

FILED MAR 17 1989

*Withdrawn from
further consideration 4-27-89 (p.1714)*

SENATE FILE 495

BY COMMITTEE ON SMALL BUSINESS
AND ECONOMIC DEVELOPMENT

(SUCCESSOR TO SSB 233)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

3566 1 An Act establishing a science and technology foundation, and
2 authorizing the issuance of bonds.

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

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SENATE FILE 495

S-3363

1 Amend Senate File 495 as follows:
2 1. Page 2, by inserting after line 35 the
3 following:
4 "(6) A president of an area community college, or
5 the president's designee." By LEONARD L. BOSWELL

S-3363 FILED MARCH 21, 1989

SC 495

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3566 amendments

1 Section 1. Section 15.108, subsection 1, paragraph d, Code
2 1989, is amended by striking the paragraph.

3 Sec. 2. NEW SECTION. 28.151 LEGISLATIVE FINDINGS.

4 The general assembly finds and declares that:

5 1. Successful participation in the emerging global economy
6 depends on continued development of Iowa's capacity for
7 scientific and technological innovation.

8 2. Iowa is in need of a mechanism to enhance growth
9 potential and to diversify Iowa's economy through attracting
10 and fostering the growth of science and technology-based
11 enterprises.

12 3. Iowa needs to enhance its image in the area of science
13 and technology in order to attract and retain scientists,
14 engineers, and research investments in the state.

15 4. The mechanism to attract dollars and talent should
16 focus on the state's strengths, focusing on long-term needs
17 and providing for maximum cooperation. Both public and
18 private investments must be made in carefully selected areas
19 which underpin the state's science infrastructure.

20 5. Iowa companies are in need of a mechanism which can
21 assist in solving research problems associated with potential
22 new products and ways of applying new technology to current
23 production processes. World competition demands the
24 application of new production technologies. A mechanism to
25 assist the state's existing industrial base is needed.

26 Sec. 3. NEW SECTION. 28.152 ESTABLISHMENT OF FOUNDATION
27 -- PURPOSE.

28 1. The Iowa science and technology foundation is
29 established to develop long-term plans, policies, and programs
30 designed to enhance the development of advanced sciences and
31 technologies and to facilitate their commercial exploitation
32 within the state. The foundation shall encourage the
33 development of Iowa's science infrastructure as well as foster
34 projects that will create, synthesize, store, and transfer new
35 technologies potentially important to Iowa's economic and

1 social future.

2 2. The foundation shall develop resources from state
3 appropriations and other sources for purposes including but
4 not limited to the following:

5 a. To sponsor research and development efforts which
6 involve collaboration of an Iowa college or university and a
7 private firm.

8 b. To undertake on its own behalf, market studies and
9 other analyses of commercial applications of existing or
10 potential research and development efforts.

11 c. To provide for management guidance for developmental
12 corporations with high growth potential.

13 d. To participate, through direct investment, or in a
14 partnership or joint venture with a commercial investor or
15 other financial source, in providing funds for development of
16 new or existing businesses in Iowa engaged in commercial
17 exploitation of products or technologies related to the
18 research interests of the foundation.

19 3. The foundation consists of a board of directors, an
20 executive director, and staff.

21 Sec. 4. NEW SECTION. 28.153 BOARD OF DIRECTORS.

22 1. The board of directors is established consisting of the
23 following standing members and governor-appointed members:

24 a. The following standing members from the academic
25 community:

26 (1) The president of the university of Iowa, or the
27 president's designee.

28 (2) The president of Iowa state university, or the
29 president's designee.

30 (3) The president of the university of northern Iowa, or
31 the president's designee.

32 (4) A designee of the Iowa association of independent
33 colleges and universities.

34 (5) The president of the state board of regents, or the
35 president's designee.

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1 b. The following standing and appointed members from state
2 government:

3 (1) The director of the department of economic
4 development, or the director's designee.

5 (2) The chairperson of the Iowa economic development
6 board, or the chairperson's designee.

7 (3) Three state department heads or division
8 administrators or their designees appointed by the governor.
9 The membership designated and appointed under this paragraph
10 shall be bipartisan and gender balanced in accordance with
11 sections 69.16 and 69.16A.

12 c. The following members from the private sector appointed
13 by the governor:

14 (1) Four leaders from technology-based firms in the state
15 or Iowans with experience in technology development and
16 commercialization.

17 (2) One scientist or leader in technology development.

18 2. The terms of the appointed members shall be for six
19 years and shall be staggered as determined by the standing
20 members. Any vacancy shall be filled by the appointing
21 authority. Members are eligible for actual expense
22 reimbursement while fulfilling duties of the foundation. The
23 board shall elect a chairperson from among its members.

24 Sec. 5. NEW SECTION. 28.154 GENERAL POWERS AND DUTIES.

25 1. The board of directors shall have broad discretionary
26 authority in the administration of the foundation. The board
27 shall employ an executive director and other staff as needed
28 and establish the policy of the foundation.

29 2. Under the general direction of the board, the executive
30 director shall manage the foundation, hire and direct
31 foundation staff, and establish advisory subcommittees of
32 industry and academic specialists as needed. These
33 specialists shall be consulted as program areas are developed
34 and individual projects are selected for funding. The
35 executive director shall prepare and make an annual report,

1 which describes the foundation's activities, projects, and
2 funding, to the governor and the general assembly by November
3 1 of each year.

4 3. The board shall establish criteria and award grants or
5 loans based only on a competitive basis. The board shall
6 strive for maximum cooperation between Iowa's universities and
7 colleges and private industry in all cases where collaboration
8 would add value to any research project. The board shall
9 provide a means for Iowa industry to access and apply new
10 technology developed at the colleges and universities.

11 4. In order to leverage any state funds appropriated to
12 it, the foundation shall do all of the following:

13 a. Require a match from nonstate sources for all research
14 and technology development proposals.

15 b. Require industrial support for all projects.

16 c. Seek generic industrial support for the foundation.

17 d. Use foundation resources to the maximum extent possible
18 in order to seek matching funds, grants, or additional funding
19 sources.

20 Sec. 6. NEW SECTION. 28.155 BONDS AND NOTES --AUTHORITY.

21 The foundation shall have bond authority for special
22 capital expenditures pursuant to section 220.26, subsection 2,
23 and section 220.27, subsection 1, as they pertain to this
24 division. Expenditures under this section shall be limited to
25 machinery and equipment relating to science and technology,
26 shall be consistent with the purposes of the foundation as set
27 forth in section 28.152, and shall be limited to one million
28 dollars for each machine or piece of equipment.

29 Sec. 7. Sections 28.51 through 28.55, Code 1989, are
30 repealed.

31 EXPLANATION

32 This bill establishes a science and technology foundation
33 to develop plans, policies, and programs between Iowa colleges
34 and universities and industry to enhance the position of the
35 state in science and technology-based economic development.

1 The bill establishes a board of directors consisting of
2 standing members and members appointed by the governor. The
3 terms of the appointed members are to be staggered six-year
4 terms. The bill authorizes the board to employ an executive
5 director and staff.

6 The bill provides for the board to award grants based only
7 on a competitive basis, require a match from nonstate sources
8 for all research and technology development proposals, require
9 industrial support for all projects, seek generic industrial
10 support for the foundation, and use foundation resources to
11 seek matching funds, grants, or additional funding sources.
12 The foundation is given bonding authority for special capital
13 expenditures through existing revenue bond mechanisms. The
14 expenditures are limited to machinery and equipment relating
15 to science and technology and are limited to one million
16 dollars for each machine or piece of equipment. The bill also
17 abolishes the Iowa high technology council.

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SENATE FILE 495

S-3566

1 Amend Senate File 495 as follows:

2 1. By striking everything after the enacting
3 clause and inserting the following:

4 "Section 1. Section 15.108, subsection 1,
5 paragraph d, Code 1989, is amended by striking the
6 paragraph.

7 Sec. 2. NEW SECTION. 28.151 IOWA SCIENCE AND
8 TECHNOLOGY FOUNDATION ESTABLISHED -- MISSION.

9 The general assembly finds and declares that the
10 public good requires that Iowa successfully
11 participate and compete in the emerging world economy.
12 An Iowa science and technology foundation is

13 established to formulate and implement plans and
14 programs for the development of advanced sciences and
15 technologies and to facilitate their commercial
16 application within the state, including determining
17 the needs of individual Iowa businesses for scientific
18 and technological innovations to improve products and
19 processes, and encouraging the transfer of the
20 technology from the laboratory to the factory.

21 The mission of the foundation shall include but is
22 not limited to the following:

23 1. A program to identify barriers which may hinder
24 the development and exploitation of technology in the
25 global economy.

26 2. Continued development of Iowa's capacity for
27 scientific and technological innovation.

28 3. A cooperative, coordinated program of
29 forecasting, assessment, development, and commercial
30 transfer involving Iowa's capacity for scientific and
31 technological innovation.

32 4. Formulation of a long-range strategic plan to
33 guide state investment in applied research,
34 development, and commercial transfer of selected
35 scientific and technological innovation.

36 5. A mechanism to organize funding from a variety
37 of sources to support the development and commercial
38 transfer of scientific and technological innovation.

39 6. An outreach program to actively seek and
40 improve products and processes with Iowa's scientific
41 and technological innovations.

42 7. A study of the need for a seed capital fund
43 which shall be administered by the board to provide
44 seed capital for the commercialization of products, or
45 the development of processes or materials through
46 research at Iowa colleges and universities or by
47 private industry. The study shall include
48 recommendations.

49 The foundation consists of a board of directors, an
50 advisory council, an executive director, and staff.

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2 CORPORATION.

3 The Iowa science and technology foundation shall be
4 incorporated under chapter 504A. The foundation shall
5 not be regarded as a state agency, except for purposes
6 of chapter 17A. A member of the board of directors is
7 not considered a state employee, except for purposes
8 of chapter 25A. The executive director is a state
9 employee except for purposes of the merit system
10 provisions of chapter 19A and chapter 20. A natural
11 person employed by the executive director is a state
12 employee.

13 Sec. 4. NEW SECTION. 28.154 BOARD OF DIRECTORS.

14 1. The board of directors is established
15 consisting of the following standing members and
16 governor-appointed members:

17 a. The following standing members:

18 (1) One board member to represent each state
19 university's consortium appointed by the president of
20 each state university.

21 (2) The director of the department of economic
22 development or the director's designee.

23 (3) The chairperson of the Iowa product
24 development corporation.

25 (4) Five board members from private industry with
26 an emphasis on persons involved directly in research
27 and development in private industry. The five board
28 members shall be appointed from a list of candidates
29 provided by the Iowa business council which shall
30 include persons in small business manufacturing and
31 persons in large business manufacturing. Three of the
32 five members shall be appointed by the legislative
33 council and two of the members shall be appointed by
34 the governor.

35 (5) One board member elected by the science and
36 technology advisory council.

37 (6) A president of an area community college, or
38 the president's designee.

39 (7) One board member representing the Iowa
40 association of independent colleges and universities.

41 b. The following ex officio, nonvoting members:

42 (1) Four board members, with one board member
43 appointed by each of the following persons: the
44 speaker of the house of representatives, the minority
45 leader of the house of representatives, the majority
46 leader of the senate, and the minority leader of the
47 senate.

48 (2) One board member appointed by the governor.

49 (3) One board member appointed by a foreign trade
50 foundation if such a foundation is established by

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1 enactment of the Seventy-third General Assembly.

2 2. The board of directors shall be bipartisan and
3 gender balanced in accordance with sections 69.16 and
4 69.16A.

5 3. The terms of the appointed members shall be for
6 four years and shall be staggered as determined by the
7 standing members. Any vacancy shall be filled by the
8 appointing authority. Members are eligible for actual
9 expense reimbursement while fulfilling duties of the
10 foundation. The governor and the legislative council
11 shall convene the initial meeting of the board. The
12 board shall elect a chairperson from among its
13 members.

14 Sec. 5. NEW SECTION. 28.155 GENERAL POWERS AND
15 DUTIES.

16 The board of directors shall have all the general
17 powers needed to carry out its mission and duties
18 including but not limited to the following:

19 1. To prepare and adopt a strategic plan as
20 defined in section 28.157.

21 2. To fund research projects as defined in section
22 28.158.

23 3. To sue and be sued in its own name.

24 4. To adopt a corporate seal.

25 5. To adopt bylaws for its management consistent
26 with the provisions of this division.

27 6. To make and execute agreements, contracts and
28 other instruments, with any public or private entity,
29 including but not limited to a state, federal, or
30 other governmental agency.

31 7. To accept contributions, including but not
32 limited to appropriations, gifts, grants, loans,
33 services, or other aid or assistance from public or
34 private entities. A record of all contributions,
35 stating the type, amount, and donor, shall be clearly
36 set forth in the board's annual report along with a
37 record of other receipts.

38 8. To establish policy in the general
39 administration of the affairs of the foundation.

40 9. To employ an executive director and authorize
41 the hiring of other employees as it deems necessary.

42 10. To seek to achieve through the powers of the
43 board the findings of section 28.151.

44 11. To collaborate with the consortia as
45 established in chapter 262B.

46 12. To provide as necessary, staff services for
47 the advisory council.

48 13. To convene the advisory council annually to
49 receive the board of director's recommendations.

50 14. To establish an advisory committee of business

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1 or academic specialists as necessary.

2 15. Submit an annual report to the governor, the
3 secretary of the senate, and the chief clerk of the
4 house of representatives, not later than November 1 of
5 each year.

6 16. To collaborate with the Iowa product
7 development corporation to acquire new technology
8 where appropriate.

9 Sec. 6. NEW SECTION. 28.156 EXECUTIVE DIRECTOR -
10 -DUTIES.

11 Under the general direction of the board of
12 directors, the executive director shall have the
13 following duties:

14 1. Manage and operate the foundation, including
15 employing and directing foundation staff.

16 2. Advise the board on matters relating to the
17 mission of the foundation, or finances and actions of
18 the board.

19 3. Make an annual report to the board for its
20 approval of the foundation's activities and fiscal
21 condition, including:

22 a. Matters relating to operations and
23 accomplishments.

24 b. A summary of receipts and expenditures, in
25 accordance with the classifications the board
26 establishes for its operating accounts.

27 c. A summary of assets and liabilities and the
28 status of special accounts.

29 d. A statement of proposed and projected
30 activities.

31 e. Recommendations to the general assembly.

32 f. An identification of performance goals of the
33 foundation and the extent of progress during the
34 reporting period in attaining the goals.

35 g. A written report by the auditor of state
36 pursuant to chapter 11.

37 4. Monitor the activities and receive copies of
38 the annual report made pursuant to section 262B.5 of
39 the research consortia located at Iowa state
40 university of science and technology, the university
41 of Iowa, and the university of northern Iowa.

42 5. Collect pertinent information on research in
43 process and funding requests where appropriate at Iowa
44 state university of science and technology, the
45 university of Iowa, and the university of northern
46 Iowa for the purpose of encouraging technology
47 transfer where appropriate.

48 Sec. 7. NEW SECTION. 28.157 STRATEGIC PLAN FOR
49 SCIENCE AND TECHNOLOGY DEVELOPMENT.

50 1. The foundation shall prepare a strategic plan

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1 for development of advanced technologies in Iowa. The
2 plan shall serve as the basis for general foundation
3 activities.

4 2. The plan shall set forth the foundation's
5 findings with regard to fields of scientific research
6 which offer the greatest potential for commercial
7 development within the state. The plan shall propose
8 programs to enhance the effectiveness of Iowa
9 university and college and private sector research
10 facility participation in such fields of research and
11 for improving the transfer of research technology to
12 the private sector.

13 3. The plan shall include findings and
14 recommendations for the coordination of activities of
15 technology centers operated by regents' universities,
16 the center for industrial research and service, the
17 small business development centers, and programs of
18 the department of economic development, all of which
19 shall cooperate with the foundation in formulation of
20 the plan.

21 4. The plan shall be formulated in cooperation
22 with university-based research consortia at the three
23 regents' universities, private colleges and
24 universities, community colleges, and private
25 business. The plan shall include findings with regard
26 to research interest of private business, on improving
27 accessibility of private business to university
28 technology resources, identification of barriers to
29 effective technology transfer, and on fields of
30 research having potential for commercial utilization
31 by Iowa firms. The plan shall include the
32 availability and possible acquisition of advanced
33 technology nationally and internationally for transfer
34 to Iowa technological projects.

35 5. The plan shall be formulated to provide for the
36 strengthening and expansion of existing industry, the
37 creation of new business where deemed necessary and
38 feasible, and the attraction of technology-based
39 businesses to the state.

40 Sec. 8. NEW SECTION. 28.158 FUNDING OF
41 ACTIVITIES.

42 1. The foundation may receive state appropriations
43 and other resources for purposes including but not
44 limited to the following:

45 a. To provide financial assistance to research
46 projects which are consistent with the commercial
47 development objectives of the strategic plan and which
48 involve collaboration between an Iowa college or
49 university and a private firm. The foundation shall
50 provide a peer review process for projects and

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1 research funded by the foundation.
2 b. To undertake market studies and other analyses
3 of commercial applications of existing or potential
4 research and development efforts.
5 c. To provide applied technology outreach services
6 and programs.
7 d. To review existing licenses and patents and
8 bring potentially applicable information to the
9 attention of the board and the Iowa-based industries
10 for which the patent and license information might be
11 applicable.
12 e. To review current research.
13 f. To regularly monitor the industrial base of
14 Iowa and, when possible, to encourage contact between
15 research efforts and appropriate industries.
16 2. The foundation shall have authority over the
17 education and agriculture research and development
18 account under section 99E.32, subsection 1, paragraph
19 "b", effective July 1, 1990, and it shall adopt rules
20 for the administration of the account to provide for
21 financial assistance for research programs related to
22 the strategic plan. State funds awarded by the
23 foundation shall be matched by nonstate sources. The
24 foundation shall establish by administrative rule the
25 requirements for the matching of state funds by
26 nonstate sources. The rules shall include but are not
27 limited to the following nonstate sources for meeting
28 the matching requirements:
29 a. Laboratory space provided by the private sector
30 collaborator.
31 b. Financial assistance.
32 c. Personnel and technical services.
33 d. Machinery or equipment.
34 3. The foundation shall seek financial support for
35 its activities from private sources and from programs
36 of the federal government for support of the research
37 interests and other activities set forth in the
38 strategic plan.
39 4. The foundation is to encourage aggressive
40 pursuit of sponsored research by persons affiliated
41 with Iowa colleges and universities and by private
42 business, without regard to the relationship of such
43 research to the foundation's program or to the
44 strategic plan. The foundation shall not control
45 research prerogatives of colleges or universities,
46 their faculty, or private persons, or businesses. The
47 foundation may, upon request, provide assistance to
48 colleges and universities for acquisition of financial
49 support for research activities from federal
50 government and other sources.

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1 5. The foundation shall coordinate with other
2 state and federal entities the following activities:

3 a. The establishment of funding for the projects
4 under subsection 1.

5 b. The review of current research policy
6 direction.

7 c. The provision of technical outreach services to
8 existing Iowa business and industry.

9 The foundation may sponsor applications of or
10 formally recommend specific projects to any private,
11 state, federal, or local program.

12 Sec. 9. NEW SECTION. 28.159 SCIENCE AND
13 TECHNOLOGY ADVISORY COUNCIL.

14 1. There is established within the science and
15 technology foundation an advisory council. The
16 advisory council shall study and review the growth of
17 technology in the world economy. The council shall
18 annually review the foundation's strategic plan in
19 conjunction with federal research policy and the
20 federal research policy's effect on research in Iowa.
21 The council shall advise the board on the most
22 productive role for Iowa in the areas of science and
23 technology with an emphasis on determining Iowa's
24 strengths in technology.

25 2. The council shall consist of the following
26 members:

27 a. One member appointed by each member of the Iowa
28 congressional delegation.

29 b. Three members appointed by the legislative
30 council from a list of candidates provided by the Iowa
31 business council.

32 c. Three members appointed by the governor from a
33 list of candidates provided by the Iowa business
34 council.

35 d. One member from each of the following:

36 (1) The national science foundation.

37 (2) The national institute of health.

38 (3) Any other appropriate federal agency as the
39 foundation deems appropriate.

40 3. The council shall be bipartisan and gender
41 balanced in accordance with sections 69.16 and 69.16A.

42 Sec. 10. Section 262B.4, subsection 2, Code 1989,
43 is amended by adding the following new paragraph:

44 NEW PARAGRAPH. e. Provide applied technical
45 referral services, if appropriate, including but not
46 limited to the following duties:

47 (1) To determine and evaluate the research or
48 applied technology needs of businesses requesting
49 assistance.

50 (2) To recommend technology transfer strategies to

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1 businesses for developing and testing new products,
2 adapting new technologies to manufacturing processes
3 or methods, conducting marketing analyses of new
4 products or processes, and identifying potential
5 financing on new technology-based products or
6 manufacturing processes.
7 (3) To refer businesses to universities, community
8 colleges, small business development centers, other
9 private businesses, and other research and technology
10 transfer activities and programs which are beneficial
11 to the development of new products and the application
12 of technology.
13 Sec. 11. Sections 28.51 through 28.55, Code 1989,
14 are repealed.
15 Sec. 12. Sections 1 and 11 of this Act are
16 effective July 1, 1990."
17 2. Title page, lines 1 and 2, by striking the
18 words ", and authorizing the issuance of bonds".

By LEONARD L. BOSWELL
JOHN KIBBIE
RICHARD V. RUNNING

S-3566 FILED APRIL 5, 1989

Adopted 4-6-89 (p. 1234)

SENATE FILE 495
FISCAL NOTE

A fiscal note for SENATE FILE 495 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 495 establishes a Science and Technology Foundation to develop plans, policies, and programs between Iowa colleges and universities and industry to enhance the position of the State in science and technology-based economic development. The Foundation shall consist of a board of directors, an executive director, and staff. The Board of Directors shall be bipartisan and gender balanced. The Board shall submit an annual report to the Governor, the Secretary of the Senate, and the Chief Clerk of the House of Representatives, not later than November 1 of each year.

The Bill requires the Foundation to prepare a Strategic Plan for development of advanced technologies in Iowa. The Plan shall be developed in cooperation with university-based research consortia at the three Regents' universities, private colleges, community colleges, and private businesses. The Plan shall set forth the foundation's findings with regard to fields of scientific research.

The Foundation may receive state appropriations. The funds shall be used for financial assistance to research projects which are consistent with the technology development objectives of the strategic plan. State funds under the control to the Foundation shall be used to support projects only where matched by no less than one dollar of nonstate funding for each dollar of State funds provided by the Foundation.

The Bill provides the Foundation to have authority over the Education and Agriculture Research and Development Account (EARDA) under Section 99E.32, Subsection 1, Paragraph "b", effective July 1, 1990, and shall adopt rules for the administration of the Account to provide for financial assistance for research programs related to the Strategic Plan.

The Foundation shall have bond authority pursuant to Section 220.26, Subsection 2, and Section 220.27, Subsection 1, for machinery and equipment relating to science and technology, and be limited to one million dollars for each machine or piece of equipment.

The Bill establishes a Science and Technology Research Council which shall study and review the growth of technology in the world economy and the role of Iowa in the specific area of science and technology. An applied technical referral service to provide assistance to the university consortia is created to assist in transferring research into commercial application. The Bill also abolishes the Iowa High Technology Council.

ASSUMPTIONS:

1. Highly qualified individuals must be recruited.
2. Office space and equipment must be secured.

-2-

3. Contractual services will be a necessary part of the Foundation's operations.
4. In FY 1990, an amount of \$500,000 to be allocated from lottery's EARDA account to establish the Foundation. In FY 1991, EARDA funds would be used and directed by the Foundation.

FISCAL IMPACT:

<u>REVENUE</u>	FY 1990	FY 1991
Lottery: EARDA	\$500,000	\$7,000,000
 <u>EXPENDITURE</u>		
Salaries	\$270,050	\$ 285,000
Support	177,450	195,000
Capital Outlay	52,500	20,000
Research Awards	0	<u>6,500,000</u>
Total	<u>\$500,000</u>	<u>\$7,000,000</u>

Source: Department of Economic Development

(LSB 1759sv, KNM)

FILED MARCH 28, 1989

BY DENNIS PROUTY, FISCAL DIRECTOR

KIBBIE, CH.
SCOTT
RIFE

SSB 233
SMALL BUSINESS &
ECONOMIC DEVELOPMENT
SENATE FILE 495
BY (PROPOSED GOVERNOR'S BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act establishing a science and technology foundation,
2 authorizing the issuance of bonds, and providing an effective
3 date.

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

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1 Section 1. Section 15.108, subsection 1, paragraph d, Code
2 1989, is amended by striking the paragraph.

3 Sec. 2. NEW SECTION. 28.151 LEGISLATIVE FINDINGS.

4 The general assembly finds and declares that:

5 1. Successful participation in the emerging global economy
6 depends on continued development of Iowa's capacity for
7 scientific and technological innovation.

8 2. Iowa is in need of a mechanism to enhance growth
9 potential and to diversify Iowa's economy through attracting
10 and fostering the growth of science and technology-based
11 enterprises.

12 3. Iowa needs to enhance its image in the area of science
13 and technology in order to attract and retain scientists,
14 engineers, and research investments in the state.

15 4. The mechanism to attract dollars and talent should
16 focus on the state's strengths, focusing on long-term needs
17 and providing for maximum cooperation. Both public and
18 private investments must be made in carefully selected areas
19 which underpin the state's science infrastructure.

20 5. Iowa companies are in need of a mechanism which can
21 assist in solving research problems associated with potential
22 new products and ways of applying new technology to current
23 production processes. World competition demands the
24 application of new production technologies. A mechanism to
25 assist the state's existing industrial base is needed.

26 Sec. 3. NEW SECTION. 28.152 ESTABLISHMENT OF FOUNDATION
27 -- PURPOSE.

28 1. The Iowa science and technology foundation is
29 established to develop long-term plans, policies, and programs
30 designed to enhance the development of advanced sciences and
31 technologies and to facilitate their commercial exploitation
32 within the state. The foundation shall encourage the
33 development of Iowa's science infrastructure as well as foster
34 projects that will create, synthesize, store, and transfer new
35 technologies potentially important to Iowa's economic and

1 social future.

2 2. The foundation shall develop resources from state
3 appropriations and other sources for purposes including but
4 not limited to the following:

5 a. To sponsor research and development efforts which
6 involve collaboration of an Iowa college or university and a
7 private firm.

8 b. To undertake on its own behalf, market studies and
9 other analyses of commercial applications of existing or
10 potential research and development efforts.

11 c. To provide for management guidance for developmental
12 corporations with high growth potential.

13 d. To participate, through direct investment, or in a
14 partnership or joint venture with a commercial investor or
15 other financial source, in providing funds for development of
16 new or existing businesses in Iowa engaged in commercial
17 exploitation of products or technologies related to the
18 research interests of the foundation.

19 3. The foundation consists of a board of directors, an
20 executive director, and staff.

21 Sec. 4. NEW SECTION. 28.153 BOARD OF DIRECTORS.

22 1. The board of directors is established consisting of the
23 following standing members and governor-appointed members:

24 a. The following standing members from the academic
25 community:

26 (1) The president of the university of Iowa, or the
27 president's designee.

28 (2) The president of Iowa state university, or the
29 president's designee.

30 (3) The president of the university of northern Iowa, or
31 the president's designee.

32 (4) A designee of the Iowa association of independent
33 colleges and universities.

34 (5) The president of the state board of regents, or the
35 president's designee.

1 b. The following standing and appointed members from state
2 government:

3 (1) The director of the department of economic
4 development.

5 (2) The chairperson of the Iowa economic development
6 board.

7 (3) Three state department heads or division
8 administrators appointed by the governor.

9 c. The following members from the private sector appointed
10 by the governor:

11 (1) Four leaders from technology-based firms in the state
12 or Iowans with experience in technology development and
13 commercialization.

14 (2) One scientist or leader in technology development.

15 2. The terms of the appointed members shall be for six
16 years and shall be staggered as determined by the standing
17 members. Any vacancy shall be filled by the appointing
18 authority. Members are eligible for actual expense
19 reimbursement while fulfilling duties of the foundation. The
20 board shall elect a chairperson from among its members.

21 Sec. 5. NEW SECTION. 28.154 GENERAL POWERS AND DUTIES.

22 1. The board of directors shall have broad discretionary
23 authority in the administration of the foundation. The board
24 shall employ an executive director and other staff as needed
25 and establish the policy of the foundation.

26 2. Under the general direction of the board, the executive
27 director shall manage the foundation, hire and direct
28 foundation staff, and establish advisory subcommittees of
29 industry and academic specialists as needed. These
30 specialists shall be consulted as program areas are developed
31 and individual projects are selected for funding. The
32 executive director shall prepare and make an annual report,
33 which describes the foundation's activities, projects, and
34 funding, to the governor and the general assembly by November
35 1 of each year.

1 3. The board shall establish criteria and award grants or
2 loans based only on a competitive basis. The board shall
3 strive for maximum cooperation between Iowa's universities and
4 colleges and private industry in all cases where collaboration
5 would add value to any research project. The board shall
6 provide a means for Iowa industry to access and apply new
7 technology developed at the colleges and universities.

8 4. In order to leverage any state funds appropriated to
9 it, the foundation shall do all of the following:

10 a. Require a match from nonstate sources for all research
11 and technology development proposals.

12 b. Require industrial support for all projects.

13 c. Seek generic industrial support for the foundation.

14 d. Use foundation resources to the maximum extent possible
15 in order to seek matching funds, grants, or additional funding
16 sources.

17 Sec. 6. NEW SECTION. 28.155 BONDS AND NOTES --
18 AUTHORITY.

19 The foundation shall have bond authority for special
20 capital expenditures pursuant to section 220.26, subsection 2,
21 and section 220.27, subsection 1, as they pertain to this
22 division.

23 Sec. 7. Sections 28.51 through 28.55, Code 1989, are
24 repealed.

25 EXPLANATION

26 This bill establishes a science and technology foundation
27 to develop plans, policies, and programs between Iowa colleges
28 and universities and industry to enhance the position of the
29 state in science and technology-based economic development.
30 The bill establishes a board of directors consisting of
31 standing members and members appointed by the governor. The
32 terms of the appointed members are to be staggered six-year
33 terms. The bill authorizes the board to employ an executive
34 director and staff.

35 The bill provides for the board to award grants based only

1 on a competitive basis, require a match from nonstate sources
2 for all research and technology development proposals, require
3 industrial support for all projects, seek generic industrial
4 support for the foundation, and use foundation resources to
5 seek matching funds, grants, or additional funding sources.
6 The foundation is given bonding authority for special capital
7 expenditures through existing revenue bond mechanisms. The
8 bill also abolishes the Iowa high technology council.

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