
27 of elder affairs the sum of seventy-five thousand dollars for
28 the purchase and support of a mobile resource center for the
29 elder law education program.

30 Sec. 11. Section 99E.32, subsection 7, Code 1987, is
31 amended to read as follows:

32 7. The moneys appropriated in subsections 2, 3, 4 and 5
33 shall remain in the appropriate account of the Iowa plan fund
34 until such time as the agency, board, commission, or overseer
35 of the fund to which moneys are appropriated has made a

1 request to the treasurer for use of moneys appropriated to it
2 and the amount needed for that use. ~~The treasurer shall~~
3 ~~withdraw this amount from the amount appropriated to that~~
4 ~~entity and remit it to the entity not earlier than thirty days~~
5 ~~after receipt of the request.~~ Notwithstanding section 8.33,
6 moneys remaining of the appropriations made for a fiscal year
7 from any of the accounts within the Iowa plan fund on June 30
8 of that fiscal year, shall not revert to any fund but shall
9 remain in that account to be used for the purposes for which
10 they were appropriated and the moneys remaining in that
11 account shall not be considered in making the allotments for
12 the next fiscal year.

13 Sec. 12. Section 99E.32, Code 1987, is amended by adding
14 the following new subsection:

15 NEW SUBSECTION. 9. All agencies, boards, commissions, or
16 overseers of funds to which moneys are appropriated under this
17 section shall report to the legislative fiscal bureau by
18 October 10, January 10, April 10, and July 10 for each quarter
19 ending September 30, December 31, March 31, and June 30 of the
20 fiscal year for which the funds are appropriated. The
21 legislative fiscal bureau shall determine the necessary
22 financial and program information to be transmitted to the
23 general assembly.

24 Sec. 13. NEW SECTION. 38.1 PEACE INSTITUTE.

25 A corporate body called the "Iowa Peace Institute" is
26 created. The institute is an independent nonprofit public
27 instrumentality and the exercise of the powers granted to the
28 institute as a corporation in this chapter is an essential
29 governmental function. As used in this chapter "institute"
30 means the "Iowa Peace Institute". The purposes of the in-
31 stitute include but are not limited to the following:

- 32 1. Provide statewide leadership in promoting the estab-
33 lishment of the United States institute of peace in Iowa.
- 34 2. Develop programs that promote peace among nations.
- 35 3. Cooperate with the efforts of institutions of higher

1 education in the state in providing courses in the history,
2 culture, religion and language of world communities.

3 4. Encourage development of courses in the art of
4 negotiation and conflict resolution without the use of
5 violence.

6 5. Maintain a roster of specialists in world trouble areas
7 to lecture, hold seminars, and participate in designing al-
8 ternate policy options.

9 6. Develop alternative strategies for settling interna-
10 tional disputes which could be proposed to or contracted for
11 by the United States and other governments.

12 7. Contract with persons or business organizations to
13 facilitate their engaging in international commerce.

14 Sec. 14. NEW SECTION. 38.2 GOVERNING BOARD.

15 The institute shall be administered by a governing board
16 which shall consist of not less than fifteen members nor more
17 than twenty-five members as determined by the by-laws of the
18 institute. The by-laws shall also provide for the method of
19 selection of the members, except that seven members shall be
20 appointed as follows:

21 1. Three members shall be appointed by the governor.

22 2. One member shall be selected by the majority leader of
23 the senate.

24 3. One member shall be selected by the minority leader of
25 the senate.

26 4. One member shall be selected by the majority leader of
27 the house of representatives.

28 5. One member shall be selected by the minority leader of
29 the house of representatives.

30 Members shall serve a term of four years. Vacancies shall
31 be filled for the unexpired portion of the term.

32 Sec. 15. NEW SECTION. 38.3 NONPROFIT CORPORATION.

33 The institute as a corporation has perpetual succession
34 until the existence of the corporation is terminated by law.

35 If the corporation is terminated, the rights and properties of

1 the corporation shall pass to the state. However, debts and
2 other financial obligations shall not succeed to the state.

3 Sec. 16. NEW SECTION. 38.4 DUTIES OF THE BOARD.

4 The governing board, within the limits of the funds avail-
5 able to it, shall:

6 1. Employ an executive director to administer the activi-
7 ties of the institute and employ support personnel as neces-
8 sary.

9 2. Approve plans relating to the purposes for which the
10 institute is established.

11 3. Execute contracts with public and private agencies re-
12 lating to the purposes for which the institute is established.

13 4. Perform other functions necessary to carry out the pur-
14 poses of the institute.

15 5. Establish advisory committees to assist the institute
16 in carrying out its purposes.

17 6. Provide an annual report to the governor and the
18 general assembly.

19 Sec. 17. NEW SECTION. 38.5 GIFTS -- GRANTS.

20 The institute may accept grants, gifts, and bequests, in-
21 cluding but not limited to appropriations, federal funds, and
22 other funding available for carrying out the purposes of the
23 institute.

24 Sec. 18.

25 1. It is the intent of the general assembly that the
26 department of economic development, in its administration of
27 the community economic betterment account grant program, shall
28 conform its activities to the mission, goals, and objectives
29 provided in this section and collect information pertaining to
30 performance measures developed by the legislative fiscal
31 bureau. The department shall provide a report at least
32 quarterly to the legislative fiscal bureau and the co-
33 chairpersons and ranking members of the economic development
34 appropriations subcommittee on the performance measures. The
35 department shall be notified by the legislative fiscal bureau

1 by July 1, 1987 of the specific performance measures for which
2 data shall be collected and reported.

3 2. The department exists to enhance the economic
4 development of the state and provide for job creation and
5 increased prosperity and opportunities for the citizens of the
6 state by providing direct financial and technical assistance
7 and training to businesses and individuals by coordinating
8 other state, local, and federal economic development programs.

9 3. The department's goals includes the diversification and
10 expansion of the state's economic base and to retain
11 businesses which currently make up that economic base to
12 accomplish the following objectives:

13 a. To assist businesses that add diversity to and generate
14 new opportunities for the state economy.

15 b. To attract, retain, and expand businesses that produce
16 exports or import substitutes, including businesses which
17 purchase a larger share of their products from Iowa producers
18 which should receive a higher priority.

19 c. To assist businesses whose products or services do not
20 necessarily have to be produced in this state.

21 d. To assist businesses which pay higher wages.

22 e. To assist businesses who produce value-added products
23 and services.

24 4. The community economic betterment account grant program
25 elements which will be reviewed by the legislative fiscal
26 bureau as performance indicators include:

27 a. The total amount of community economic betterment funds
28 available.

29 b. The total number of businesses assisted.

30 c. The total number of jobs retained.

31 d. The total number of jobs created.

32 e. The total amount of funds leveraged from outside
33 sources.

34 f. The number and dollar amount of grants and loans and
35 number of jobs associated with CEBA-assisted businesses iden-

1 tified by the department as existing businesses which change
2 or expand product lines and effectively reduce the dominance
3 of the Iowa economy by agriculture or agriculture-related
4 industries.

5 g. The number and dollar amount of grants and loans and
6 number of jobs associated with CEBA-assisted businesses iden-
7 tified by the department as start-up businesses which
8 effectively reduce the dominance of the Iowa economy by
9 agriculture or agriculture-related industries.

10 h. The number and dollar amount of grants and loans and
11 number of jobs associated with CEBA-assisted businesses iden-
12 tified by the department as relocated businesses which
13 effectively reduce the dominance of the Iowa economy by
14 agriculture or agriculture-related industries.

15 i. The number and dollar amount of grants and loans and
16 number of jobs associated with CEBA-assisted businesses iden-
17 tified by the department as businesses that produce
18 agriculture-related value-added products and services.

19 j. The number and dollar amount of grants and loans and
20 number of jobs associated with CEBA-assisted businesses iden-
21 tified by the department that produce exports or import
22 substitutes.

23 k. The number and dollar amount of grants and loans and
24 number of jobs associated with CEBA-assisted businesses iden-
25 tified by the department that would not necessarily have to
26 produce products and services in Iowa.

27 l. The number and dollar amount of grants and loans and
28 number of jobs associated with the range of wages paid by
29 businesses which received CEBA funds.

30 Sec. 19. Section 99E.32, subsection 2, paragraph h, as
31 enacted by 1987 Iowa Acts, House File 355, section 29, is
32 amended to read as follows:

33 h. For the fiscal year years beginning on July 1, 1986 and
34 July 1, 1987 the department shall establish a pilot program
35 entitled the new business opportunity program to provide

1 financial and technical assistance to emerging businesses and
2 industries that expand and diversity the state's economic
3 base. Assistance may be in any form authorized under the
4 community economic betterment account and the department may
5 allocate for each of those fiscal years up to one million
6 dollars of the account's funds for the pilot program.

7 Sec. 20. 1986 Iowa Acts, chapter 1190, section 10, is
8 repealed.

9

EXPLANATION

10 The bill makes appropriations of lottery revenues from the
11 various accounts of the Iowa plan fund. The allotments to the
12 various accounts, for the fiscal year beginning July 1, 1987,
13 have been adjusted as follows: \$3,400,000 to the jobs now
14 capitals account, \$8,000,000 to the education and agricultural
15 research and development account, \$7,150,000 to the jobs now
16 account, and keeps the community economic betterment account
17 at \$10,000,000. Adjustments were also made for each of the
18 fiscal years beginning July 1, 1988 and July 1, 1989 for the
19 jobs now capitals account, \$7,900,000 and for the education
20 and agricultural research and development account, \$11,500,000
21 and \$11,250,000 respectively. The bill establishes an Iowa
22 peace institute to provide statewide leadership in promoting
23 the establishment of the United States institute of peace in
24 Iowa and appropriates lottery revenues for salaries, support,
25 and maintenance of the institute. The bill expresses the
26 general assembly's intent that the department of economic
27 development, in administering the community economic
28 betterment account, to follow performance audit measures
29 developed by the legislative fiscal bureau with regard to this
30 account.

31

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35

SENATE FILE 515

S-3965

- 1 Amend Senate File 515 as follows:
- 2 1. Page 5, lines 18 and 19, by striking the words
- 3 "three million four" and inserting the following:
- 4 "four million nine".
- 5 2. Page 12, line 17, by striking the words "five
- 6 hundred thousand" and inserting the following: "two
- 7 million".

S-3965

Filed May 4, 1987
WITHDRAWN (p. 1678)

BY WILLIAM W. DIELEMAN

SENATE FILE 515

S-3966

- 1 Amend Senate File 515 as follows:
- 2 1. Page 14, line 26, by striking the words
- 3 "majority leader" and inserting in lieu thereof the
- 4 word "speaker".

S-3966

Filed May 4, 1987
ADOPTED (p. 1679)

BY JEAN LLOYD-JONES

SENATE 13
May 5, 1987

SENATE FILE 515

S-3969

- 1 Amend Senate File 515 as follows:
- 2 1. Page 9, lines 22 and 23, by striking the words
- 3 "national events assistance account" and inserting the
- 4 following: "special event loan fund".

S-3969

Filed May 4, 1987
ADOPTED (p. 1676)

BY LEONARD L. BOSWELL

SENATE FILE 515

S-3970

- 1 Amend Senate File 515 as follows:
- 2 1. Page 9, line 10, by striking the words
- 3 "national and regional" and inserting the following:
- 4 "regional, national, and international".
- 5 2. Page 9, line 13, by striking the words
- 6 "national or" and inserting the following: "regional,
- 7 national, or".
- 8 3. Page 9, line 13, by inserting after the word
- 9 "conferences," the following: "festivals,".

S-3970

Filed May 4, 1987
ADOPTED (p. 1678) BEVERLY A. HANNON

BY JIM LIND
AL STURGEON

SENATE FILE 515

S-3971

- 1 Amend Senate File 515 as follows:
- 2 1. Page 12, by striking lines 22 and 23 and
- 3 inserting the following: "of economic development the
- 4 sum of one million dollars for tourism and promotion
- 5 programs."

S-3971

Filed May 4, 1987
LOST (p. 1679)

BY JACK RIFE

SENATE FILE 515

S-3972

- 1 Amend Senate File 515 as follows:
- 2 1. Page 9, line 25, by inserting after the word
- 3 "colonies." the following: "The department may make a
- 4 grant from the fund of fifty thousand dollars to the
- 5 organizers of the 1988 greater Des Moines metropolitan
- 6 grand prix auto race."

S-3972

Filed May 4, 1987
ADOPTED (p. 1678) MICHAEL E. GRONSTAL
JIM LIND

BY WALLY E. HORN
RICHARD VARN
AL STURGEON
JOE J. WELSH

SENATE FILE 515

S-3973

- 1 Amend Senate File 515 as follows:
- 2 1. Page 17, line 28, by inserting after the word
- 3 "wages" the following: "and benefits".

S-3973

Filed May 4, 1987

ADOPTED (p. 1279) EUGENE S. FRAISE
TOM MANN, JR.

BY BEVERLY A. HANNON
MICHAEL E. GRONSTAL
JAMES D. WELLS
JIM LIND

S-3976

SENATE FILE 515

- 1 Amend Senate File 515 as follows:
- 2 1. Page 11, by striking lines 11 through 25.

S-3976

Filed May 4, 1987

ADOPTED (p. 1279)

BY DALE L. TIEDEN

SENATE FILE 515

S-3978

- 1 Amend Senate File 515 as follows:
- 2 1. Page 4, line 5, by inserting after the word
- 3 "regents" the following: ", a merged area school,".
- 4 2. Page 4, line 10, by inserting after the word
- 5 "regents" the following: ", the merged area schools,".

S-3978

Filed May 4, 1987

ADOPTED (p. 1279)

BY WILLIAM D. PALMER
WALLY E. HORN

SENATE 26
May 5, 1987

SENATE FILE 515

S-3979

1 Amend Senate File 515 as follows:
2 1. Page 5, line 19, by striking the word "four"
3 and inserting the following: "six".
4 2. Page 12, by inserting after line 29 the
5 following:
6 "NEW LETTERED PARAGRAPH. m. There is appropriated
7 from the allotment to the jobs now capitals account
8 under subsection 1 for the fiscal year beginning July
9 1, 1987 to the department of public defense for the
10 purpose of the armory in Algona the sum of one hundred
11 thousand dollars of which fifty thousand dollars shall
12 not be available until January 1, 1988."
13 "NEW LETTERED PARAGRAPH. n. There is appropriated
14 from the allotment to the jobs now capitals account
15 under subsection 1 for the fiscal year beginning July
16 1, 1987 to the department of public defense for the
17 purpose of the armory in Dennison the sum of one
18 hundred thousand dollars of which fifty thousand
19 dollars shall not be available until January 1, 1988."

S-3979

Filed May 4, 1987
ADOPTED (p. 1682)

BY JOE J. WELSH

SENATE FILE 515

S-3980

1 Amend Senate File 515 as follows:
2 1. Page 5, line 19, by striking the words "four
3 hundred" and inserting in lieu thereof the words
4 "three hundred twenty-five thousand".
5 2. Page 5, lines 27 and 28, by striking the words
6 "one hundred fifty" and inserting the following: "two
7 hundred twenty-five".
8 3. Page 7, line 1, by striking the words "one
9 hundred seventy-five" and inserting the following:
10 "two hundred fifty".
11 4. Page 12, by striking lines 24 through 29.

S-3980

Filed May 4, 1987
LOST (p. 1280)

JULIA GENTLEMAN

BY JOY CORNING

FORREST V. SCHWENGELS

SENATE FILE 515

S-3981

1 Amend Senate File 515 as follows:
2 1. Page 3, line 34, by inserting after the word
3 "limitation." the following: "The department shall
4 allocate each fiscal year at least fifty percent of
5 the moneys in the account for projects for small busi-
6 nesses as defined by the United States small business
7 administration."

S-3981

Filed May 4, 1987
LOST (p. 1280)

BY AL STURGEON

SENATE FILE 515

S-3982

1 Amend Senate File 515 as follows:
2 1. Page 3, by inserting after line 25 the
3 following:
4 "(12) The level of compliance of the business with
5 OSHA and other business safety regulations, the
6 quality of the business' relations with labor, the
7 level of fairness in its dealings with its employees,
8 and the amount of business ethics shown by the
9 business."

S-3982

Filed May 4, 1987

BY AL STURGEON

ADOPTED (j. 1680)

SENATE FILE 515

S-3986

1 Amend Senate File 515 as follows:
2 1. Page 13, line 14, by striking the word
3 "subsection" and inserting the following:
4 "subsections".
5 2. Page 13, by inserting after line 23 the
6 following:
7 "NEW SUBSECTION. 10. The moneys in any of the
8 separate accounts of the Iowa plan fund shall not be
9 used to directly benefit a company that is in the top
10 one hundred of the fortune 500 list or directly
11 benefit a business of which at least five percent of
12 the stock is owned by such company."

S-3986

Filed May 4, 1987

BY AL STURGEON

WITHDRAWN (j. 1680)

SENATE 27
May 5, 1987

SENATE FILE 515

S-3983

1 Amend amendment S-3979 to Senate File 515 as
2 follows:
3 1. Page 1, line 12, by inserting after the figure
4 "1988." the following: "If the federal government has
5 not committed funds to this project by January 1,
6 1988, the funds appropriated by this paragraph shall
7 revert to the jobs now capitals account."
8 2. Page 1, line 19, by inserting after the figure
9 "1988." the following: "If the federal government has
10 not committed funds to this project by January 1,
11 1988, the funds appropriated by this paragraph shall
12 revert to the jobs now capitals account."

S-3983

Filed May 4, 1987
WITHDRAWN (p. 1450)

BY BEVERLY A. HANNON

SENATE FILE 515

S-3984

1 Amend Senate File 515 as follows:
2 1. Page 18, by inserting after line 6 the
3 following:
4 "Sec. ____ . Any armory located in the state which
5 receives state funds under this or any other Act of
6 the general assembly, shall be made available for
7 federal surplus commodities distribution programs as
8 well as shelter for the homeless, as needed."

S-3984

Filed May 4, 1987
LOST (p. 1681)

BY BEVERLY A. HANNON

SENATE FILE 515

S-3985

1 Amend amendment S-3979 to Senate File 515 as
2 follows:
3 1. Page 1, line 12, by inserting after the figure
4 "1988." the following: "If the federal government has
5 not committed funds to this project by January 1,
6 1988, the funds appropriated by this paragraph shall
7 revert to the jobs now account."
8 2. Page 1, line 19, by inserting after the figure
9 "1988." the following: "If the federal government has
10 not committed funds to this project by January 1,
11 1988, the funds appropriated by this paragraph shall
12 revert to the jobs now account."

S-3985

Filed May 4, 1987
LOST (p. 1680)

BY BEVERLY A. HANNON

1 Section 1. Section 99E.10, subsection 1, unnumbered
2 paragraph 3, Code 1987, is amended to read as follows:

3 The Iowa plan fund for economic development, also to be
4 known as the Iowa plan fund, is created in the office of the
5 treasurer of state. Lottery revenue remaining after expenses
6 are determined shall be transferred to the Iowa plan fund on a
7 quarterly monthly basis. Revenues generated during the last
8 quarter month of the fiscal year which are transferred to the
9 Iowa plan fund during the following fiscal year shall be
10 considered revenues transferred during the previous fiscal
11 year for purposes of the allotments made to and appropriations
12 made from the separate accounts in the Iowa plan fund for that
13 previous fiscal year. However, upon the request of the
14 director and subject to approval by the treasurer of state, an
15 amount sufficient to cover the foreseeable administrative
16 expenses of the lottery for a period of twenty-one days may be
17 retained from the lottery revenue. Prior to the quarterly
18 monthly transfer to the Iowa plan fund, the director may
19 direct that lottery revenue shall be deposited in the lottery
20 fund and in interest bearing accounts designated by the
21 treasurer of state in the financial institutions of this state
22 or invested in the manner provided in section 452.10.
23 Interest or earnings paid on the deposits or investments is
24 considered lottery revenue and shall be transferred to the
25 Iowa plan fund in the same manner as other lottery revenue.
26 Money in the Iowa plan fund shall be deposited in interest
27 bearing accounts in financial institutions in this state or
28 invested in the manner provided in section 452.10. The
29 interest or earnings on the deposits or investments shall be
30 considered part of the Iowa plan fund and shall be retained in
31 the fund unless appropriated by the general assembly.

32 Sec. 2. Section 99E.20, subsection 2, Code 1987, is
33 amended to read as follows:

34 2. A lottery fund is created in the office of the
35 treasurer of state. The fund consists of all revenues

1 received from the sale of lottery tickets or shares and all
2 other moneys lawfully credited or transferred to the fund.
3 The commissioner shall certify ~~quarterly~~ monthly that portion
4 of the fund that is transferred to the Iowa plan fund under
5 section 99E.10 and shall cause that portion to be transferred
6 to the Iowa plan fund of the state. The commissioner shall
7 certify before the twentieth of each month that portion of the
8 fund resulting from the previous month's sales to be
9 transferred to the Iowa plan fund.

10 Sec. 3. Section 99E.31, subsection 2, unnumbered paragraph
11 2, Code 1987, is amended by striking the paragraph and
12 inserting in lieu thereof the following:

13 Only a political subdivision of the state may apply to
14 receive funds for any of the above purposes. The political
15 subdivision shall make application to the department of
16 economic development specifying the purpose for which the
17 funds will be used. In ranking applications for funds, the
18 department shall consider a variety of factors including, but
19 not limited to:

- 20 (1) The proportion of local match to be provided.
21 (2) The proportion of private contribution to be provided,
22 including the involvement of financial institutions.
23 (3) The total number of jobs to be created or retained.
24 (4) The size of the business receiving assistance. The
25 department shall award more points to small businesses as
26 defined by the United States small business administration.
27 (5) The potential for future growth in the industry
28 represented by the business being considered for assistance.
29 (6) The need of the business for financial assistance from
30 governmental sources. More points shall be awarded to a
31 business which the department determines that governmental
32 assistance is most necessary to the success of the project.
33 (7) The quality of the jobs to be created. In rating the
34 quality of the jobs the department shall award more points to
35 those jobs that have a higher wage scale, have a lower

1 turnover rate, are full-time or career-type positions, or have
2 other related factors.

3 (8) More points shall be awarded for providing loans over
4 grants. The department shall document all repayments of
5 project loans made through the community economic betterment
6 program. During each legislative session the department shall
7 report to the economic development appropriation subcommittees
8 concerning the expected loan repayments to be collected for
9 the respective fiscal year and the nature and purposes of how
10 the funds resulting from the loan repayments are to be
11 expended.

12 (9) The level of need of the political subdivision.

13 (10) The impact of the proposed project on the economy of
14 the political subdivision.

15 (11) The impact of the proposed project on other
16 businesses in competition with the business being considered
17 for assistance. The department shall identify existing
18 businesses within an industry in competition with the business
19 being considered for assistance. The department shall
20 determine the probability that the proposed financial
21 assistance will displace employees of the existing businesses.
22 The level of probable employee displacement as determined by
23 the department shall be used in determining the total number
24 of jobs created or retained as a result of the proposed
25 financial assistance.

26 (12) The level of compliance of the business with OSHA and
27 other business safety regulations, the quality of the
28 business' relations with labor, the level of fairness in its
29 dealings with its employees, and the amount of business ethics
30 shown by the business.

31 The department shall not provide more than one million
32 dollars for any project, unless at least two-thirds of the
33 members of the economic development board vote for providing
34 more. However, after the first ten million dollars in the
35 community economic betterment account have been provided to

1 political subdivisions, the amount that may be provided by the
2 department for a project from additional moneys credited to
3 that account is not subject to the one million dollar
4 limitation.

5 Sec. 4. Section 99E.31, subsection 4, paragraph a, Code
6 1987, is amended by adding the following new unnumbered
7 paragraphs:

8 NEW UNNUMBERED PARAGRAPH. In addition to the other
9 proposals mentioned, an institution under the control of the
10 state board of regents, a merged area school, or an
11 independent college or university in the state may apply for a
12 grant for an applied research project. An applied research
13 project is limited to specific research or the testing of an
14 idea, process, or product to determine the potential for
15 feasible commercial applications. Institutions under the
16 control of the state board of regents, the merged area
17 schools, and the independent colleges and universities shall
18 submit their proposals directly to the Iowa high technology
19 council. The Iowa high technology council shall receive and
20 evaluate the applied research project proposals from
21 independent colleges and state universities and make
22 recommendations to the Iowa department of economic
23 development. Applied research project proposals may be in,
24 but are not limited to, the following areas of research:

- 25 (1) Management development.
- 26 (2) Biotechnology.
- 27 (3) Microelectronics.
- 28 (4) Genetics.
- 29 (5) Molecular biology.
- 30 (6) Laser science.
- 31 (7) Third crop development.
- 32 (8) Productivity enhancement/process controls.
- 33 (9) Energy alternatives.

34 NEW UNNUMBERED PARAGRAPH. In the ranking of applied
35 research project proposals, the Iowa department of economic

1 development shall consider all of the following:

2 (1) Level of private sector support, assistance, or
3 participation in the project.

4 (2) The commercial feasibility of the project.

5 (3) The potential of the commercial feasibility of the
6 project to diversify the economic base of Iowa.

7 (4) The technical feasibility of the project.

8 (5) Matching funds from other sources.

9 Funded applied research projects shall be given priority by
10 the Iowa department of economic development in receiving
11 product development funds or other department services or
12 assistance designed to promote or encourage the development of
13 new products or new businesses; by the state board of regents
14 in receiving admission into campus incubators, assistance from
15 the small business development centers, or other services or
16 assistance designed for developing new products or new
17 businesses; and by the community colleges in receiving small
18 business job training programs or other assistance designed
19 for developing new products or new businesses.

20 Sec. 5. Section 99E.32, subsection 1, paragraphs a and b,
21 Code 1987, are amended to read as follows:

22 a. In the fiscal year beginning July 1, 1986 the first
23 three million four hundred thirty-eight thousand dollars, in
24 the fiscal year beginning July 1, 1987 the first one three
25 million six hundred thousand dollars, in the fiscal year
26 beginning July 1, 1988 the first one million dollars and in
27 the fiscal year beginning July 1, 1989 the first one million
28 dollars to the jobs now capitals account.

29 b. In each of the four fiscal years after the allotment in
30 paragraph "a", ten million dollars to the community economic
31 betterment account; for the fiscal years beginning July 1,
32 1986, July 1, 1987, July 1, 1988, and July 1, 1989, eight
33 million five hundred fifty thousand dollars, seven million one
34 hundred fifty thousand dollars, seven million nine hundred
35 thousand dollars, and seven million nine hundred thousand

1 dollars, respectively, to the jobs now account; and for the
2 fiscal years beginning July 1, 1986, July 1, 1987, July 1,
3 1988, and July 1, 1989, twelve million five hundred thousand
4 dollars, eight million dollars, eleven million five hundred
5 thousand dollars, and eleven million two hundred fifty
6 thousand dollars, respectively, to the education and
7 agriculture research and development account. However, the
8 allotment to the jobs now account for the fiscal year
9 beginning July 1, 1986 shall be eight million five hundred
10 fifty thousand dollars.

11 Sec. 6. Section 99E.32, subsection 3, Code 1987, is
12 amended to read as follows:

13 3. There are appropriated moneys in the jobs now account
14 for each of the fiscal years beginning July 1, 1986, July 1,
15 1987, July 1, 1988, and July 1, 1989 to the following funds,
16 agencies, boards or commissions in the amounts, or so much
17 thereof as may be necessary, as provided in section 99E.33 to
18 be used for the following purposes:

19 a. To the natural resource commission for the purposes
20 designated in section 99E.31, subsection 3, paragraph "a".
21 For the fiscal year beginning July 1, 1986, the amount
22 appropriated is two million five hundred thousand dollars.
23 For the fiscal year beginning July 1, 1987, the amount
24 appropriated is one million three hundred sixty-five thousand
25 dollars of which two hundred fifty thousand dollars shall be
26 used for grants-in-aid to county conservation boards; two hun-
27 dred fifty thousand dollars shall be used, only if federal
28 funds are available, for acquisition and development of
29 facilities under the western trails historical project; two
30 hundred fifty thousand dollars for the Union Grove lake
31 restoration development project; forty thousand dollars for
32 the A. A. Call state park restoration project; and seventy-
33 five thousand dollars for bike and recreational trail
34 development projects in the greenbelt area located in or near
35 the Iowa river corridor.

1 b. To the Iowa product development fund for the purposes
2 provided in section 28.89. For the fiscal year beginning July
3 1, 1987, the amount appropriated is one million dollars.

4 c. To the department of cultural affairs for the purposes
5 designated in section 99E.31, subsection 3, paragraph "d".
6 For the fiscal year beginning July 1, 1987, the amount
7 appropriated is one hundred seventy-five thousand dollars.

8 d. To the Iowa department of economic development for the
9 purposes designated in section 99E.31, subsection 3, paragraph
10 "e". For the fiscal year beginning July 1, 1986, the amount
11 appropriated is two million six hundred thousand dollars. For
12 the fiscal year beginning July 1, 1987, the amount
13 appropriated is two million fifty thousand dollars to be used
14 for the purposes and in the amounts as follows:

15 (1) Satellite centers under section 28.101, one million
16 one hundred twenty-five thousand dollars.

17 (2) Federal procurement offices, one hundred thousand
18 dollars.

19 (3) Iowa main street program, two hundred seventy-five
20 thousand dollars.

21 (4) Technical assistance for businesses for purposes of
22 the federal small business innovation research grants program,
23 two hundred fifty thousand dollars of which fifty thousand
24 dollars shall be expended to develop and operate a small
25 business information center.

26 (5) Business incubators, three hundred thousand dollars.
27 The funds shall be used to provide for operations of existing
28 incubators and for the establishment of new incubators. The
29 department will award grants to universities, community
30 colleges, and local communities on an annual basis. In
31 awarding the grants, the department shall consider the
32 incubator's plan to become self-sufficient within a certain
33 time frame. Future grants shall be contingent upon how the
34 incubator is succeeding in becoming self-sufficient. The
35 local community, university, or college is required to match

1 the state's grant on a dollar for dollar basis.

2 e. For the fiscal year beginning July 1, 1986 only, the
3 sum of two hundred thousand dollars for the targeted small
4 business loan guarantee program established pursuant to
5 section 220.111.

6 f. For the fiscal year years beginning July 1, 1986 and
7 July 1, 1987 only, to the Iowa conservation corps account the
8 sum of one million dollars and seven hundred fifty thousand
9 dollars, respectively. Of the funds appropriated under this
10 paragraph, five hundred thousand dollars shall be used for a
11 summer jobs program for young adults, as a part of the Iowa
12 youth corps and designed to provide part-time public service
13 employment to work on conservation-oriented projects.

14 g. ~~For~~ For the fiscal years beginning July 1, 1988 and July
15 1, 1989 only, to the Iowa department of economic development,
16 one million dollars for purposes of administration of the
17 "young adult program" of the Iowa conservation corps,
18 established in section 15.225.

19 Sec. 7. Section 99E.32, subsection 3, Code 1987, is
20 amended by adding the following new lettered paragraphs:

21 NEW LETTERED PARAGRAPH. h. For the fiscal year beginning
22 July 1, 1987 only, to the advance account of the area school
23 job training fund established in section 280C.6, one million
24 dollars. Of the funds appropriated by this paragraph, seven
25 hundred fifty thousand dollars shall be allocated to job
26 training agreements in which the business is located in a
27 community with a population of five thousand or less and two
28 hundred fifty thousand dollars shall be allocated to job
29 training agreements in which the business is located in a
30 community with a population greater than five thousand but not
31 more than ten thousand.

32 NEW LETTERED PARAGRAPH. i. For the fiscal year beginning
33 July 1, 1987 only, to the department of agriculture and land
34 stewardship the sum of three hundred thousand dollars for
35 developing pilot public/private partnerships to assist Iowa

1 producers of agricultural products in the promotion,
2 marketing, and selling of agricultural products to local and
3 regional markets.

4 NEW LETTERED PARAGRAPH. j. For the fiscal year beginning
5 July 1, 1987 only, to the Iowa department of economic
6 development the sum of sixty thousand dollars for the
7 establishment of visitor and tourism centers. Not more than
8 twenty thousand dollars shall be expended for each center.
9 The centers shall be located in or near communities with
10 populations of five thousand or less. The local communities
11 are required to equally match the state funds.

12 NEW LETTERED PARAGRAPH. k. For the fiscal year beginning
13 July 1, 1987 only, to the department of economic development
14 the sum of two hundred thousand dollars for the establishment
15 of a special event loan fund to offer short term loans to
16 organizers of events of regional, national, and international
17 significance. Loans would be used by organizers of events to
18 equally match funds raised from other sources for purposes
19 related to the hosting of regional, national, or international
20 meetings, conferences, festivals, or trade shows. Loans would
21 be repaid by organizers to the revolving fund from gate
22 receipts, exhibit fees, or other sources. Funds shall be
23 awarded only after the decision has been made to locate the
24 event in Iowa and funds shall not be used as part of
25 competitive negotiations between communities to attract and
26 relocate an event from another Iowa location. The director of
27 the department shall enter into contracts for short term
28 repayment of loans made for these purposes. Loans shall not
29 exceed the amount of funds held in the special event loan
30 fund. The department may make a grant from the fund of up to
31 one hundred thousand dollars to the organizers for the 1988
32 world ag expo in the Amana colonies. The department may make
33 a grant from the fund of fifty thousand dollars to the
34 organizers of the 1988 greater Des Moines metropolitan grand
35 prix auto race.

1 NEW LETTERED PARAGRAPH. 1. For the fiscal year beginning
2 July 1, 1987 only, to the department of economic development
3 the sum of two hundred fifty thousand dollars for the
4 maintenance of the ambassador's program as established
5 pursuant to 1986 Iowa Acts, chapter 1246, section 1,
6 subsection 4.

7 Sec. 8. Section 99E.32, subsection 4, Code 1987, is
8 amended to read as follows:

9 4. There are appropriated moneys in the education and
10 agriculture research and development account for each of the
11 fiscal years beginning July 1, 1986, July 1, 1987, July 1,
12 1988, and July 1, 1989 to the following funds, agencies,
13 boards or commissions in the amounts, or so much thereof as
14 may be necessary, as provided in section 99E.33 to be used for
15 the following purposes:

16 a. To the Iowa college aid commission for the forgivable
17 loan program established in sections 261.71 to 261.73. For
18 the fiscal year beginning July 1, 1986, the amount
19 appropriated is seven hundred fifty thousand dollars.
20 Notwithstanding subsection 7, any moneys not expended under
21 this paragraph by June 30, 1987 shall not be used for purposes
22 of this paragraph but shall be transferred and used for the
23 purposes described in paragraph "c" for the fiscal year
24 beginning July 1, 1987. For the fiscal year beginning July 1,
25 1987, no amount is appropriated.

26 b. To the Iowa department of economic development for the
27 purposes and under the conditions specified in section 99E.31,
28 subsection 4, paragraph "a". For the fiscal year beginning
29 July 1, 1986, the amount appropriated is ten million seven
30 hundred fifty thousand dollars. For the fiscal year beginning
31 July 1, 1987, the amount appropriated is seven million
32 dollars.

33 c. To the Iowa college aid commission for the purposes and
34 under the conditions specified in section 99E.31, subsection
35 4, paragraph "b". For the fiscal year beginning July 1, 1987,

1 no amount is appropriated. However, the funds transferred
2 under paragraph "a" are available for use under this paragraph
3 for the fiscal year beginning July 1, 1987.

4 d. For the fiscal year beginning July 1, 1987 only, to the
5 college aid commission the sum of five hundred thousand
6 dollars for the establishment of an equipment and
7 communication and technical services grant program to be allo-
8 cated by the commission to independent institutions of higher
9 education. Funds appropriated under this paragraph shall be
10 used to develop and enhance educational course offerings and
11 programs in business enterprise for current and potential
12 owners, operators, and managers of businesses that produce or
13 market goods or services in Iowa, including but not limited
14 to, students of those institutions.

15 e. For the fiscal years beginning July 1, 1987 and July 1,
16 1988 only, to the Iowa peace institute, the sum of two hundred
17 fifty thousand dollars each fiscal year for salaries, support,
18 maintenance, and miscellaneous purposes provided, and to the
19 extent that, the appropriations are matched dollar for dollar
20 by the Iowa peace institute.

21 Sec. 9. Section 99E.32, subsection 5, paragraphs a and c,
22 Code 1987, are amended to read as follows:

23 a. There is appropriated from the allotment made to the
24 jobs now capitals account under subsection 1 for each of the
25 fiscal years beginning July 1, 1986, ~~July 1, 1987,~~ July 1,
26 1988 and July 1, 1989 to the department of education the sum
27 of one million dollars for the purposes and under the
28 conditions specified in section 99E.31, subsection 5,
29 paragraph "c".

30 c. There is appropriated from the allotment made to the
31 jobs now capitals account under subsection 1 for the fiscal
32 year years beginning July 1, 1986 and July 1, 1987 to the Iowa
33 state university of science and technology for funding for the
34 small business development centers the sum of seven hundred
35 thousand dollars and eight hundred twenty-five thousand

1 dollars, respectively.

2 Sec. 10. Section 99E.32, subsection 5, Code 1987, is
3 amended by adding the following new lettered paragraphs:

4 NEW LETTERED PARAGRAPH. i. There is appropriated from the
5 allotment to the jobs now capitals account under subsection 1
6 for the fiscal year beginning July 1, 1987 to the Iowa
7 department of economic development the sum of one million
8 dollars for the establishment of tourism and cultural centers.

9 NEW LETTERED PARAGRAPH. j. There is appropriated from the
10 allotment to the jobs now capitals account under subsection 1
11 for the fiscal year beginning July 1, 1987 to the department
12 of general services the sum of five hundred thousand dollars
13 for capitol building restoration and major repairs.

14 NEW LETTERED PARAGRAPH. k. There is appropriated from the
15 allotment to the jobs now capitals account under subsection 1
16 for the fiscal year beginning July 1, 1987 to the department
17 of transportation the sum of one million dollars for improving
18 services of the state aircraft pool.

19 NEW LETTERED PARAGRAPH. l. There is appropriated from the
20 allotment to the jobs now capitals account under subsection 1
21 for the fiscal year beginning July 1, 1987 to the department
22 of elder affairs the sum of seventy-five thousand dollars for
23 the purchase and support of a mobile resource center for the
24 elder law education program.

25 NEW LETTERED PARAGRAPH. m. There is appropriated from the
26 allotment to the jobs now capitals account under subsection 1
27 for the fiscal year beginning July 1, 1987 to the department
28 of public defense for the purpose of the armory in Algona the
29 sum of one hundred thousand dollars of which fifty thousand
30 dollars shall not be available until January 1, 1988.

31 NEW LETTERED PARAGRAPH. n. There is appropriated from the
32 allotment to the jobs now capitals account under subsection 1
33 for the fiscal year beginning July 1, 1987 to the department
34 of public defense for the purpose of the armory in Dennison
35 the sum of one hundred thousand dollars of which fifty

1 thousand dollars shall not be available until January 1, 1988.

2 Sec. 11. Section 99E.32, subsection 7, Code 1987, is
3 amended to read as follows:

4 7. The moneys appropriated in subsections 2, 3, 4 and 5
5 shall remain in the appropriate account of the Iowa plan fund
6 until such time as the agency, board, commission, or overseer
7 of the fund to which moneys are appropriated has made a
8 request to the treasurer for use of moneys appropriated to it
9 and the amount needed for that use. ~~The treasurer shall~~
10 ~~withdraw this amount from the amount appropriated to that~~
11 ~~entity and remit it to the entity not earlier than thirty days~~
12 ~~after receipt of the request.~~ Notwithstanding section 8.33,
13 moneys remaining of the appropriations made for a fiscal year
14 from any of the accounts within the Iowa plan fund on June 30
15 of that fiscal year, shall not revert to any fund but shall
16 remain in that account to be used for the purposes for which
17 they were appropriated and the moneys remaining in that
18 account shall not be considered in making the allotments for
19 the next fiscal year.

20 Sec. 12. Section 99E.32, Code 1987, is amended by adding
21 the following new subsection:

22 NEW SUBSECTION. 9. All agencies, boards, commissions, or
23 overseers of funds to which moneys are appropriated under this
24 section shall report to the legislative fiscal bureau by
25 October 10, January 10, April 10, and July 10 for each quarter
26 ending September 30, December 31, March 31, and June 30 of the
27 fiscal year for which the funds are appropriated. The
28 legislative fiscal bureau shall determine the necessary
29 financial and program information to be transmitted to the
30 general assembly.

31 Sec. 13. NEW SECTION. 38.1 PEACE INSTITUTE.

32 A corporate body called the "Iowa Peace Institute" is
33 created. The institute is an independent nonprofit public
34 instrumentality and the exercise of the powers granted to the
35 institute as a corporation in this chapter is an essential

1 governmental function. As used in this chapter "institute"
2 means the "Iowa Peace Institute". The purposes of the in-
3 stitute include but are not limited to the following:

4 1. Provide statewide leadership in promoting the estab-
5 lishment of the United States institute of peace in Iowa.

6 2. Develop programs that promote peace among nations.

7 3. Cooperate with the efforts of institutions of higher
8 education in the state in providing courses in the history,
9 culture, religion and language of world communities.

10 4. Encourage development of courses in the art of
11 negotiation and conflict resolution without the use of
12 violence.

13 5. Maintain a roster of specialists in world trouble areas
14 to lecture, hold seminars, and participate in designing al-
15 ternate policy options.

16 6. Develop alternative strategies for settling interna-
17 tional disputes which could be proposed to or contracted for
18 by the United States and other governments.

19 7. Contract with persons or business organizations to
20 facilitate their engaging in international commerce.

21 Sec. 14. NEW SECTION. 38.2 GOVERNING BOARD.

22 The institute shall be administered by a governing board
23 which shall consist of not less than fifteen members nor more
24 than twenty-five members as determined by the by-laws of the
25 institute. The by-laws shall also provide for the method of
26 selection of the members, except that seven members shall be
27 appointed as follows:

28 1. Three members shall be appointed by the governor.

29 2. One member shall be selected by the majority leader of
30 the senate.

31 3. One member shall be selected by the minority leader of
32 the senate.

33 4. One member shall be selected by the speaker of the
34 house of representatives.

35 5. One member shall be selected by the minority leader of

1 the house of representatives.

2 Members shall serve a term of four years. Vacancies shall
3 be filled for the unexpired portion of the term.

4 Sec. 15. NEW SECTION. 38.3 NONPROFIT CORPORATION.

5 The institute as a corporation has perpetual succession
6 until the existence of the corporation is terminated by law.
7 If the corporation is terminated, the rights and properties of
8 the corporation shall pass to the state. However, debts and
9 other financial obligations shall not succeed to the state.

10 Sec. 16. NEW SECTION. 38.4 DUTIES OF THE BOARD.

11 The governing board, within the limits of the funds avail-
12 able to it, shall:

13 1. Employ an executive director to administer the activi-
14 ties of the institute and employ support personnel as neces-
15 sary.

16 2. Approve plans relating to the purposes for which the
17 institute is established.

18 3. Execute contracts with public and private agencies re-
19 lating to the purposes for which the institute is established.

20 4. Perform other functions necessary to carry out the pur-
21 poses of the institute.

22 5. Establish advisory committees to assist the institute
23 in carrying out its purposes.

24 6. Provide an annual report to the governor and the
25 general assembly.

26 Sec. 17. NEW SECTION. 38.5 GIFTS -- GRANTS.

27 The institute may accept grants, gifts, and bequests, in-
28 cluding but not limited to appropriations, federal funds, and
29 other funding available for carrying out the purposes of the
30 institute.

31 Sec. 18.

32 1. It is the intent of the general assembly that the
33 department of economic development, in its administration of
34 the community economic betterment account grant program, shall
35 conform its activities to the mission, goals, and objectives

1 provided in this section and collect information pertaining to
2 performance measures developed by the legislative fiscal
3 bureau. The department shall provide a report at least
4 quarterly to the legislative fiscal bureau and the co-
5 chairpersons and ranking members of the economic development
6 appropriations subcommittee on the performance measures. The
7 department shall be notified by the legislative fiscal bureau
8 by July 1, 1987 of the specific performance measures for which
9 data shall be collected and reported.

10 2. The department exists to enhance the economic
11 development of the state and provide for job creation and
12 increased prosperity and opportunities for the citizens of the
13 state by providing direct financial and technical assistance
14 and training to businesses and individuals by coordinating
15 other state, local, and federal economic development programs.

16 3. The department's goals includes the diversification and
17 expansion of the state's economic base and to retain
18 businesses which currently make up that economic base to
19 accomplish the following objectives:

20 a. To assist businesses that add diversity to and generate
21 new opportunities for the state economy.

22 b. To attract, retain, and expand businesses that produce
23 exports or import substitutes, including businesses which
24 purchase a larger share of their products from Iowa producers
25 which should receive a higher priority.

26 c. To assist businesses whose products or services do not
27 necessarily have to be produced in this state.

28 d. To assist businesses which pay higher wages.

29 e. To assist businesses who produce value-added products
30 and services.

31 4. The community economic betterment account grant program
32 elements which will be reviewed by the legislative fiscal
33 bureau as performance indicators include:

34 a. The total amount of community economic betterment funds
35 available.

- 3 d. The total number of jobs created.
- 4 e. The total amount of funds leveraged from outside
5 sources.
- 6 f. The number and dollar amount of grants and loans and
7 number of jobs associated with CEBA-assisted businesses iden-
8 tified by the department as existing businesses which change
9 or expand product lines and effectively reduce the dominance
10 of the Iowa economy by agriculture or agriculture-related
11 industries.
- 12 g. The number and dollar amount of grants and loans and
13 number of jobs associated with CEBA-assisted businesses iden-
14 tified by the department as start-up businesses which
15 effectively reduce the dominance of the Iowa economy by
16 agriculture or agriculture-related industries.
- 17 h. The number and dollar amount of grants and loans and
18 number of jobs associated with CEBA-assisted businesses iden-
19 tified by the department as relocated businesses which
20 effectively reduce the dominance of the Iowa economy by
21 agriculture or agriculture-related industries.
- 22 i. The number and dollar amount of grants and loans and
23 number of jobs associated with CEBA-assisted businesses iden-
24 tified by the department as businesses that produce
25 agriculture-related value-added products and services.
- 26 j. The number and dollar amount of grants and loans and
27 number of jobs associated with CEBA-assisted businesses iden-
28 tified by the department that produce exports or import
29 substitutes.
- 30 k. The number and dollar amount of grants and loans and
31 number of jobs associated with CEBA-assisted businesses iden-
32 tified by the department that would not necessarily have to
33 produce products and services in Iowa.
- 34 l. The number and dollar amount of grants and loans and
35 number of jobs associated with the range of wages and benefits

1 paid by businesses which received CEBA funds.

2 Sec. 19. Section 99E.32, subsection 2, paragraph h, as
3 enacted by 1987 Iowa Acts, House File 355, section 29, is
4 amended to read as follows:

5 h. For the fiscal ~~year~~ years beginning on July 1, 1986 and
6 July 1, 1987 the department shall establish a pilot program
7 entitled the new business opportunity program to provide
8 financial and technical assistance to emerging businesses and
9 industries that expand and diversity the state's economic
10 base. Assistance may be in any form authorized under the
11 community economic betterment account and the department may
12 allocate for each of those fiscal years up to one million
13 dollars of the account's funds for the pilot program.

14 Sec. 20. 1986 Iowa Acts, chapter 1190, section 10, is
15 repealed.

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SENATE FILE 515

4250

Amend Senate File 515 as amended, passed and reprinted by the Senate as follows:

1. Page 1, by inserting before line 1 the following:

"Sec. ____ . Section 99E.10, subsection 1, unnumbered paragraph 1, Code 1987, is amended to read as follows:

Upon receipt of any revenue, the commissioner shall deposit the moneys in the lottery fund created pursuant to section 99E.20 with the exception of the revenue to be deposited in the prescription drug program fund pursuant to subsection 4. As nearly as is practicable, at least fifty percent of the projected annual revenue, after deduction of the amount of the sales tax, accruing from the sale of tickets or shares is appropriated for payment of prizes to the holders of winning tickets. After the payment of prizes, all of the following shall be deducted from lottery revenue prior to disbursement:"

2. Page 1, by inserting after line 31 the following:

"Sec. ____ . Section 99E.10, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 4. The commissioner shall deposit one hundred percent of lottery revenues derived from video lottery games in the prescription drug program fund created in the office of the treasurer of state. The moneys credited to the prescription drug program fund are appropriated to the department of elder affairs to fund the prescription drug program established pursuant to section 249D.60. Any interest earned on moneys credited to the fund shall remain in the fund and shall be expended to fund the prescription drug program. As used in this section, "video lottery games" means lottery games involving a machine designed similar to a video amusement game with the exception that prizes are awarded at random by the lottery agency at the conclusion of the game."

3. Page 15, by inserting after line 30 the following:

"Sec. ____ . NEW SECTION. 249D.60 PRESCRIPTION DRUG PROGRAM.

The commission shall adopt a plan for, and the department shall initiate a prescription drug program to subsidize the prescription drug costs of elders who have limited resources to pay these costs. The department shall establish a cost-sharing schedule which reflects the ability of the elder to pay prescription drug costs, including the elder's eligibility for medicare or other reimbursement.

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1 available. The commission may enter into agreements
2 with providers, provider associates, or other state
3 agencies to administer all or part of the program or
4 to provide related services, and may use up to five
5 percent of the moneys appropriated to the department
6 for the administrative costs of this program. The
7 commission shall establish administrative rules
8 pursuant to chapter 17A to govern the operation of
9 this program."

H-4250 FILED MAY 6, 1987

BY VAN CAMP of Scott

Law 5/7 (7 2181)

SENATE FILE 515

H-4265

- 1 Amend Senate File 515, as amended, passed, and re-
2 printed by the Senate, as follows:
- 3 1. Page 3, line 4, by inserting after the word
4 "grants." the following: "Loans in excess of fifty
5 thousand dollars involving a city or county, if the
6 city or county has established a special economic de-
7 velopment fund to which repayments of interest would
8 be credited and from which moneys would be used solely
9 for additional economic development projects or
10 purposes, shall be made on the following terms:
11 principal payments shall be paid to the community
12 economic betterment account; interest payments shall
13 be paid to the city or county making the loan; and the
14 city or county shall supervise and enforce the terms
15 of the loan and the cost of supervision and
16 enforcement shall be borne and paid by the city or
17 county from funds other than those received as
18 interest payments on economic development loans."
- 19 2. Page 3, line 21, by inserting after the word
20 "businesses" the following: "and shall consider the
21 level of excess production capacity within an industry
22 when making this determination".
- 23 3. Page 3, by striking lines 22 through 25 and
24 inserting the following: "In determining the impact
25 on businesses in competition with the business being
26 considered for assistance, jobs created as a result of
27 other jobs being displaced elsewhere in the state
28 shall not be considered direct jobs created."
- 29 4. Page 4, line 20, by inserting after the word
30 "from" the following: "the merged area schools,".
- 31 5. Page 5, lines 24 and 25, by striking the words
32 "three million six hundred" and inserting the
33 following: "six million six hundred seventy-five".
- 34 6. Page 5, line 26, by striking the words "one
35 million" and inserting the following: "one three
36 million seven hundred fifty thousand".
- 37 7. Page 5, line 27, by striking the words "one
38 million" and inserting the following: "one three
39 million seven hundred fifty thousand".
- 40 8. Page 5, lines 33 and 34, by striking the words
41 "seven million one hundred fifty" and inserting the
42 following: "eight million three hundred seventy-
43 five".
- 44 9. Page 6, line 4, by striking the words "eight
45 million" and inserting the following: "seven million
46 two hundred fifty thousand".
- 47 10. Page 6, line 24, by striking the words "one
48 million three hundred sixty-five thousand" and
49 inserting the following: "two million".
- 50 11. Page 6, by striking lines 25 through 35 and

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Page Two

1 inserting the following: "dollars."

2 12. Page 7, line 3, by inserting after the word
3 "million" the following: "five hundred thousand".

4 13. Page 7, line 7, by striking the word "one"
5 and inserting the following: "six".

6 14. Page 7, line 16, by inserting after the word
7 "dollars" the following: "of which fifty thousand

8 dollars shall be used by the department to hire a
9 rural development coordinator; forty-five thousand
10 dollars for an informational referral center; and
11 ninety-five thousand dollars for model rural
12 development projects".

13 15. Page 7, line 28, by striking the words "of
14 new incubators" and inserting the following: "of at
15 least one new incubator in the fiscal year".

16 16. Page 7, lines 32 and 33, by striking the
17 words "within a certain time frame" and inserting the
18 following: "from the need for further grants within
19 three years of its start-up".

20 17. Page 8, by striking lines 24 through 31 and
21 inserting the following: "dollars."

22 18. By striking page 9, line 4 through page 10,
23 line 6 and inserting the following:

24 "NEW LETTERED PARAGRAPH. i. For the fiscal year
25 beginning July 1, 1987 only, to the department of
26 economic development the sum of one hundred thousand
27 dollars, or so much as is necessary, to provide a
28 grant to the organizers from the 1988 world ag expo in
29 the Amana colonies."

30 19. Page 10, line 32, by inserting after the word
31 "dollars" the following: "of which five hundred
32 thousand dollars shall be allocated to the Iowa State
33 University of science and technology for the national
34 center for food and industrial agricultural product
35 development; and two hundred fifty thousand dollars
36 shall be allocated to the University of Northern Iowa
37 for the decision making science institute".

38 20. Page 11, by striking lines 4 through 14.

39 21. Page 11, line 18, by striking the words
40 "maintenance, and miscellaneous purposes" and insert-
41 ing the following: "and maintenance".

42 22. Page 11, line 20, by inserting after the word
43 "institute." the following: "The peace institute
44 shall not use any of the state funds for the construc-
45 tion or purchase of real property."

46 23. Page 11, line 21, by striking the words "a
47 and c" and inserting the following: "c and h".

48 24. Page 11, by striking lines 23 through 29.

49 25. Page 12, by inserting after line 1 the
50 following:

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Page Three

1 "h. There is appropriated from the allotment made
2 to the jobs now capitals account under subsection 1
3 for the fiscal year beginning July 1, 1985 to the
4 legislative council for the use of the world trade
5 advisory committee the sum of one hundred twenty-five
6 thousand dollars, or so much thereof as is necessary,
7 to pay expenses of the members of the committee and
8 other expenses approved by the committee.
9 Notwithstanding subsection 7, any moneys not expended
10 under this paragraph by June 30, 1987 shall ~~revert to~~
11 ~~the Iowa plan fund to be allotted~~ be transferred for
12 the fiscal year beginning July 1, 1987 to the various
13 ~~accounts in the Iowa plan fund~~ department of economic
14 development for a labor management council for which
15 the department may contract out."

16 26. Page 12, line 7, by striking the word "one"
17 and inserting the following: "two".

18 27. Page 12, line 8, by striking the words
19 "tourism and cultural centers." and inserting the
20 following: "welcome centers as provided in 1987 Iowa
21 Acts, House File 540. Of the amounts appropriated,
22 sixty thousand dollars shall be used for the
23 establishment of rural centers to be located in or
24 near communities with populations of five thousand or
25 less. Not more than twenty thousand dollars shall be
26 expended for each center. The local communities are
27 required to equally match state funds."

28 28. Page 12, by striking lines 11 through 13 and
29 inserting the following: "for construction,
30 equipment, renovation, and other costs associated with
31 buildings in the capitol complex the sum of two
32 million seven hundred fifty thousand dollars for each
33 of the fiscal years beginning July 1, 1987; July 1,
34 1988; and July 1, 1989 to the department of general
35 services. Of the total funds appropriated, seven
36 hundred fifty thousand dollars shall be utilized to
37 pay costs of equipping the new historical building and
38 the costs of moving exhibits into that building; the
39 funds shall next be used to construct and equip
40 additional space for the general assembly as approved
41 by the legislative council; and the remaining funds
42 shall be used for renovation and remodeling of
43 buildings in the capitol complex."

44 29. Page 12, by striking lines 14 through 24.

45 30. Page 12, by striking lines 29 and 30 and
46 inserting the following: "sum of fifty thousand
47 dollars."

48 31. By striking page 12, line 35 through page 13,
49 line 1 and inserting the following: "the sum of fifty
50 thousand dollars."

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Page Four

1 32. Page 13, by inserting after line 30 the fol-
2 lowing:
3 "Sec. ____ . Section 28.101, subsection 2,
4 unnumbered paragraph 1, Code 1987, is amended to read
5 as follows:
6 To aid in fulfilling the purpose of the primary
7 research and marketing center for business and
8 international trade, the department may provide grants
9 to establish satellite centers throughout the state.
10 To facilitate establishment of satellite centers, the
11 state is divided up into fifteen regional economic
12 delivery areas which have the same area boundaries as
13 merged areas, as defined in section 280A.2, in
14 existence on May 3, 1985. Each regional delivery area
15 wishing to receive a grant from the department to
16 establish a satellite center in its area shall create
17 a regional coordinating council which shall develop a
18 plan for the area to coordinate all federal, state,
19 and local economic development services within the
20 area. After developing this plan, the council may
21 seek a grant for a satellite center by submitting the
22 coordinating plan and an application for a grant to
23 the department. A grant shall not be awarded within
24 the regional economic delivery area without the
25 approval of the regional coordinating plan by the
26 department. The department may rescind its approval
27 of a regional coordinating plan upon thirty days
28 notice, if the department determines that the stated
29 purpose of the plan is not being carried out. The
30 department may then accept an alternative proposal for
31 a regional coordinating plan. If a regional
32 coordinating council is awarded a grant for a
33 satellite center, it shall employ a center director at
34 the satellite center. The regional coordinating
35 councils shall have sole authority to hire the
36 director of the satellite centers. If, in the opinion
37 of the department, the director of any satellite
38 center is not fulfilling the regional coordinating
39 plan, the department may rescind its approval of the
40 plan. The center director's duties and
41 responsibilities include the following:"

H-4265 FILED MAY 7, 1987 BY COMMITTEE ON ECONOMIC DEVELOPMENT
DIVISIONS A,B,C, & D ADOPTED (p.2124)

as amended by 4275

SENATE FILE 515

H-4300

1 Amend Senate File 515, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 1, by inserting before line 1 the
4 following:

5 "Section 1. Section 99E.9, Code 1987, is amended
6 by adding the following new subsection:

7 NEW SUBSECTION. In making decisions relating to
8 the marketing or advertising of the Iowa lottery and
9 the various games offered, the board shall give
10 consideration to marketing or advertising through
11 Iowa-based advertising agencies and media outlets."

H-4300 FILED MAY 7, 1987

BY HANSON of Delaware

ADOPTED (p. 2126)

SENATE FILE 515

H-4302

1 Amend Senate File 515 as amended, passed and
2 reprinted by the Senate as follows:

3 1. Page 7, line 20, by inserting after the word
4 "dollars." the following: "The program shall apply to
5 towns with a population between five thousand and
6 fifty thousand and all county seat towns whose
7 populations do not exceed fifty thousand."

H-4302 FILED MAY 7, 1987

BY McKEAN of Jones

LOST (p. 2121)

SENATE FILE 515

H-4303

1 Amend the Committee amendment, H-4265, to Senate
2 File 515, as amended, passed, and reprinted by the
3 Senate, as follows:

4 1. Page 2, line 45, by inserting after the word
5 "property" the following: "or for salaries".

H-4303 FILED MAY 7, 1987

BY CORBETT of Linn

LOST (p. 2123)

SENATE FILE 515

H-4275

1 Amend the Committee amendment, H-4265, to Senate
2 File 515, as amended, passed, and reprinted by the
3 Senate, as follows:

4 1. Page 2, line 26, by striking the words
5 "economic development" and inserting the following:
6 "agriculture and land stewardship".

H-4275 FILED MAY 7, 1987

BY RUNNING of Linn

ADOPTED (p. 2122)

May 8, 1987

HOUSE AMENDMENT TO
SENATE FILE 515

S-4066

1 Amend Senate File 515, as amended, passed, and re-
2 printed by the Senate, as follows:

3 1. Page 1, by inserting before line 1 the
4 following:

5 "Section 1. Section 99E.9, Code 1987, is amended
6 by adding the following new subsection:

7 NEW SUBSECTION. In making decisions relating to
8 the marketing or advertising of the Iowa lottery and
9 the various games offered, the board shall give
10 consideration to marketing or advertising through
11 Iowa-based advertising agencies and media outlets."

12 2. Page 3, line 4, by inserting after the word
13 "grants." the following: "Loans in excess of fifty
14 thousand dollars involving a city or county, if the
15 city or county has established a special economic de-
16 velopment fund to which repayments of interest would
17 be credited and from which moneys would be used solely
18 for additional economic development projects or
19 purposes, shall be made on the following terms:
20 principal payments shall be paid to the community
21 economic betterment account; interest payments shall
22 be paid to the city or county making the loan; and the
23 city or county shall supervise and enforce the terms
24 of the loan and the cost of supervision and
25 enforcement shall be borne and paid by the city or
26 county from funds other than those received as
27 interest payments on economic development loans."

28 3. Page 3, line 21, by inserting after the word
29 "businesses" the following: "and shall consider the
30 level of excess production capacity within an industry
31 when making this determination".

32 4. Page 3, by striking lines 22 through 25 and
33 inserting the following: "In determining the impact
34 on businesses in competition with the business being
35 considered for assistance, jobs created as a result of
36 other jobs being displaced elsewhere in the state
37 shall not be considered direct jobs created."

38 5. Page 4, line 20, by inserting after the word
39 "from" the following: "the merged area schools,".

40 6. Page 5, lines 24 and 25, by striking the words
41 "three million six hundred" and inserting the
42 following: "six million six hundred seventy-five".

43 7. Page 5, line 26, by striking the words "one
44 million" and inserting the following: "one three
45 million seven hundred fifty thousand".

46 8. Page 5, line 27, by striking the words "one
47 million" and inserting the following: "one three
48 million seven hundred fifty thousand".

49 9. Page 5, lines 33 and 34, by striking the words
50 "seven million one hundred fifty" and inserting the

S-4066 pg. 2

1 following: "eight million three hundred seventy-
2 five".

3 10. Page 6, line 4, by striking the words "eight
4 million" and inserting the following: "seven million
5 two hundred fifty thousand".

6 11. Page 6, line 24, by striking the words "one
7 million three hundred sixty-five thousand" and
8 inserting the following: "two million".

9 12. Page 6, by striking lines 25 through 35 and
10 inserting the following: "dollars."

11 13. Page 7, line 3, by inserting after the word
12 "million" the following: "five hundred thousand".

13 14. Page 7, line 7, by striking the word "one"
14 and inserting the following: "six".

15 15. Page 7, line 16, by inserting after the word
16 "dollars" the following: "of which fifty thousand
17 dollars shall be used by the department to hire a
18 rural development coordinator; forty-five thousand
19 dollars for an informational referral center; and
20 ninety-five thousand dollars for model rural
21 development projects".

22 16. Page 7, line 28, by striking the words "of
23 new incubators" and inserting the following: "of at
24 least one new incubator in the fiscal year".

25 17. Page 7, lines 32 and 33, by striking the
26 words "within a certain time frame" and inserting the
27 following: "from the need for further grants within
28 three years of its start-up".

29 18. Page 8, by striking lines 24 through 31 and
30 inserting the following: "dollars."

31 19. By striking page 9, line 4 through page 10,
32 line 6 and inserting the following:

33 "NEW LETTERED PARAGRAPH. i. For the fiscal year
34 beginning July 1, 1987 only, to the department of
35 agriculture and land stewardship the sum of one
36 hundred thousand dollars, or so much as is necessary,
37 to provide a grant to the organizers from the 1988
38 world ag expo in the Amana colonies."

39 20. Page 10, line 32, by inserting after the word
40 "dollars" the following: "of which five hundred
41 thousand dollars shall be allocated to the Iowa State
42 University of science and technology for the national
43 center for food and industrial agricultural product
44 development; and two hundred fifty thousand dollars
45 shall be allocated to the University of Northern Iowa
46 for the decision making science institute".

47 21. Page 11, by striking lines 4 through 14.

48 22. Page 11, line 18, by striking the words
49 "maintenance, and miscellaneous purposes" and insert-
50 ing the following: "and maintenance".

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23. Page 11, line 20, by inserting after the word
2 "institute," the following: "The peace institute
3 shall not use any of the state funds for the construc-
4 tion or purchase of real property."

24. Page 11, line 21, by striking the words "a
5 and c" and inserting the following: "c and h".

25. Page 11, by striking lines 23 through 29.

26. Page 12, by inserting after line 1 the
9 following:

10 "h. There is appropriated from the allotment made
11 to the jobs now capitals account under subsection 1
12 for the fiscal year beginning July 1, 1986 to the
13 legislative council for the use of the world trade
14 advisory committee the sum of one hundred twenty-five
15 thousand dollars, or so much thereof as is necessary,
16 to pay expenses of the members of the committee and
17 other expenses approved by the committee.
18 Notwithstanding subsection 7, any moneys not expended
19 under this paragraph by June 30, 1987 shall revert to
20 the Iowa plan fund to be allotted be transferred for
21 the fiscal year beginning July 1, 1987 to the various
22 accounts in the Iowa plan fund department of economic
23 development for a labor management council for which
24 the department may contract out."

27. Page 12, line 7, by striking the word "one"
5 and inserting the following: "two".

28. Page 12, line 8, by striking the words
27 "tourism and cultural centers." and inserting the
28 following: "welcome centers as provided in 1987 Iowa
29 Acts, House File 540. Of the amounts appropriated,
30 sixty thousand dollars shall be used for the
31 establishment of rural centers to be located in or
32 near communities with populations of five thousand or
33 less. Not more than twenty thousand dollars shall be
34 expended for each center. The local communities are
35 required to equally match state funds."

29. Page 12, by striking lines 11 through 13 and
37 inserting the following: "for construction,
38 equipment, renovation, and other costs associated with
39 buildings in the capitol complex the sum of two
40 million seven hundred fifty thousand dollars for each
41 of the fiscal years beginning July 1, 1987; July 1,
42 1988; and July 1, 1989 to the department of general
43 services. Of the total funds appropriated, seven
44 hundred fifty thousand dollars shall be utilized to
45 pay costs of equipping the new historical building and
46 the costs of moving exhibits into that building; the
47 funds shall next be used to construct and equip
48 additional space for the general assembly as approved
49 by the legislative council; and the remaining funds
50

S-4066 pg. 4

1 shall be used for renovation and remodeling of
2 buildings in the capitol complex."

3 30. Page 12, by striking lines 14 through 24.

4 31. Page 12, by striking lines 29 and 30 and
5 inserting the following: "sum of fifty thousand
6 dollars."

7 32. By striking page 12, line 35 through page 13,
8 line 1 and inserting the following: "the sum of fifty
9 thousand dollars."

10 33. Page 13, by inserting after line 30 the fol-
11 lowing:

12 "Sec. ____ . Section 28.101, subsection 2,
13 unnumbered paragraph 1, Code 1987, is amended to read
14 as follows:

15 To aid in fulfilling the purpose of the primary
16 research and marketing center for business and
17 international trade, the department may provide grants
18 to establish satellite centers throughout the state.
19 To facilitate establishment of satellite centers, the
20 state is divided up into fifteen regional economic
21 delivery areas which have the same area boundaries as
22 merged areas, as defined in section 280A.2, in
23 existence on May 3, 1985. Each regional delivery area
24 wishing to receive a grant from the department to
25 establish a satellite center in its area shall create
26 a regional coordinating council which shall develop a
27 plan for the area to coordinate all federal, state,
28 and local economic development services within the
29 area. After developing this plan, the council may
30 seek a grant for a satellite center by submitting the
31 coordinating plan and an application for a grant to
32 the department. A grant shall not be awarded within
33 the regional economic delivery area without the
34 approval of the regional coordinating plan by the
35 department. The department may rescind its approval
36 of a regional coordinating plan upon thirty days
37 notice, if the department determines that the stated
38 purpose of the plan is not being carried out. The
39 department may then accept an alternative proposal for
40 a regional coordinating plan. If a regional
41 coordinating council is awarded a grant for a
42 satellite center, it shall employ a center director at
43 the satellite center. The regional coordinating
44 councils shall have sole authority to hire the
45 director of the satellite centers. If, in the opinion
46 of the department, the director of any satellite
47 center is not fulfilling the regional coordinating
48 plan, the department may rescind its approval of the
49 plan. The center director's duties and
50 responsibilities include the following:"

1 34. By renumbering, relettering, or redesignating
2 and correcting internal references as necessary.

S-4066

Filed May 7, 1987

RECEIVED FROM THE HOUSE

SENATE FILE 515

S-4078

1 Amend the House amendment, S-4066, to Senate File
2 515, as amended, passed and reprinted by the Senate as
3 follows:

4 1. Page 2, line 5, by striking the words "two
5 hundred fifty" and inserting the following: "four
6 hundred".

7 2. Page 3, by inserting after line 4 the
8 following:

9 " ". Page 11, by inserting after line 20 the
10 following:

11 "f. For the fiscal years beginning July 1, 1987,
12 July 1, 1988, and July 1, 1989 to the Iowa State
13 University of science and technology, the sum of one
14 hundred fifty thousand dollars for each fiscal year
15 for allocation to the Iowa State University water
16 resource research institute for a subsurface water and
17 nutrient management system. This research shall
18 concentrate its efforts on providing optimum soil
19 water table level throughout the growing season,
20 reduction of nitrates in Iowa's surface and subsurface
21 waters, reduction of Iowa's dependency on subsurface
22 water for irrigation, increasing productivity of
23 selected Iowa soils for selected crops. The Iowa
24 State University water resource research institute
25 shall administer the research funds and report to the
26 general assembly by February 1 of each year, on the
27 program's progress and results."

S-4078

Filed May 8, 1987

Adopted 5/9/87 (p. 1837)

BY LEONARD L. BOSWELL

SENATE AMENDMENT TO HOUSE AMENDMENT TO SENATE FILE 515
H-4360

1 Amend the House amendment, S-4066, to Senate File
2 515, as amended, passed and reprinted by the Senate as
3 follows:

4 1. Page 2, line 5, by striking the words "two
5 hundred fifty" and inserting the following: "four
6 hundred".

7 2. Page 3, by inserting after line 4 the
8 following:

9 " ". Page 11, by inserting after line 20 the
10 following:

11 "f. For the fiscal years beginning July 1, 1987,
12 July 1, 1988, and July 1, 1989 to the Iowa State
13 University of science and technology, the sum of one
14 hundred fifty thousand dollars for each fiscal year
15 for allocation to the Iowa State University water
16 resource research institute for a subsurface water and
17 nutrient management system. This research shall
18 concentrate its efforts on providing optimum soil
19 water table level throughout the growing season,
20 reduction of nitrates in Iowa's surface and subsurface
21 waters, reduction of Iowa's dependency on subsurface
22 water for irrigation, increasing productivity of
23 selected Iowa soils for selected crops. The Iowa
24 State University water resource research institute
25 shall administer the research funds and report to the
26 general assembly by February 1 of each year, on the
27 program's progress and results."

H-4360 FILED MAY 9, 1987

RECEIVED FROM THE SENATE

CONCURRED 5/9/87 (p. 2285)



TERRY E. BRANSTAD
GOVERNOR

OFFICE OF THE GOVERNOR

STATE CAPITOL
DES MOINES, IOWA 50319
515 281-5211

June 7, 1987

The Honorable Elaine Baxter
Secretary of State
State Capitol Building
L O C A L

Dear Madam Secretary:

I hereby transmit Senate File 515, an acting relating to the allocations and appropriations of lottery revenues and the programs for which the revenues may be used.

Senate File 515, makes appropriations from lottery revenues to the various accounts of the Iowa Plan Fund. I am pleased that the General Assembly, for the most part, maintained our commitment to use the lottery funds for economic development and job creation activities. However, the language included in this legislation unwisely restricts the use of these funds for job creation purposes, provides funds for the construction of a legislative underground office facility which has little, if any, positive economic development impact, and inappropriately involves the legislative branch in executive branch management activities.

Senate File 515 is, therefore, approved on this date with the following exceptions which I hereby disapprove.

I am unable to approve the items designated as Section 4, Subsections 8, 11 in their entirety and the first paragraph of Subsection 12.

Subsections 8, 11 and a portion of 12 of Section 4 of Senate File 515 provide unnecessary restrictions on the ability of the Department of Economic Development to provide community economic betterment account funds. These funds are provided to local communities to assist in job creation efforts. One of the values of this program has been its flexibility -- the Department is able to act quickly and responsibly in the race for new jobs.

The Honorable Elaine Baxter
June 7, 1987
Page 2

Subsections 8, 11 and 12 would greatly hamper the ability of the Department of Economic Development to respond quickly to an opportunity for new job creation in the state. Subsection 10 would require large upfront loans to eligible businesses which would quickly dry up available funds. While loans should be used where economically feasible, the department should retain the flexibility to use either grants or loans.

Subsection 11 requires a detailed competitive impact assessment before funds are authorized. The competitive impacts of CEB grants should and are a part of the department's decision-making process. However, the detailed restrictions imposed in Subsection 11 would greatly limit the ability of the department to act quickly in response to an economic development opportunity.

In addition, the designated portion of Subsection 12 would require the department to do an exhaustive analysis of each company's labor relations and "business ethics" record prior to providing assistance to create jobs. Such standards are illusory and could tie the department up into bureaucratic knots when speed and decisiveness are needed to obtain new jobs.

Taken together, these subsections could well cost Iowa jobs in the future by unnecessarily restricting the use of community economic betterment funds. They must therefore be disapproved.

I am unable to approve the item designated as that portion of Section 11, New Lettered Paragraph, j, which reads as follows: "the funds shall next be used to construct and equip additional space for the general assembly as approved by the legislative council;".

This item of Senate File 515 provides funds for the construction of an underground office building for the General Assembly. The General Assembly has also provided appropriations for the next several fiscal years to complete this multi-million construction project. Given the state's tight fiscal condition and the need for additional funds for economic development and other important priorities, I cannot approve this measure to construct a new legislative office building.

Lottery funds are to be used for economic development purposes. Constructing an underground office facility for the expansion of the General Assembly is not the type of job creation Iowans had in mind when the lottery funding package was first developed. For that reason, I cannot approve this item.

The Honorable Elaine Baxter
June 7, 1987
Page 3

I am unable to approve the item designated as Section 13 in its entirety.

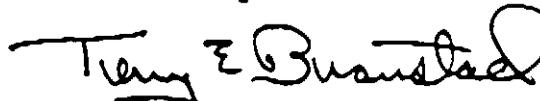
Section 13 of Senate File 515 requires all the agencies, boards and commissions which receive funds from the lottery to provide frequent reports to the legislative fiscal bureau. This is an excessive level of reporting and would limit the ability of the managers of these funds to appropriately administer the programs within the executive branch's discretion. Therefore, I cannot approve this item.

I am unable to approve the item designated as Section 20 in its entirety. Section 20 of Senate File 515 imposes burdensome performance measures and reporting requirements on the Department of Economic Development. The type of management related goals, and reporting mechanisms included in the bill are the essence of executive branch administrative discretion. The Department of Management has developed performance measures for each department. The results of these measures can be shared at appropriate times with the Legislative branch.

In addition, the Department of Economic Development will respond to appropriate requests for information from the legislature regarding the implementation of economic development programs. However, the administration of programs must remain an executive branch prerogative without the encroachment incorporated in Section 20 of Senate File 515.

For the above reasons, I hereby respectfully disapprove of these items in accordance with Amendment 4 of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 515 are hereby approved as of this date.

Sincerely,



Terry E. Branstad
Governor

TEB:cc

SENATE FILE 515

AN ACT

RELATING TO THE ALLOCATIONS AND APPROPRIATIONS OF LOTTERY REVENUES AND THE PROGRAMS FOR WHICH THE REVENUES MAY BE USED.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 99E.9, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. In making decisions relating to the marketing or advertising of the Iowa lottery and the various games offered, the board shall give consideration to marketing or advertising through Iowa-based advertising agencies and media outlets.

Sec. 2. Section 99E.10, subsection 1, unnumbered paragraph 3, Code 1987, is amended to read as follows:

The Iowa plan fund for economic development, also to be known as the Iowa plan fund, is created in the office of the treasurer of state. Lottery revenue remaining after expenses are determined shall be transferred to the Iowa plan fund on a quarterly monthly basis. Revenues generated during the last quarter month of the fiscal year which are transferred to the Iowa plan fund during the following fiscal year shall be considered revenues transferred during the previous fiscal year for purposes of the allotments made to and appropriations made from the separate accounts in the Iowa plan fund for that previous fiscal year. However, upon the request of the director and subject to approval by the treasurer of state, an amount sufficient to cover the foreseeable administrative expenses of the lottery for a period of twenty-one days may be retained from the lottery revenue. Prior to the quarterly monthly transfer to the Iowa plan fund, the director may

Items vetoed: Section 4, ss 8, 11 and portion of 12.
Portion of Section 11, new lettered paragraph, j.
Sections 13 and 20

direct that lottery revenue shall be deposited in the lottery fund and in interest bearing accounts designated by the treasurer of state in the financial institutions of this state or invested in the manner provided in section 452.10. Interest or earnings paid on the deposits or investments is considered lottery revenue and shall be transferred to the Iowa plan fund in the same manner as other lottery revenue. Money in the Iowa plan fund shall be deposited in interest bearing accounts in financial institutions in this state or invested in the manner provided in section 452.10. The interest or earnings on the deposits or investments shall be considered part of the Iowa plan fund and shall be retained in the fund unless appropriated by the general assembly.

Sec. 3. Section 99E.20, subsection 2, Code 1987, is amended to read as follows:

2. A lottery fund is created in the office of the treasurer of state. The fund consists of all revenues received from the sale of lottery tickets or shares and all other moneys lawfully credited or transferred to the fund. The commissioner shall certify quarterly monthly that portion of the fund that is transferred to the Iowa plan fund under section 99E.10 and shall cause that portion to be transferred to the Iowa plan fund of the state. The commissioner shall certify before the twentieth of each month that portion of the fund resulting from the previous month's sales to be transferred to the Iowa plan fund.

Sec. 4. Section 99E.31, subsection 2, unnumbered paragraph 2, Code 1987, is amended by striking the paragraph and inserting in lieu thereof the following:

Only a political subdivision of the state may apply to receive funds for any of the above purposes. The political subdivision shall make application to the department of economic development specifying the purpose for which the funds will be used. In ranking applications for funds, the department shall consider a variety of factors including, but not limited to:

- (1) The proportion of local match to be provided.

SF 515

(2) The proportion of private contribution to be provided, including the involvement of financial institutions.

(3) The total number of jobs to be created or retained.

(4) The size of the business receiving assistance. The department shall award more points to small businesses as defined by the United States small business administration.

(5) The potential for future growth in the industry represented by the business being considered for assistance.

(6) The need of the business for financial assistance from governmental sources. More points shall be awarded to a business which the department determines that governmental assistance is most necessary to the success of the project.

(7) The quality of the jobs to be created. In rating the quality of the jobs the department shall award more points to those jobs that have a higher wage scale, have a lower turnover rate, are full-time or career-type positions, or have other related factors.

(8) More points shall be awarded for providing loans over grants. Loans in excess of fifty thousand dollars involving a city or county, if the city or county has established a special economic development fund to which repayments of interest would be credited and from which moneys would be used solely for additional economic development projects or purposes, shall be made on the following terms: principal payments shall be paid to the community economic betterment account; interest payments shall be paid to the city or county making the loan; and the city or county shall supervise and enforce the terms of the loan and the cost of supervision and enforcement shall be borne and paid by the city or county from funds other than those received as interest payments on economic development loans. The department shall document all repayments of project loans made through the community economic betterment program. During each legislative session the department shall report to the economic development appropriation subcommittees concerning the expected loan repayments to be collected for the respective fiscal year and

the nature and purposes of how the funds resulting from the loan repayments are to be expended.

(9) The level of need of the political subdivision.

(10) The impact of the proposed project on the economy of the political subdivision.

(11) The impact of the proposed project on other businesses in competition with the business being considered for assistance. The department shall identify existing businesses within an industry in competition with the business being considered for assistance. The department shall determine the probability that the proposed financial assistance will displace employees of the existing businesses and shall consider the level of excess production capacity within an industry when making this determination. In determining the impact on businesses in competition with the business being considered for assistance, jobs created as a result of other jobs being displaced elsewhere in the state shall not be considered direct jobs created.

(12) The level of compliance of the business with OSHA and other business safety regulations, the quality of the business' relations with labor, the level of fairness in its dealings with its employees, and the amount of business ethics shown by the business.

The department shall not provide more than one million dollars for any project, unless at least two-thirds of the members of the economic development board vote for providing more. However, after the first ten million dollars in the community economic betterment account have been provided to political subdivisions, the amount that may be provided by the department for a project from additional moneys credited to that account is not subject to the one million dollar limitation.

Sec. 5. Section 99E.31, subsection 4, paragraph a, Code 1987, is amended by adding the following new unnumbered paragraphs:

NEW UNNUMBERED PARAGRAPH. In addition to the other proposals mentioned, an institution under the control of the state board of regents, a merged area school, or an independent college or university in the state may apply for a grant for an applied research project. An applied research project is limited to specific research or the testing of an idea, process, or product to determine the potential for feasible commercial applications. Institutions under the control of the state board of regents, the merged area schools, and the independent colleges and universities shall submit their proposals directly to the Iowa high technology council. The Iowa high technology council shall receive and evaluate the applied research project proposals from the merged area schools, independent colleges and state universities and make recommendations to the Iowa department of economic development. Applied research project proposals may be in, but are not limited to, the following areas of research:

- (1) Management development.
- (2) Biotechnology.
- (3) Microelectronics.
- (4) Genetics.
- (5) Molecular biology.
- (6) Laser science.
- (7) Third crop development.
- (8) Productivity enhancement/process controls.
- (9) Energy alternatives.

NEW UNNUMBERED PARAGRAPH. In the ranking of applied research project proposals, the Iowa department of economic development shall consider all of the following:

- (1) Level of private sector support, assistance, or participation in the project.
- (2) The commercial feasibility of the project.
- (3) The potential of the commercial feasibility of the project to diversify the economic base of Iowa.
- (4) The technical feasibility of the project.

(5) Matching funds from other sources.

Funded applied research projects shall be given priority by the Iowa department of economic development in receiving product development funds or other department services or assistance designed to promote or encourage the development of new products or new businesses; by the state board of regents in receiving admission into campus incubators, assistance from the small business development centers, or other services or assistance designed for developing new products or new businesses; and by the community colleges in receiving small business job training programs or other assistance designed for developing new products or new businesses.

Sec. 6. Section 99E.32, subsection 1, paragraphs a and b, Code 1987, are amended to read as follows:

a. In the fiscal year beginning July 1, 1986 the first three million four hundred thirty-eight thousand dollars, in the fiscal year beginning July 1, 1987 the first one six million six hundred seventy-five thousand dollars, in the fiscal year beginning July 1, 1988 the first one three million seven hundred fifty thousand dollars and in the fiscal year beginning July 1, 1989 the first one three million seven hundred fifty thousand dollars to the jobs now capitals account.

b. In each of the four fiscal years after the allotment in paragraph "a", ten million dollars to the community economic betterment account; for the fiscal years beginning July 1, 1986, July 1, 1987, July 1, 1988, and July 1, 1989, eight million five hundred fifty thousand dollars, eight million three hundred seventy-five thousand dollars, seven million nine hundred thousand dollars, and seven million nine hundred thousand dollars, respectively, to the jobs now account; and for the fiscal years beginning July 1, 1986, July 1, 1987, July 1, 1988, and July 1, 1989, twelve million five hundred thousand dollars, seven million four hundred thousand dollars, eleven million five hundred thousand dollars, and eleven million two hundred fifty thousand dollars, respectively, to

the education and agriculture research and development account. However, the allotment to the jobs now account for the fiscal year beginning July 1, 1986 shall be eight million five hundred fifty thousand dollars.

Sec. 7. Section 99E.32, subsection 3, Code 1987, is amended to read as follows:

3. There are appropriated moneys in the jobs now account for each of the fiscal years beginning July 1, 1986, July 1, 1987, July 1, 1988, and July 1, 1989 to the following funds, agencies, boards or commissions in the amounts, or so much thereof as may be necessary, as provided in section 99E.33 to be used for the following purposes:

a. To the natural resource commission for the purposes designated in section 99E.31, subsection 3, paragraph "a". For the fiscal year beginning July 1, 1986, the amount appropriated is two million five hundred thousand dollars. For the fiscal year beginning July 1, 1987, the amount appropriated is two million dollars.

b. To the Iowa product development fund for the purposes provided in section 28.89. For the fiscal year beginning July 1, 1987, the amount appropriated is one million five hundred thousand dollars.

c. To the department of cultural affairs for the purposes designated in section 99E.31, subsection 3, paragraph "d". For the fiscal year beginning July 1, 1987, the amount appropriated is six hundred seventy-five thousand dollars.

d. To the Iowa department of economic development for the purposes designated in section 99E.31, subsection 3, paragraph "e". For the fiscal year beginning July 1, 1986, the amount appropriated is two million six hundred thousand dollars. For the fiscal year beginning July 1, 1987, the amount appropriated is two million fifty thousand dollars to be used for the purposes and in the amounts as follows:

1) Satellite centers under section 28.101, one million one hundred twenty-five thousand dollars of which fifty thousand dollars shall be used by the department to hire a

rural development coordinator; forty-five thousand dollars for an informational referral center; and ninety-five thousand dollars for model rural development projects.

(2) Federal procurement offices, one hundred thousand dollars.

(3) Iowa main street program, two hundred seventy-five thousand dollars.

(4) Technical assistance for businesses for purposes of the federal small business innovation research grants program, two hundred fifty thousand dollars of which fifty thousand dollars shall be expended to develop and operate a small business information center.

(5) Business incubators, three hundred thousand dollars. The funds shall be used to provide for operations of existing incubators and for the establishment of at least one new incubator in the fiscal year. The department will award grants to universities, community colleges, and local communities on an annual basis. In awarding the grants, the department shall consider the incubator's plan to become self-sufficient from the need for further grants within three years of its start-up. Future grants shall be contingent upon how the incubator is succeeding in becoming self-sufficient. The local community, university, or college is required to match the state's grant on a dollar for dollar basis.

e. For the fiscal year beginning July 1, 1986 only, the sum of two hundred thousand dollars for the targeted small business loan guarantee program established pursuant to section 220.111.

f. For the fiscal year years beginning July 1, 1986 and July 1, 1987 only, to the Iowa conservation corps account the sum of one million dollars and seven hundred fifty thousand dollars, respectively. Of the funds appropriated under this paragraph, five hundred thousand dollars shall be used for a summer jobs program for young adults, as a part of the Iowa youth corps and designed to provide part-time public service employment to work on conservation-oriented projects.

g. ~~For the fiscal years beginning July 1, 1988 and July 1, 1989 only,~~ to the Iowa department of economic development, one million dollars for purposes of administration of the "young adult program" of the Iowa conservation corps, established in section 15.225.

Sec. 8. Section 99E.32, subsection 3, Code 1987, is amended by adding the following new lettered paragraphs:

NEW LETTERED PARAGRAPH. h. For the fiscal year beginning July 1, 1987 only, to the advance account of the area school job training fund established in section 280C.6, one million dollars.

NEW LETTERED PARAGRAPH. i. For the fiscal year beginning July 1, 1987 only, to the department of agriculture and land stewardship the sum of three hundred thousand dollars for developing pilot public/private partnerships to assist Iowa producers of agricultural products in the promotion, marketing, and selling of agricultural products to local and regional markets.

NEW LETTERED PARAGRAPH. j. For the fiscal year beginning July 1, 1987 only, to the department of agriculture and land stewardship the sum of one hundred thousand dollars, or so much as is necessary, to provide a grant to the organizers from the 1988 world ag expo in the Amana colonies.

Sec. 9. Section 99E.32, subsection 4, Code 1987, is amended to read as follows:

4. There are appropriated moneys in the education and agriculture research and development account for each of the fiscal years beginning July 1, 1986, July 1, 1987, July 1, 1988, and July 1, 1989 to the following funds, agencies, boards or commissions in the amounts, or so much thereof as may be necessary, as provided in section 99E.33 to be used for the following purposes:

a. To the Iowa college aid commission for the forgivable loan program established in sections 261.71 to 261.73. For the fiscal year beginning July 1, 1986, the amount appropriated is seven hundred fifty thousand dollars.

Notwithstanding subsection 7, any moneys not expended under this paragraph by June 30, 1987 shall not be used for purposes of this paragraph but shall be transferred and used for the purposes described in paragraph "c" for the fiscal year beginning July 1, 1987. For the fiscal year beginning July 1, 1987, no amount is appropriated.

b. To the Iowa department of economic development for the purposes and under the conditions specified in section 99E.31, subsection 4, paragraph "a". For the fiscal year beginning July 1, 1986, the amount appropriated is ten million seven hundred fifty thousand dollars. For the fiscal year beginning July 1, 1987, the amount appropriated is seven million dollars of which five hundred thousand dollars shall be allocated to the Iowa State University of science and technology for the national center for food and industrial agricultural product development; and two hundred fifty thousand dollars shall be allocated to the University of Northern Iowa for the decision making science institute.

c. To the Iowa college aid commission for the purposes and under the conditions specified in section 99E.31, subsection 4, paragraph "b". For the fiscal year beginning July 1, 1987, no amount is appropriated. However, the funds transferred under paragraph "a" are available for use under this paragraph for the fiscal year beginning July 1, 1987.

d. For the fiscal years beginning July 1, 1987 and July 1, 1988 only, to the Iowa peace institute, the sum of two hundred fifty thousand dollars each fiscal year for salaries, support, and maintenance provided, and to the extent that, the appropriations are matched dollar for dollar by the Iowa peace institute. The peace institute shall not use any of the state funds for the construction or purchase of real property.

e. For the fiscal years beginning July 1, 1987, July 1, 1988, and July 1, 1989 to the Iowa State University of science and technology, the sum of one hundred fifty thousand dollars for each fiscal year for allocation to the Iowa State University water resource research institute for a subsurface

water and nutrient management system. This research shall concentrate its efforts on providing optimum soil water table level throughout the growing season, reduction of nitrates in Iowa's surface and subsurface waters, reduction of Iowa's dependency on subsurface water for irrigation, increasing productivity of selected Iowa soils for selected crops. The Iowa State University water resource research institute shall administer the research funds and report to the general assembly by February 1 of each year, on the program's progress and results.

Sec. 10. Section 99E.32, subsection 5, paragraphs c and h, Code 1987, are amended to read as follows:

c. There is appropriated from the allotment made to the jobs now capitals account under subsection 1 for the fiscal year years beginning July 1, 1986 and July 1, 1987 to the Iowa state university of science and technology for funding for the small business development centers the sum of seven hundred thousand dollars and eight hundred twenty-five thousand dollars, respectively.

h. There is appropriated from the allotment made to the jobs now capitals account under subsection 1 for the fiscal year beginning July 1, 1986 to the legislative council for the use of the world trade advisory committee the sum of one hundred twenty-five thousand dollars, or so much thereof as is necessary, to pay expenses of the members of the committee and other expenses approved by the committee. Notwithstanding subsection 7, any moneys not expended under this paragraph by June 30, 1987 shall revert-to-the-Iowa-plan-fund-to-be allotted be transferred for the fiscal year beginning July 1, 1987 to the various-accounts-in-the-Iowa-plan-fund department of economic development for a labor management council for which the department may contract out.

Sec. 11. Section 99E.32, subsection 5, Code 1987, is amended by adding the following new lettered paragraphs:

NEW LETTERED PARAGRAPH. i. There is appropriated from the allotment to the jobs now capitals account under subsection 1

for the fiscal year beginning July 1, 1987 to the Iowa department of economic development the sum of two million dollars for the establishment of welcome centers as provided in 1987 Iowa Acts, House File 540. Of the amounts appropriated, sixty thousand dollars shall be used for the establishment of rural centers to be located in or near communities with populations of five thousand or less. Not more than twenty thousand dollars shall be expended for each center. The local communities are required to equally match state funds.

NEW LETTERED PARAGRAPH. j. There is appropriated from the allotment to the jobs now capitals account under subsection 1 for construction, equipment, renovation, and other costs associated with buildings in the capitol complex the sum of two million seven hundred fifty thousand dollars for each of the fiscal years beginning July 1, 1987; July 1, 1988; and July 1, 1989 to the department of general services. Of the total funds appropriated, seven hundred fifty thousand dollars shall be utilized to pay costs of equipping the new historical building and the costs of moving exhibits into that building; the funds shall next be used to construct and equip additional space for the general assembly as approved by the legislative council; and the remaining funds shall be used for renovation and remodeling of buildings in the capitol complex.

NEW LETTERED PARAGRAPH. k. There is appropriated from the allotment to the jobs now capitals account under subsection 1 for the fiscal year beginning July 1, 1987 to the department of public defense for the purpose of the armory in Algona the sum of fifty thousand dollars.

NEW LETTERED PARAGRAPH. l. There is appropriated from the allotment to the jobs now capitals account under subsection 1 for the fiscal year beginning July 1, 1987 to the department of public defense for the purpose of the armory in Denison the sum of fifty thousand dollars.

Sec. 12. Section 99E.32, subsection 7, Code 1987, is amended to read as follows:

3. Cooperate with the efforts of institutions of higher education in the state in providing courses in the history, culture, religion and language of world communities.

4. Encourage development of courses in the art of negotiation and conflict resolution without the use of violence.

5. Maintain a roster of specialists in world trouble areas to lecture, hold seminars, and participate in designing alternate policy options.

6. Develop alternative strategies for settling international disputes which could be proposed to or contracted for by the United States and other governments.

7. Contract with persons or business organizations to facilitate their engaging in international commerce.

Sec. 16. NEW SECTION. 38.2 GOVERNING BOARD.

The institute shall be administered by a governing board which shall consist of not less than fifteen members nor more than twenty-five members as determined by the bylaws of the institute. The bylaws shall also provide for the method of selection of the members, except that seven members shall be appointed as follows:

1. Three members shall be appointed by the governor.
2. One member shall be selected by the majority leader of the senate.
3. One member shall be selected by the minority leader of the senate.
4. One member shall be selected by the speaker of the house of representatives.
5. One member shall be selected by the minority leader of the house of representatives.

Members shall serve a term of four years. Vacancies shall be filled for the unexpired portion of the term.

Sec. 17. NEW SECTION. 38.3 NONPROFIT CORPORATION.

The institute as a corporation has perpetual succession until the existence of the corporation is terminated by law. If the corporation is terminated, the rights and properties of

the corporation shall pass to the state. However, debts and other financial obligations shall not succeed to the state.

Sec. 18. NEW SECTION. 38.4 DUTIES OF THE BOARD.

The governing board, within the limits of the funds available to it, shall:

1. Employ an executive director to administer the activities of the institute and employ support personnel as necessary.
2. Approve plans relating to the purposes for which the institute is established.
3. Execute contracts with public and private agencies relating to the purposes for which the institute is established.
4. Perform other functions necessary to carry out the purposes of the institute.
5. Establish advisory committees to assist the institute in carrying out its purposes.
6. Provide an annual report to the governor and the general assembly.

Sec. 19. NEW SECTION. 38.5 GIFTS -- GRANTS.

The institute may accept grants, gifts, and bequests, including but not limited to appropriations, federal funds, and other funding available for carrying out the purposes of the institute.

Sec. 20.

1. It is the intent of the general assembly that the department of economic development, in its administration of the community economic betterment account grant program, shall conform its activities to the mission, goals, and objectives provided in this section and collect information pertaining to performance measures developed by the legislative fiscal bureau. The department shall provide a report at least quarterly to the legislative fiscal bureau and the co-chairpersons and ranking members of the economic development appropriations subcommittee on the performance measures. The department shall be notified by the legislative fiscal bureau by July 1, 1987 of the specific performance measures for which data shall be collected and reported.

7. The moneys appropriated in subsections 2, 3, 4 and 5 shall remain in the appropriate account of the Iowa plan fund until such time as the agency, board, commission, or overseer of the fund to which moneys are appropriated has made a request to the treasurer for use of moneys appropriated to it and the amount needed for that use. ~~The treasurer shall withdraw this amount from the amount appropriated to that entity and remit it to the entity not earlier than thirty days after receipt of the request.~~ Notwithstanding section 8.33, moneys remaining of the appropriations made for a fiscal year from any of the accounts within the Iowa plan fund on June 30 of that fiscal year, shall not revert to any fund but shall remain in that account to be used for the purposes for which they were appropriated and the moneys remaining in that account shall not be considered in making the allotments for the next fiscal year.

Sec. 13. Section 99E.32, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 9. All agencies, boards, commissions, or overseers of funds to which moneys are appropriated under this section shall report to the legislative fiscal bureau by October 10, January 10, April 10, and July 10 for each quarter ending September 30, December 31, March 31, and June 30 of the fiscal year for which the funds are appropriated. The legislative fiscal bureau shall determine the necessary financial and program information to be transmitted to the general assembly.

Sec. 14. Section 28.101, subsection 2, unnumbered paragraph 1, Code 1987, is amended to read as follows:

To aid in fulfilling the purpose of the primary research and marketing center for business and international trade, the department may provide grants to establish satellite centers throughout the state. To facilitate establishment of satellite centers, the state is divided up into fifteen regional economic delivery areas which have the same area boundaries as merged areas, as defined in section 280A.2, in

existence on May 3, 1985. Each regional delivery area wishing to receive a grant from the department to establish a satellite center in its area shall create a regional coordinating council which shall develop a plan for the area to coordinate all federal, state, and local economic development services within the area. After developing this plan, the council may seek a grant for a satellite center by submitting the coordinating plan and an application for a grant to the department. A grant shall not be awarded within the regional economic delivery area without the approval of the regional coordinating plan by the department. The department may rescind its approval of a regional coordinating plan upon thirty days notice, if the department determines that the stated purpose of the plan is not being carried out. The department may then accept an alternative proposal for a regional coordinating plan. If a regional coordinating council is awarded a grant for a satellite center, it shall employ a center director at the satellite center. The regional coordinating councils shall have sole authority to hire the director of the satellite centers. If, in the opinion of the department, the director of any satellite center is not fulfilling the regional coordinating plan, the department may rescind its approval of the plan. The center director's duties and responsibilities include the following:

Sec. 15. **NEW SECTION. 38.1 PEACE INSTITUTE.**

A corporate body called the "Iowa Peace Institute" is created. The institute is an independent nonprofit public instrumentality and the exercise of the powers granted to the institute as a corporation in this chapter is an essential governmental function. As used in this chapter "institute" means the "Iowa Peace Institute". The purposes of the institute include but are not limited to the following:

1. Provide statewide leadership in promoting the establishment of the United States institute of peace in Iowa.
2. Develop programs that promote peace among nations.

2. The department exists to enhance the economic development of the state and provide for job creation and increased prosperity and opportunities for the citizens of the state by providing direct financial and technical assistance and training to businesses and individuals by coordinating other state, local, and federal economic development programs.

3. The department's goals includes the diversification and expansion of the state's economic base and to retain businesses which currently make up that economic base to accomplish the following objectives:

a. To assist businesses that add diversity to and generate new opportunities for the state economy.

b. To attract, retain, and expand businesses that produce exports or import substitutes, including businesses which purchase a larger share of their products from Iowa producers which should receive a higher priority.

c. To assist businesses whose products or services do not necessarily have to be produced in this state.

d. To assist businesses which pay higher wages.

e. To assist businesses who produce value-added products and services.

4. The community economic betterment account grant program elements which will be reviewed by the legislative fiscal bureau as performance indicators include:

a. The total amount of community economic betterment funds available.

b. The total number of businesses assisted.

c. The total number of jobs retained.

d. The total number of jobs created.

e. The total amount of funds leveraged from outside sources.

f. The number and dollar amount of grants and loans and number of jobs associated with CEBA-assisted businesses identified by the department as existing businesses which change or expand product lines and effectively reduce the dominance of the Iowa economy by agriculture or agriculture-related industries.

g. The number and dollar amount of grants and loans and number of jobs associated with CEBA-assisted businesses identified by the department as start-up businesses which effectively reduce the dominance of the Iowa economy by agriculture or agriculture-related industries.

h. The number and dollar amount of grants and loans and number of jobs associated with CEBA-assisted businesses identified by the department as relocated businesses which effectively reduce the dominance of the Iowa economy by agriculture or agriculture-related industries.

i. The number and dollar amount of grants and loans and number of jobs associated with CEBA-assisted businesses identified by the department as businesses that produce agriculture-related value-added products and services.

j. The number and dollar amount of grants and loans and number of jobs associated with CEBA-assisted businesses identified by the department that produce exports or import substitutes.

k. The number and dollar amount of grants and loans and number of jobs associated with CEBA-assisted businesses identified by the department that would not necessarily have to produce products and services in Iowa.

l. The number and dollar amount of grants and loans and number of jobs associated with the range of wages and benefits paid by businesses which received CEBA funds.

Sec. 21. Section 99E.32, subsection 2, paragraph h, as enacted by 1987 Iowa Acts, House File 355, section 29, is amended to read as follows:

h. For the fiscal year years beginning on July 1, 1986 and July 1, 1987 the department shall establish a pilot program entitled the new business opportunity program to provide financial and technical assistance to emerging businesses and industries that expand and diversify the state's economic base. Assistance may be in any form authorized under the community economic betterment account and the department may allocate for each of those fiscal years up to one million dollars of the account's funds for the pilot program.

Sec. 22. 1986 Iowa Acts, chapter 1190, section 10, is repealed.

JO ANN ZIMMERMAN
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 515, Seventy-second General Assembly.

JOHN F. DWYER
Secretary of the Senate

Approved June 7, 1987

TERRY E. BRANSTAD
Governor