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SENATE FILE 2296

BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SSB 2160)

Passed Senate, Date ^(p.652) 3/11/98 Passed House, ^(p.1262) Date 4-3-98
 Vote: Ayes 44 Nays 5 Vote: Ayes 95 Nays 1
 Approved Item 1262 5/22/98

A BILL FOR

1 An Act appropriating funds to the department of economic
 2 development, certain board of regents institutions, the
 3 department of workforce development, the public employment
 4 relations board, making related statutory changes, and
 5 providing an effective date provision.

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

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S.F. 2296

1 Section 1. DEPARTMENT OF ECONOMIC DEVELOPMENT. There is
2 appropriated from the general fund of the state and other
3 designated funds to the department of economic development for
4 the fiscal year beginning July 1, 1998, and ending June 30,
5 1999, the following amounts, or so much thereof as is
6 necessary, to be used for the purposes designated:

7 1. ADMINISTRATIVE SERVICES DIVISION

8 a. General administration

9 For salaries, support, maintenance, miscellaneous purposes,
10 and for providing that a business receiving moneys from the
11 department for the purpose of job creation shall make
12 available ten percent of the new jobs created for promise jobs
13 program participants who are qualified for the jobs created
14 and for not more than the following full-time equivalent
15 positions:

16	\$	1,497,074
17	FTEs	25.75

18 One of the full-time equivalent positions authorized in
19 this lettered paragraph relates to the transition of personnel
20 services contractors to full-time equivalent positions. The
21 merit system provisions of chapter 19A and the provisions of
22 the state and union collective bargaining agreements shall not
23 govern movement into these full-time equivalent positions
24 until September 1, 1998. These provisions relating to the
25 transition of personnel services contractors to full-time
26 equivalent positions, chapter 19A, and collective bargaining
27 agreements are void after September 1, 1998.

28 b. Film office

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

32	\$	253,632
33	FTEs	2.00

34 2. BUSINESS DEVELOPMENT DIVISION

35 a. Business development operations

1 For salaries, support, maintenance, miscellaneous purposes,
2 for not more than the following full-time equivalent
3 positions, for allocating \$495,000 to support activities in
4 conjunction with the Iowa manufacturing technology center,
5 \$150,000 to the graphic arts center, and for a strategic
6 marketing effort for workforce development:

7	\$	3,942,849
8	FTEs	22.75

9 Four of the full-time equivalent positions authorized in
10 this lettered paragraph relate to the transition of personnel
11 services contractors to full-time equivalent positions. The
12 merit system provisions of chapter 19A and the provisions of
13 the state and union collective bargaining agreements shall not
14 govern movement into these full-time equivalent positions
15 until September 1, 1998. These provisions relating to the
16 transition of personnel services contractors to full-time
17 equivalent positions, chapter 19A, and collective bargaining
18 agreements are void after September 1, 1998.

19 b. Small business programs

20 For salaries, support, maintenance, miscellaneous purposes,
21 and for not more than the following full-time equivalent
22 positions for the small business program, the small business
23 advisory council, and targeted small business program:

24	\$	452,252
25	FTEs	5.00

26 c. Federal procurement office

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

30	\$	106,124
31	FTEs	3.00

32 Notwithstanding section 8.33, moneys remaining unencumbered
33 or unobligated on June 30, 1999, shall not revert and shall be
34 available for expenditure during the fiscal year beginning
35 July 1, 1999, for the same purposes.

1 d. Strategic investment fund

2 For deposit in the strategic investment fund for salaries,
3 support, for not more than the following full-time equivalent
4 positions:

5 \$ 6,806,774
6 FTEs 12.50

7 Two of the full-time equivalent positions authorized in
8 this lettered paragraph relate to the transition of personnel
9 services contractors to full-time equivalent positions. The
10 merit system provisions of chapter 19A and the provisions of
11 the state and union collective bargaining agreements shall not
12 govern movement into these full-time equivalent positions
13 until September 1, 1998. These provisions relating to the
14 transition of personnel services contractors to full-time
15 equivalent positions, chapter 19A, and collective bargaining
16 agreements are void after September 1, 1998.

17 The department may allocate from the strategic investment
18 fund up to \$600,000 for the entrepreneurial ventures
19 assistance program. The department shall seek the advice,
20 consultation, and cooperation of the entrepreneurial centers
21 and the major benefactor of the centers in the implementation
22 of the entrepreneurial ventures assistance program.

23 The department may allocate from the strategic investment
24 fund up to \$100,000 for the microbusiness rural enterprise
25 assistance program under section 15.114.

26 The department shall provide an annual report on the
27 progress made by the department in making the community
28 economic betterment program a self-sustaining, revolving loan
29 program.

30 e. Insurance economic development

31 There is appropriated from moneys collected by the division
32 of insurance in excess of the anticipated gross revenues under
33 section 505.7, subsection 3, to the department for the fiscal
34 year beginning July 1, 1998, and ending June 30, 1999, the
35 following amount, or so much thereof as is necessary, for

1 insurance economic development and international insurance
2 economic development:

3 \$ 200,000

4 f. Value-added agriculture

5 There is appropriated from the moneys available to support
6 value-added agricultural products and processes, four percent,
7 or so much thereof as is necessary, of the total moneys
8 available to support value-added agricultural products and
9 processes pursuant to section 423.24 each quarter for
10 administration of the value-added agricultural products and
11 processes financial assistance program as provided in section
12 15E.111, including salaries, support, maintenance,
13 miscellaneous purposes, and for not more than 2.00 FTEs.

14 The department shall collaborate with the university of
15 northern Iowa on a strategic initiative to develop ag-based
16 industrial lubrication technology and to create projects to
17 deploy the technology in commercial applications.
18 Notwithstanding the requirements of section 15E.111 and the
19 administrative rules for value-added agricultural products and
20 processes, the department shall allocate \$150,000 for this
21 initiative.

22 3. COMMUNITY DEVELOPMENT DIVISION

23 a. Community assistance

24 For salaries, support, maintenance, miscellaneous purposes,
25 and for not more than the following full-time equivalent
26 positions for administration of the community economic
27 preparedness program, the Iowa community betterment program,
28 and the city development board:

29 \$ 654,547

30 FTEs 8.50

31 b. Main street/rural main street program

32 For salaries and support for not more than the following
33 full-time equivalent positions:

34 \$ 427,429

35 FTEs 3.00

1 Notwithstanding section 8.33, moneys committed to grantees
2 under contract from the general fund of the state that remain
3 unexpended on June 30, 1999, shall not revert to any fund but
4 shall be available for expenditure for purposes of the
5 contract during the fiscal year beginning July 1, 1999.

6 c. Community development program

7 For salaries, support, maintenance, miscellaneous purposes,
8 for not more than the following full-time equivalent
9 positions, for rural resource coordination, rural community
10 leadership, rural innovations grant program, and the rural
11 enterprise fund:

12	\$	829,338
13	FTEs	7.50

14 Three of the full-time equivalent positions authorized in
15 this lettered paragraph relate to the transition of personnel
16 services contractors to full-time equivalent positions. The
17 merit system provisions of chapter 19A and the provisions of
18 the state and union collective bargaining agreements shall not
19 govern movement into these full-time equivalent positions
20 until September 1, 1998. These provisions relating to the
21 transition of personnel services contractors to full-time
22 equivalent positions, chapter 19A, and collective bargaining
23 agreements are void after September 1, 1998.

24 There is appropriated from the rural community 2000 program
25 revolving fund established in section 15.287 to provide to
26 Iowa's councils of governments funds for planning and
27 technical assistance to local governments:

28	\$	150,000
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29 There is appropriated from the rural community 2000 program
30 revolving fund established in section 15.287 to the rural
31 development program for the purposes of the program including
32 the rural enterprise fund and collaborative skills development
33 training:

34	\$	484,343
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35 Notwithstanding section 8.33, moneys committed to grantees

1 under contract from the general fund of the state or through
2 transfers from the Iowa community development loan fund or
3 from the rural community 2000 program revolving fund that
4 remain unexpended on June 30, 1999, shall not revert but shall
5 be available for expenditure for purposes of the contract
6 during the fiscal year beginning July 1, 1999.

7 d. Community development block grant and HOME

8 For administration and related federal housing and urban
9 development grant administration for salaries, support,
10 maintenance, miscellaneous purposes, and for not more than the
11 following full-time equivalent positions:

12	\$	422,719
13	FTEs	21.75

14 Three of the full-time equivalent positions authorized in
15 this lettered paragraph relate to the transition of personnel
16 services contractors to full-time equivalent positions. The
17 merit system provisions of chapter 19A and the provisions of
18 the state and union collective bargaining agreements shall not
19 govern movement into these full-time equivalent positions
20 until September 1, 1998. These provisions relating to the
21 transition of personnel services contractors to full-time
22 equivalent positions, chapter 19A, and collective bargaining
23 agreements are void after September 1, 1998.

24 e. Housing development fund

25 For providing technical assistance to communities of all
26 sizes and local financial institutions to help meet local
27 housing needs and to provide and transfer matching funds for
28 the HOME program:

29	\$	1,300,000
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30 Notwithstanding section 8.33, moneys committed to grantees
31 under contract from the housing development fund and moneys
32 transferred for matching funds for the HOME program that
33 remain unexpended or unobligated on June 30, 1999, shall not
34 revert to any fund but shall be available for obligation and
35 expenditure for purposes of those programs during the fiscal

1 year beginning July 1, 1999.

2 f. Shelter assistance program

3 For the purposes of the shelter assistance fund:

4 \$ 400,000

5 4. INTERNATIONAL DIVISION

6 a. International trade operations

7 For salaries, support, maintenance, miscellaneous purposes,

8 for support of foreign representation and trade offices, and

9 for not more than the following full-time equivalent

10 positions:

11 \$ 2,022,107

12 FTEs 10.00

13 From among the full-time equivalent positions authorized by
14 this lettered paragraph, one position shall concentrate on the
15 export sale of grain, one on the export sale of livestock, and
16 one on the export sale of value-added agricultural products.

17 b. Export trade assistance program

18 For export trade activities, including a program to
19 encourage and increase participation in trade shows and trade
20 missions by providing financial assistance to businesses for a
21 percentage of their costs of participating in trade shows and
22 trade missions, by providing for the lease/sublease of
23 showcase space in existing world trade centers, by providing
24 temporary office space for foreign buyers, international
25 prospects, and potential reverse investors, and by providing
26 other promotional and assistance activities, including
27 salaries and support:

28 \$ 425,000

29 Notwithstanding section 8.33, moneys appropriated by this
30 lettered paragraph which remain unobligated or unexpended on
31 June 30, 1999, shall not revert to the general fund of the
32 state but shall be transferred to and deposited in the
33 strategic investment fund created in section 15.313.

34 c. Agricultural product advisory council

35 For support, maintenance, and miscellaneous purposes:

1 \$ 1,300

2 d. For transfer to the partner state program which the
3 department may use to contract with private groups or
4 organizations which are the most appropriate to administer
5 this program and the groups and organizations participating in
6 the program shall, to the fullest extent possible, provide the
7 funds to match the appropriation made in this paragraph of the
8 funds transferred:

9 \$ 125,000

10 5. TOURISM DIVISION

11 Tourism operations/advertising

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

15 \$ 5,040,732

16 FTEs 18.52

17 The department may expend up to \$130,000 to provide
18 assistance to private welcome centers in the state. The
19 department shall not provide assistance of more than \$10,000
20 to any one private welcome center. A private welcome center
21 seeking assistance shall submit a competitive application to
22 the department and may be eligible for receiving assistance if
23 the private welcome center complies with all of the following
24 criteria:

25 a. The private welcome center is at risk of a projected
26 operating deficit.

27 b. The private welcome center complies with operational
28 standards and requirements determined by the department.

29 c. The private welcome center submits a financial plan for
30 self-sufficiency to the department.

31 The department shall conduct a study of the public and
32 private welcome center system in the state. The department
33 shall make recommendations to the general assembly for the
34 future operation of the system including recommendations
35 concerning funding for private welcome center operations and

1 quality standards for public and private welcome centers.
2 The department shall not use the moneys appropriated in
3 this subsection, unless the department develops public-private
4 partnerships with Iowa businesses in the tourism industry,
5 Iowa tour groups, Iowa tourism organizations, and political
6 subdivisions in this state to assist in the development of
7 advertising efforts. The department shall, to the fullest
8 extent possible, develop cooperative efforts for advertising
9 with contributions from other sources.

10 Sec. 2. COMMUNITY DEVELOPMENT LOAN FUND. Notwithstanding
11 section 15E.120, subsections 5, 6, and 7, and section 15.287,
12 there is appropriated from the Iowa community development loan
13 fund all the moneys available during the fiscal year beginning
14 July 1, 1998, and ending June 30, 1999, to the department of
15 economic development for the community development program to
16 be used by the department for the purposes of the program.

17 Sec. 3. JOB TRAINING FUND. Notwithstanding section
18 15.251, subsection 2, there is appropriated from the job
19 training fund to the department of economic development for
20 the fiscal year beginning July 1, 1998, and ending June 30,
21 1999, the following amount, or so much thereof as is
22 necessary, to be used for the purposes designated:

23 For administration of chapter 260E, including salaries,
24 support, maintenance, miscellaneous purposes, and for not more
25 than the following full-time equivalent positions:

26	\$	210,000
27	FTEs	2.50

28 Appropriations to the department of economic development
29 for administration of chapter 260E and the department of
30 workforce development for the target alliance program shall be
31 funded on a proportional basis if receipts to the job training
32 fund are insufficient to fund both appropriations in their
33 entirety.

34 Sec. 4. WORKFORCE DEVELOPMENT FUND. There is appropriated
35 from the workforce development fund account created in section

1 15.342A, to the workforce development fund created in section
2 15.343, for the fiscal year beginning July 1, 1998, and ending
3 June 30, 1999, the following amount, for the purposes of the
4 workforce development fund:

5 \$ 6,175,000

6 Sec. 5. Of all funds appropriated to or receipts credited
7 to the job training fund created in section 260F.6, subsection
8 1, up to \$175,000 for the fiscal year beginning July 1, 1998,
9 and ending June 30, 1999, and not more than 1.50 FTEs may be
10 used for the administration of the Iowa jobs training Act.

11 Sec. 6. IOWA STATE UNIVERSITY. There is appropriated from
12 the general fund of the state to the Iowa state university of
13 science and technology for the fiscal year beginning July 1,
14 1998, and ending June 30, 1999, the following amounts, or so
15 much thereof as is necessary, to be used for the purposes
16 designated:

17 1. For funding and maintaining in their current locations
18 the existing small business development centers, and for not
19 more than the following full-time equivalent positions:

20 \$ 1,235,880

21 FTEs 5.80

22 2. For the Iowa state university of science and technology
23 research park, including salaries, support, maintenance,
24 miscellaneous purposes, and for not more than the following
25 full-time equivalent positions:

26 \$ 376,500

27 FTEs 4.31

28 3. For funding the institute for physical research and
29 technology, provided that \$318,358 shall be allocated to the
30 industrial incentive program in accordance with the intent of
31 the general assembly, and for not more than the following
32 full-time equivalent positions:

33 \$ 4,379,458

34 FTEs 46.42

35 It is the intent of the general assembly that the incentive

1 program focus on Iowa industrial sectors and seek
2 contributions and in-kind donations from businesses,
3 industrial foundations, and trade associations and that moneys
4 for the institute for physical research and technology
5 industrial incentive program shall only be allocated for
6 projects which are matched by private sector moneys for
7 directed contract research or for nondirected research. The
8 match required of small businesses as defined in section
9 15.102, subsection 4, for directed contract research or for
10 nondirected research shall be \$1 for each \$3 of state funds.
11 The match required for other businesses for directed contract
12 research or for nondirected research shall be \$1 for each \$1
13 of state funds. The match required of industrial foundations
14 or trade associations shall be \$1 for each \$1 of state funds.

15 Iowa state university of science and technology shall
16 report annually to the joint appropriations subcommittee on
17 economic development and legislative fiscal bureau the total
18 amounts of private contributions, the proportion of
19 contributions from small businesses and other businesses, and
20 the proportion for directed contract research and nondirected
21 research of benefit to Iowa businesses and industrial sectors.

22 Notwithstanding section 8.33, moneys appropriated for the
23 fiscal year which remain unobligated and unexpended at the end
24 of the fiscal year shall not revert but shall be available for
25 expenditure the following fiscal year.

26 Sec. 7. UNIVERSITY OF IOWA. There is appropriated from
27 the general fund of the state to the state university of Iowa
28 for the fiscal year beginning July 1, 1998, and ending June
29 30, 1999, the following amounts, or so much thereof as is
30 necessary, to be used for the purposes designated:

31 1. For the university of Iowa research park, including
32 salaries, support, maintenance, equipment, miscellaneous
33 purposes, and for not more than the following full-time
34 equivalent positions:

35 \$ 331,007

1 FTEs 4.35

2 2. For funding the advanced drug development program at
3 the Oakdale research park and for not more than the following
4 full-time equivalent positions:

5 \$ 262,199

6 FTEs 2.85

7 The board of regents shall submit a report on the progress
8 of regents institutions in meeting the strategic plan for
9 technology transfer and economic development to the
10 chairpersons of the joint appropriations subcommittee on
11 economic development, the joint appropriations subcommittee on
12 education, the majority leader and minority leader of the
13 senate, the majority and minority leaders of the house of
14 representatives, the secretary of the senate, the chief clerk
15 of the house of representatives, and the legislative fiscal
16 bureau by December 1, 1998.

17 Sec. 8. UNIVERSITY OF NORTHERN IOWA. There is
18 appropriated from the general fund of the state to the
19 university of northern Iowa for the fiscal year beginning July
20 1, 1998, and ending June 30, 1999, the following amounts, or
21 so much thereof as is necessary, to be used for the purposes
22 designated:

23 1. For the metal casting institute, including salaries,
24 support, maintenance, miscellaneous purposes, and for not more
25 than the following full-time equivalent positions:

26 \$ 166,349

27 FTEs 2.75

28 2. For the institute of decision making, including
29 salaries, support, maintenance, miscellaneous purposes, and
30 for not more than the following full-time equivalent
31 positions:

32 \$ 688,308

33 FTEs 8.00

34 Sec. 9. DEPARTMENT OF WORKFORCE DEVELOPMENT. There is
35 appropriated from the general fund of the state, to the

1 department of workforce development for the fiscal year
2 beginning July 1, 1998, and ending June 30, 1999, the
3 following amounts, or so much thereof as is necessary, for the
4 purposes designated:

5 1. DIVISION OF LABOR SERVICES

6 For the division of labor services, including salaries,
7 support, maintenance, miscellaneous purposes, and for not more
8 than the following full-time equivalent positions:

9	\$	2,902,693
10	FTEs	93.00

11 From the contractor registration fees, the division of
12 labor services shall reimburse the department of inspections
13 and appeals for all costs associated with hearings under
14 chapter 91C, relating to contractor registration.

15 2. DIVISION OF INDUSTRIAL SERVICES

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

19	\$	2,390,927
20	FTEs	34.00

21 The division of industrial services shall continue charging
22 a \$65 filing fee for workers' compensation cases. The filing
23 fee shall be paid by the petitioner of a claim. However, the
24 fee can be taxed as a cost and paid by the losing party,
25 except in cases where it would impose an undue hardship or be
26 unjust under the circumstances.

27 3. For salaries, support, maintenance, miscellaneous
28 purposes, and for not more than the following full-time
29 equivalent position for the workforce development state and
30 regional boards:

31	\$	106,929
32	FTE	1.00

33 4. For salaries, support, maintenance, miscellaneous
34 purposes for collection of labor market information, and for
35 not more than the following full-time equivalent position:

1 \$ 65,354
2 FTE 1.00

3 5. WORKFORCE DEVELOPMENT AREA

4 For salaries, support, maintenance, and miscellaneous
5 purposes for the development and maintenance of a workforce
6 sufficient in size and skill to meet the occupational demands
7 of each workforce development area, and for workforce
8 development programs, including those provided for in sections
9 84A.7, 84A.8, and 84A.9. Each region shall be required to
10 provide an equal amount of matching funds from local sources:

11 \$ 1,480,022
12 FTEs 4.20

13 The department shall expend \$923,180 on youth workforce
14 programs. Youth conservation corps program moneys shall be
15 allocated among the regions which have developed a youth
16 conservation corps program by July 1, 1998.

17 Notwithstanding section 8.33, moneys committed to grantees
18 under contract that remain unexpended on June 30, 1999, shall
19 not revert to any fund but shall be available for expenditure
20 for purposes of the contract during the fiscal year beginning
21 July 1, 1999.

22 6. LABOR MANAGEMENT COORDINATOR

23 For salaries, support, maintenance, miscellaneous purposes,
24 and for not more than the following full-time equivalent
25 position:

26 \$ 66,851
27 FTE 0.50

28 The Iowa workforce development board shall be responsible
29 for the functions previously conducted by the state labor
30 management cooperation council. The board, the department of
31 workforce development, and the labor management coordinator
32 shall cooperate to improve communications and facilitate
33 dialogue between labor, management, and government on
34 workforce development problems facing the state, to form in-
35 plant labor management committees, and to provide technical

1 assistance to establish effective labor management policies in
2 the state.

3 7. WELFARE-TO-WORK MATCHING FUNDS

4 For matching funds for welfare-to-work grants authorized
5 through the United States department of labor to provide
6 additional services for the hardest to employ recipients of
7 family investment program benefits:

8 \$ 888,633

9 Notwithstanding section 8.33, moneys appropriated in this
10 subsection which remain unexpended or unobligated on June 30,
11 1999, shall not revert to the general fund of the state but
12 shall remain available for expenditure for the same purpose
13 during the fiscal year beginning July 1, 1999.

14 Sec. 10. JOB TRAINING FUND. Notwithstanding section
15 15.251, subsection 2, there is appropriated from the job
16 training fund to the department of workforce development for
17 the fiscal year beginning July 1, 1998, and ending June 30,
18 1999, the following amount, or so much thereof as is
19 necessary, to be used for the purpose designated:

20 For the target alliance program:

21 \$ 30,000

22 Sec. 11. ADMINISTRATIVE CONTRIBUTION SURCHARGE FUND.

23 There is appropriated from the administrative contribution
24 surcharge fund of the state to the department of workforce
25 development for the fiscal year beginning July 1, 1998, and
26 ending June 30, 1999, the following amount, or so much thereof
27 as is necessary, for the purposes designated:

28 Notwithstanding section 96.7, subsection 12, paragraph "c",
29 for salaries, support, maintenance, conducting labor
30 availability surveys, miscellaneous purposes, and for not more
31 than the following full-time equivalent positions:

32 \$ 7,100,000

33 FTEs 125.42

34 Sec. 12. EMPLOYMENT SECURITY CONTINGENCY FUND. There is
35 appropriated from the special employment security contingency

1 fund to the department of workforce development for the fiscal
2 year beginning July 1, 1998, and ending June 30, 1999, the
3 following amounts, or so much thereof as is necessary, for the
4 purposes designated:

5 1. DIVISION OF LABOR SERVICES

6 For salaries, support, maintenance, and miscellaneous
7 purposes:

8 \$ 296,000

9 2. DIVISION OF INDUSTRIAL SERVICES

10 For salaries, support, maintenance, and miscellaneous
11 purposes:

12 \$ 175,000

13 Any additional penalty and interest revenue may be used to
14 accomplish the mission of the department.

15 Sec. 13. PUBLIC EMPLOYMENT RELATIONS BOARD. There is

16 appropriated from the general fund of the state to the public
17 employment relations board for the fiscal year beginning July
18 1, 1998, and ending June 30, 1999, the following amount, or so
19 much thereof as is necessary, for the purposes designated:

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

23 \$ 857,844

24 FTES 12.80

25 Sec. 14. TERMINATION OF THE IOWA SEED CAPITAL CORPORATION.

26 On or before June 30, 1998, the board of directors of the Iowa
27 seed capital corporation shall wind up the affairs of the
28 corporation, including the termination of staff, and
29 dissolution of the corporation. The board of directors of the
30 Iowa seed capital corporation shall transfer any remaining
31 moneys to the strategic investment fund established in section
32 15.313 for the purposes specified in this section. In the
33 event that the equity assets of the Iowa seed capital
34 corporation cannot be appropriately and effectively liquidated
35 before June 30, 1998, the board of directors of the Iowa seed

1 capital corporation shall turn its equity assets over to a
2 court appointed receiver pursuant to chapter 680. The
3 commissioner of insurance or the commissioner's designee shall
4 seek appointment as receiver of the assets for the purpose of
5 continuing an orderly liquidation of the assets. Liquidation
6 shall be completed by the commissioner or the commissioner's
7 designee within a reasonable time provided that appropriate
8 steps are taken to maximize the moneys transferred to the
9 state. The commissioner shall be reimbursed for the actual
10 costs associated with the liquidation of Iowa seed capital
11 corporation assets including, but not limited to, brokerage
12 fees and administrative charges.

13 Moneys transferred to the strategic investment fund on or
14 before June 30, 1998, and moneys transferred to the strategic
15 investment fund by the receiver following the liquidation of
16 assets shall be used by the department of economic development
17 for any of the following purposes relating to venture capital,
18 new business starts, and entrepreneurial development: the
19 entrepreneurial ventures assistance program, the small
20 business innovative research grant program, recognized
21 entrepreneurial venture development training programs,
22 projects defined as a new business opportunity, a new product
23 development, and a venture project under the community
24 economic betterment program, and other joint initiatives of
25 the department with the John Pappajohn entrepreneurial
26 centers.

27 Sec. 15. SHELTER ASSISTANCE FUND. In providing moneys
28 from the shelter assistance fund to homeless shelter programs,
29 the department of economic development shall explore the
30 potential of allocating moneys to homeless shelter programs
31 based in part on their ability to move their clients toward
32 self-sufficiency.

33 Sec. 16. The department of economic development and the
34 department of workforce development shall within the budget
35 proposals for the fiscal year beginning July 1, 2000, detail

1 the number of FTEs and contract employees included in the
2 budget proposal. During the budget process for the fiscal
3 year beginning July 1, 2000, the joint economic development
4 appropriation subcommittee shall examine contract employees in
5 relationship to the budgets of the department of economic
6 development and the department of workforce development.

7 Sec. 17. BUDGET PROPOSALS. The department of economic
8 development and the department of workforce development shall
9 submit all budget proposals in the traditional format as well
10 as in the budgeting for results format for the fiscal year
11 beginning July 1, 1999.

12 Sec. 18. FEDERAL GRANTS. All federal grants to and the
13 federal receipts of agencies appropriated funds under this
14 Act, not otherwise appropriated, are appropriated for the
15 purposes set forth in the federal grants or receipts unless
16 otherwise provided by the general assembly.

17 Sec. 19. The Iowa finance authority and the Iowa housing
18 corporation shall consider restrictions on any per diem
19 provided to a member of the board of directors serving both
20 the authority and the Iowa housing corporation on occasions
21 when meetings of both entities are held on the same day and in
22 the same city or metropolitan area.

23 Sec. 20. Notwithstanding section 96.9, subsection 4,
24 paragraph "a", moneys credited to the state by the secretary
25 of the treasury of the United States pursuant to section 903
26 of the Social Security Act shall be appropriated to the
27 department of workforce development and shall be used by the
28 department for the administration of the unemployment
29 compensation program only. This appropriation shall not apply
30 to any fiscal year after June 30, 2001.

31 Sec. 21. Notwithstanding any full-time equivalent position
32 limitations in this Act to the contrary, the department of
33 economic development may add 3.00 FTEs for the commission on
34 volunteer services and 1.00 FTE for the housing assistance
35 program. Two of the full-time equivalent positions added

1 under this section for the commission on volunteer services
2 relate to the transition of personnel services contractors to
3 full-time equivalent positions. The merit system provisions
4 of chapter 19A and the provisions of the state and union
5 collective bargaining agreements shall not govern movement
6 into these full-time positions until September 1, 1998. The
7 provisions relating to the transition of personnel services
8 contractors to full-time equivalent positions, chapter 19A,
9 and collective bargaining agreements are void after September
10 1, 1998.

11 Sec. 22. Section 14 of this Act, being deemed of immediate
12 importance, takes effect upon enactment.

13 EXPLANATION

14 This bill makes appropriations and transfers from the
15 general fund of the state and other funds to the department of
16 economic development, Iowa state university, the university of
17 Iowa, the university of northern Iowa, the department of
18 workforce development, and the public employment relations
19 board for the 1998-1999 fiscal year.

20 The bill also provides that the department of economic
21 development and the department of workforce development shall
22 submit all budget proposals in the traditional format as well
23 as in the budgeting for results format for the fiscal year
24 beginning July 1, 1999.

25 The bill provides a procedure for the transfer and
26 liquidation of Iowa seed capital corporation moneys and assets
27 to the strategic investment fund. The bill allows for the
28 appointment of a receiver if the assets cannot be effectively
29 liquidated by June 30, 1998. Moneys transferred to the
30 strategic investment fund shall be used by the department of
31 economic development for venture capital, new business starts,
32 and entrepreneurial development purposes.

33 The bill provides that the department of economic
34 development shall explore the potential of allocating moneys
35 to homeless shelter programs based in part on their ability to

1 move their clients toward self-sufficiency.

2 The bill appropriates to the department of workforce
3 development moneys credited to the state by the secretary of
4 the treasury of the United States pursuant to the Social
5 Security Act. The moneys shall only be used for the
6 administration of the unemployment compensation program.

7 The bill provides an effective date for the transfer and
8 liquidation of the Iowa seed capital corporation.

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SENATE FILE 2296

S-5198

- 1 Amend Senate File 2296 as follows:
- 2 1. Page 17, line 1, by inserting after the word
- 3 "its" the following: "remaining moneys and".
- 4 2. Page 17, by striking lines 2 through 12 and
- 5 inserting the following: "liquidating manager. The
- 6 selection and appointment process for the liquidating
- 7 manager shall be established by the Iowa seed capital
- 8 corporation board subject to approval by the attorney
- 9 general. Liquidation shall be completed by the
- 10 liquidation manager within a reasonable time provided
- 11 that appropriate steps are taken to maximize the
- 12 moneys transferred to the state and minimize the
- 13 transition effect on the affected companies. The
- 14 liquidation manager shall be reimbursed for the actual
- 15 costs associated with the liquidation of the Iowa seed
- 16 capital corporation assets including, but not limited
- 17 to, brokerage fees and administrative charges."
- 18 3. Page 17, line 13, by inserting after the word
- 19 "Moneys" the following: ", unless otherwise provided
- 20 by law, shall be".
- 21 4. Page 17, lines 13 through 15, by striking the
- 22 words "on or before June 30, 1998, and moneys
- 23 transferred to the strategic investment fund by the
- 24 receiver" and inserting the following: "by the
- 25 liquidating manager".
- 26 5. Page 17, line 16, by inserting after the word
- 27 "assets" the following: "and".

By ALLEN BORLAUG
DERRYL McLAREN

S-5198 FILED MARCH 11, 1998

WITHDRAWN (P652)
3-11-98

SENATE FILE 2296

S-5204

- 1 Amend Senate File 2296 as follows:
- 2 1. Page 3, line 5, by striking the figure
- 3 "6,806,774" and inserting the following: "6,766,174".
- 4 2. Page 13, by striking lines 27 through 32 and
- 5 inserting the following:
- 6 "3. For salaries, support, maintenance,
- 7 miscellaneous purposes, for not more than the
- 8 following full-time equivalent position for the
- 9 workforce development state and regional boards, and
- 10 for an allocation of \$40,600 to pay for a regional
- 11 board statewide conference:
- 12 \$ 147,529
- 13 FTE 1.00"

By PATRICIA HARPER

S-5204 FILED MARCH 11, 1998

LOST

(P647)

SENATE FILE 2296

S-5102

1 Amend Senate File 2296 as follows:

2 1. Page 18, by inserting after line 6 the
3 following:

4 "Sec. _____. The department of economic development
5 shall submit a report to the general assembly as
6 provided in section 7A.11 by January 1, 1999, which
7 includes all of the following:

8 1. A survey of all business, industry, and
9 agriculture-related international trade activities in
10 this state. The survey shall include the types of
11 businesses and the products involved in international
12 trade and the estimated costs and revenues resulting
13 from such trade.

14 2. A list of specific targets and targeted
15 opportunities for business, industry, and agriculture
16 related to international trade activities in this
17 state. These targets shall include the types of
18 businesses and the products that are currently
19 involved in international trade, as well as the types
20 of businesses and the products that could potentially
21 become involved in international trade in the future."

22 2. By renumbering as necessary.

By ALLEN BORLAUG
DERRYL McLAREN

S-5102 FILED MARCH 2, 1998

(p. 652)

SENATE FILE 2296

S-5197

1 Amend Senate File 2296 as follows:

2 1. Page 2, line 5, by inserting after the word
3 "center," the following: "50 cents for every \$1.00
4 raised in private moneys with a maximum of \$30,000 to
5 assist the Iowa wine and beer promotion board pursuant
6 to section 15E.117,".

7 2. Page 2, line 7, by striking the figure
8 "3,942,849" and inserting the following: "3,972,849".

9 3. Page 3, line 5, by striking the figure
10 "6,806,774" and inserting the following: "6,776,774".

By BILL FINK

S-5197 FILED MARCH 11, 1998

LOST

(p. 647)

SENATE FILE 2296

S-5209

1 Amend Senate File 2296 as follows:

2 1. Page 16, by inserting after line 24 the
3 following:

4 "Sec. 13A. Section 16.5, Code Supplement 1997, is
5 amended by adding the following new subsections:

6 NEW SUBSECTION. 18. Require any nonprofit
7 corporation created by or in association with the
8 authority since January 1, 1989, to include two
9 representatives of nonprofit housing organizations as
10 voting members on the board of directors of any such
11 corporation. Any such nonprofit corporation shall not
12 have more than two nonvoting ex-officio members on the
13 board of directors who are employed by the authority
14 or serve on the board of directors of the authority.

15 NEW SUBSECTION. 19. Require any nonprofit
16 corporation created by or in association with the
17 authority since January 1, 1989, to file a detailed
18 report by January 15 of each year with the
19 chairpersons and ranking members of the appropriate
20 appropriations subcommittees of the general assembly
21 which shall include, at a minimum, all of the following:
22 following:

23 a. An annual report of the corporation. An annual report

24 b. An itemized list of projects assisted, project
25 fees received, project locations, types and amounts of
26 assistance provided, and contact persons for each
27 project.

28 c. A list of fixed assets of the corporation, including the date the fixed assets were acquired and
29 including the date the fixed assets were acquired and
30 the cost of the fixed assets.

31 d. An itemized list of types and amounts of
32 financial assistance provided to the corporation by
33 outside sources.

34 e. A list, by position, of all corporate employees
35 and board members. The information submitted pursuant
36 to this paragraph shall include the compensation
37 received, including salary and benefits, received by
38 each employee and board member.

39 NEW SUBSECTION. 20. Require any nonprofit
40 corporation created by or in association with the
41 authority since January 1, 1989, to adopt a written
42 conflict of interests policy. The policy shall
43 include, but not be limited to, a prohibition against
44 a board member or employee of the corporation having a
45 financial interest in any project of the corporation.

46 Sec. 13B. AUDIT. By January 15, 1999, the auditor
47 of state shall conduct an audit, or review any
48 previously completed audit, of any nonprofit
49 corporation in existence which has been incorporated
50 since January 1, 1989, by or in association with the

S-5209

S-5209

Page 2

1 Iowa finance authority, for the entire time period
2 since the corporation was incorporated. The auditor
3 shall make or cause to be made a written report
4 consistent with and similar to the type of report
5 required under section 11.4. The auditor of state may
6 conduct similar additional audits of the same
7 nonprofit corporation as the auditor deems necessary
8 and the nonprofit corporation shall pay a fee for all
9 audits conducted.

10 Sec. 13C. HOUSING CORPORATION BOARD. The board of
11 directors of the Iowa housing corporation shall
12 consist of nine voting members serving staggered
13 three-year terms. Two members shall be
14 representatives of nonprofit housing organizations
15 with one member appointed by the governor, subject to
16 confirmation by the senate, and one member named by
17 the Iowa coalition for housing and the homeless. The
18 Iowa association of realtors, the home builders
19 association of Iowa, and the Iowa mortgage bankers
20 association shall all appoint one member to the board.
21 The governor shall appoint the remaining four board
22 members subject to confirmation by the senate. The
23 terms of three board members shall expire each year.
24 Board members serving on the effective date of this
25 Act shall complete their current terms and shall have
26 their positions on the board filled by the members who
27 are to be appointed by the governor. Board members
28 filling the four new positions on the board which are
29 appointed by the private associations may serve less
30 than a three-year term during the initial term in
31 order to properly stagger the terms. All appointments
32 to the board of directors made by the governor shall
33 conform to the requirements of sections 69.15, 69.16,
34 69.16A, 69.17, 69.18, and 69.19."

35 2. Page 19, line 11, by striking the word
36 "Section" and inserting the following: "Sections 13A,
37 13B, 13C, and".

38 3. Page 19, line 12, by striking the word "takes"
39 and inserting the following: "take".

40 4. Title page, by striking line 5 and inserting
41 the following: "providing effective date provisions."

42 5. By renumbering and correcting internal
43 numbering and references as necessary.

By PATRICIA HARPER
MATT McCOY
PATRICK J. DELUHERY

S-5209 FILED MARCH 11, 1998
LOST

(p. 651)

SENATE FILE 2296

S-5208

1 Amend Senate File 2296 as follows:

- 2 1. Page 3, line 5, by striking the figure
- 3 "6,806,774" and inserting the following: "6,684,281".
- 4 2. Page 13, line 9, by striking the figure
- 5 "2,902,693" and inserting the following: "3,025,186".
- 6 3. Page 13, line 10, by striking the figure
- 7 "93.00" and inserting the following: "98.00".

By PATRICIA HARPER
DICK L. DEARDEN

MATT McCOY
PATRICK J. DELUHERY

S-5208 FILED MARCH 11, 1998
LOST

(p. 649)

SENATE FILE 2296

S-5205

- 1 Amend Senate File 2296 as follows:
- 2 1. Page 3, line 5, by striking the figure
- 3 "6,806,774" and inserting the following: "6,756,774".
- 4 2. Page 12, line 32, by striking the figure
- 5 "688,308" and inserting the following: "738,308".
- 6 3. Page 12, line 33, by striking the figure
- 7 "8.00" and inserting the following: "9.00".

By PATRICIA HARPER PATTY JUDGE
 BILL FINK PATRICK J. DELUHERY

S-5205 FILED MARCH 11, 1998

LOST (p. 648)

SENATE FILE 2296

S-5206

- 1 Amend Senate File 2296 as follows:
- 2 1. Page 3, line 5, by striking the figure
- 3 "6,806,774" and inserting the following: "6,751,574".
- 4 2. Page 13, by striking lines 27 through 32 and
- 5 inserting the following:
- 6 "3. For salaries, support, maintenance,
- 7 miscellaneous purposes, for not more than the
- 8 following full-time equivalent position for the
- 9 workforce development state and regional boards, and
- 10 for an allocation of \$55,200 to pay expenses of
- 11 regional board members:

12	\$	162,129
13	FTE	1.00"

By PATRICIA HARPER
 MATT McCOY

S-5206 FILED MARCH 11, 1998

LOST (p. 648)

SENATE FILE 2296

S-5207

- 1 Amend Senate File 2296 as follows:
- 2 1. Page 3, line 5, by striking the figure
- 3 "6,806,774" and inserting the following: "6,749,774".
- 4 2. Page 13, line 9, by striking the figure
- 5 "2,902,693" and inserting the following: "2,959,693".
- 6 3. Page 13, line 10, by striking the figure
- 7 "93.00" and inserting the following: "94.00".

By PATRICIA HARPER PATRICK J. DELUHERY
 DICK L. DEARDEN MATT McCOY

S-5207 FILED MARCH 11, 1998

LOST (p. 649)

SENATE FILE 2296

S-5216

1 Amend Senate File 2296 as follows:
2 1. Page 3, by inserting after line 29 the
3 following:
4 "As a condition of any portion of the appropriation
5 made under this lettered paragraph being used for
6 awards from the community economic betterment account,
7 the department shall require that all projects
8 approved have starting wages not less than 100 percent
9 of the lesser of the average county wage or the
10 average regional wage, as compiled annually by the
11 department for the community economic betterment
12 program."

By TOM VILSACK

S-5216 FILED MARCH 11, 1998

LOST

(p. 650)

SENATE FILE 2296

S-5210

- 1 Amend Senate File 2296 as follows:
2 1. Page 17, line 1, by inserting after the word
3 "its" the following: "remaining moneys and".
4 2. Page 17, by striking lines 2 through 12 and
5 inserting the following: "liquidating manager. The
6 selection and appointment process for the liquidating
7 manager shall be established by the insurance division
8 of the department of commerce subject to approval by
9 the attorney general. Liquidation shall be completed
10 by the liquidation manager within a reasonable time
11 provided that appropriate steps are taken to maximize
12 the moneys transferred to the state and minimize the
13 transition effect on the affected companies. The
14 liquidation manager shall be reimbursed for the actual
15 costs associated with the liquidation of the Iowa seed
16 capital corporation assets including, but not limited
17 to, brokerage fees and administrative charges."
18 3. Page 17, line 13, by inserting after the word
19 "Moneys" the following: ", unless otherwise provided
20 by law, shall be".
21 4. Page 17, lines 13 through 15, by striking the
22 words "on or before June 30, 1998, and moneys
23 transferred to the strategic investment fund by the
24 receiver" and inserting the following: "by the
25 liquidating manager".
26 5. Page 17, line 16, by inserting after the word
27 "assets" the following: "and".

By ALLEN BORLAUG
DERRYL McLAREN

S-5210 FILED MARCH 11, 1998
ADOPTED (p.652)

SENATE FILE 2296

S-5212

- 1 Amend Senate File 2296 as follows:
2 1. By striking page 8, line 17, through page 9,
3 line 1.

By MARY NEUHAUSER

S-5212 FILED MARCH 11, 1998
LOST (p.651)

H-
H. 3/25/98 Amend Do Per
w/ H 8711

S. 4/17/98 MTR by Cornauy, Borlaug
McLaren

SENATE FILE **2296**

BY COMMITTEE ON APPROPRIATIONS
S-Motion w/ Rec. by Borlaug - prevailed
other motions of order

(SUCCESSOR TO SSB 2160)

4/24/98 S.
4/20/98 Motion to Re-consider

(AS AMENDED AND PASSED BY THE SENATE MARCH 11, 1998)

- New Language by the Senate

Passed Senate, Date 4/17/98 (p. 1375) Passed House, Date 4/3/98 (p. 1262)

Vote: Ayes 36 Nays 9 Vote: Ayes 95 Nays 1

Approved Item Vetoed 5/22/98

(p. 1396) Passed 4/20/98
Vote 44-2

(p. 1897) Passed 4-21-98
Vote 91-5

(p. 1425) Passed 4/21/98
Vote ~~48-3~~ 44-3

A BILL FOR

1 An Act appropriating funds to the department of economic
2 development, certain board of regents institutions, the
3 department of workforce development, the public employment
4 relations board, making related statutory changes, and
5 providing an effective date provision.

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

7 Senate Conf. Comm.
8 4-21-98 (p. 1412)

House Conf. Comm.
4-21-98

9 Borlaug
10 Schuener
11 McLaren
12 Dehnbey
13 Harper

Churchill
Willage
Van Fossen
Halveck
Dotzler

S.F. 2296

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1 Section 1. DEPARTMENT OF ECONOMIC DEVELOPMENT. There is
2 appropriated from the general fund of the state and other
3 designated funds to the department of economic development for
4 the fiscal year beginning July 1, 1998, and ending June 30,
5 1999, the following amounts, or so much thereof as is
6 necessary, to be used for the purposes designated:

7 1. ADMINISTRATIVE SERVICES DIVISION

8 a. General administration

9 For salaries, support, maintenance, miscellaneous purposes,
10 and for providing that a business receiving moneys from the
11 department for the purpose of job creation shall make
12 available ten percent of the new jobs created for promise jobs
13 program participants who are qualified for the jobs created
14 and for not more than the following full-time equivalent
15 positions:

16 \$ 1,497,074
17 FTEs 25.75

18 One of the full-time equivalent positions authorized in
19 this lettered paragraph relates to the transition of personnel
20 services contractors to full-time equivalent positions. The
21 merit system provisions of chapter 19A and the provisions of
22 the state and union collective bargaining agreements shall not
23 govern movement into these full-time equivalent positions
24 until September 1, 1998. These provisions relating to the
25 transition of personnel services contractors to full-time
26 equivalent positions, chapter 19A, and collective bargaining
27 agreements are void after September 1, 1998.

28 b. Film office

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

32 \$ 253,632
33 FTEs 2.00

34 2. BUSINESS DEVELOPMENT DIVISION

35 a. Business development operations

1 For salaries, support, maintenance, miscellaneous purposes,
2 for not more than the following full-time equivalent
3 positions, for allocating \$495,000 to support activities in
4 conjunction with the Iowa manufacturing technology center,
5 \$150,000 to the graphic arts center, and for a strategic
6 marketing effort for workforce development:

7 \$ 3,942,849
8 FTEs 22.75

9 Four of the full-time equivalent positions authorized in
10 this lettered paragraph relate to the transition of personnel
11 services contractors to full-time equivalent positions. The
12 merit system provisions of chapter 19A and the provisions of
13 the state and union collective bargaining agreements shall not
14 govern movement into these full-time equivalent positions
15 until September 1, 1998. These provisions relating to the
16 transition of personnel services contractors to full-time
17 equivalent positions, chapter 19A, and collective bargaining
18 agreements are void after September 1, 1998.

19 b. Small business programs

20 For salaries, support, maintenance, miscellaneous purposes,
21 and for not more than the following full-time equivalent
22 positions for the small business program, the small business
23 advisory council, and targeted small business program:

24 \$ 452,252
25 FTEs 5.00

26 c. Federal procurement office

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

30 \$ 106,124
31 FTEs 3.00

32 Notwithstanding section 8.33, moneys remaining unencumbered
33 or unobligated on June 30, 1999, shall not revert and shall be
34 available for expenditure during the fiscal year beginning
35 July 1, 1999, for the same purposes.

1 d. Strategic investment fund

2 For deposit in the strategic investment fund for salaries,
3 support, for not more than the following full-time equivalent
4 positions:

5 \$ 6,806,774
6 FTEs 12.50

7 Two of the full-time equivalent positions authorized in
8 this lettered paragraph relate to the transition of personnel
9 services contractors to full-time equivalent positions. The
10 merit system provisions of chapter 19A and the provisions of
11 the state and union collective bargaining agreements shall not
12 govern movement into these full-time equivalent positions
13 until September 1, 1998. These provisions relating to the
14 transition of personnel services contractors to full-time
15 equivalent positions, chapter 19A, and collective bargaining
16 agreements are void after September 1, 1998.

17 The department may allocate from the strategic investment
18 fund up to \$600,000 for the entrepreneurial ventures
19 assistance program. The department shall seek the advice,
20 consultation, and cooperation of the entrepreneurial centers
21 and the major benefactor of the centers in the implementation
22 of the entrepreneurial ventures assistance program.

23 The department may allocate from the strategic investment
24 fund up to \$100,000 for the microbusiness rural enterprise
25 assistance program under section 15.114.

26 The department shall provide an annual report on the
27 progress made by the department in making the community
28 economic betterment program a self-sustaining, revolving loan
29 program.

30 e. Insurance economic development

31 There is appropriated from moneys collected by the division
32 of insurance in excess of the anticipated gross revenues under
33 section 505.7, subsection 3, to the department for the fiscal
34 year beginning July 1, 1998, and ending June 30, 1999, the
35 following amount, or so much thereof as is necessary, for

1 insurance economic development and international insurance

2 economic development:

3 \$ 200,000

4 f. Value-added agriculture

5 There is appropriated from the moneys available to support
6 value-added agricultural products and processes, four percent,
7 or so much thereof as is necessary, of the total moneys

8 available to support value-added agricultural products and
9 processes pursuant to section 423.24 each quarter for

10 administration of the value-added agricultural products and
11 processes financial assistance program as provided in section
12 15E.111, including salaries, support, maintenance,

13 miscellaneous purposes, and for not more than 2.00 FTEs.

14 The department shall collaborate with the university of
15 northern Iowa on a strategic initiative to develop ag-based
16 industrial lubrication technology and to create projects to
17 deploy the technology in commercial applications.

18 Notwithstanding the requirements of section 15E.111 and the
19 administrative rules for value-added agricultural products and
20 processes, the department shall allocate \$150,000 for this
21 initiative.

22 3. COMMUNITY DEVELOPMENT DIVISION

23 a. Community assistance

24 For salaries, support, maintenance, miscellaneous purposes,
25 and for not more than the following full-time equivalent
26 positions for administration of the community economic
27 preparedness program, the Iowa community betterment program,
28 and the city development board:

29 \$ 654,547

30 FTEs 8.50

31 b. Main street/rural main street program

32 For salaries and support for not more than the following
33 full-time equivalent positions:

34 \$ 427,429

35 FTEs 3.00

1 Notwithstanding section 8.33, moneys committed to grantees
2 under contract from the general fund of the state that remain
3 unexpended on June 30, 1999, shall not revert to any fund but
4 shall be available for expenditure for purposes of the
5 contract during the fiscal year beginning July 1, 1999.

6 c. Community development program

7 For salaries, support, maintenance, miscellaneous purposes,
8 for not more than the following full-time equivalent
9 positions, for rural resource coordination, rural community
10 leadership, rural innovations grant program, and the rural
11 enterprise fund:

12 \$ 829,338
13 FTEs 7.50

14 Three of the full-time equivalent positions authorized in
15 this lettered paragraph relate to the transition of personnel
16 services contractors to full-time equivalent positions. The
17 merit system provisions of chapter 19A and the provisions of
18 the state and union collective bargaining agreements shall not
19 govern movement into these full-time equivalent positions
20 until September 1, 1998. These provisions relating to the
21 transition of personnel services contractors to full-time
22 equivalent positions, chapter 19A, and collective bargaining
23 agreements are void after September 1, 1998.

24 There is appropriated from the rural community 2000 program
25 revolving fund established in section 15.287 to provide to
26 Iowa's councils of governments funds for planning and
27 technical assistance to local governments:

28 \$ 150,000

29 There is appropriated from the rural community 2000 program
30 revolving fund established in section 15.287 to the rural
31 development program for the purposes of the program including
32 the rural enterprise fund and collaborative skills development
33 training:

34 \$ 484,343

35 Notwithstanding section 8.33, moneys committed to grantees

1 under contract from the general fund of the state or through
2 transfers from the Iowa community development loan fund or
3 from the rural community 2000 program revolving fund that
4 remain unexpended on June 30, 1999, shall not revert but shall
5 be available for expenditure for purposes of the contract
6 during the fiscal year beginning July 1, 1999.

7 d. Community development block grant and HOME

8 For administration and related federal housing and urban
9 development grant administration for salaries, support,
10 maintenance, miscellaneous purposes, and for not more than the
11 following full-time equivalent positions:

12	\$	422,719
13	FTEs	21.75

14 Three of the full-time equivalent positions authorized in
15 this lettered paragraph relate to the transition of personnel
16 services contractors to full-time equivalent positions. The
17 merit system provisions of chapter 19A and the provisions of
18 the state and union collective bargaining agreements shall not
19 govern movement into these full-time equivalent positions
20 until September 1, 1998. These provisions relating to the
21 transition of personnel services contractors to full-time
22 equivalent positions, chapter 19A, and collective bargaining
23 agreements are void after September 1, 1998.

24 e. Housing development fund

25 For providing technical assistance to communities of all
26 sizes and local financial institutions to help meet local
27 housing needs and to provide and transfer matching funds for
28 the HOME program:

29	\$	1,300,000
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30 Notwithstanding section 8.33, moneys committed to grantees
31 under contract from the housing development fund and moneys
32 transferred for matching funds for the HOME program that
33 remain unexpended or unobligated on June 30, 1999, shall not
34 revert to any fund but shall be available for obligation and
35 expenditure for purposes of those programs during the fiscal

1 year beginning July 1, 1999.

2 f. Shelter assistance program

3 For the purposes of the shelter assistance fund:

4 \$ 400,000

5 4. INTERNATIONAL DIVISION

6 a. International trade operations

7 For salaries, support, maintenance, miscellaneous purposes,
8 for support of foreign representation and trade offices, and
9 for not more than the following full-time equivalent

10 positions:

11 \$ 2,022,107

12 FTEs 10.00

13 From among the full-time equivalent positions authorized by
14 this lettered paragraph, one position shall concentrate on the
15 export sale of grain, one on the export sale of livestock, and
16 one on the export sale of value-added agricultural products.

17 b. Export trade assistance program

18 For export trade activities, including a program to
19 encourage and increase participation in trade shows and trade
20 missions by providing financial assistance to businesses for a
21 percentage of their costs of participating in trade shows and
22 trade missions, by providing for the lease/sublease of
23 showcase space in existing world trade centers, by providing
24 temporary office space for foreign buyers, international
25 prospects, and potential reverse investors, and by providing
26 other promotional and assistance activities, including
27 salaries and support:

28 \$ 425,000

29 Notwithstanding section 8.33, moneys appropriated by this
30 lettered paragraph which remain unobligated or unexpended on
31 June 30, 1999, shall not revert to the general fund of the
32 state but shall be transferred to and deposited in the
33 strategic investment fund created in section 15.313.

34 c. Agricultural product advisory council

35 For support, maintenance, and miscellaneous purposes:

1 \$ 1,300

2 d. For transfer to the partner state program which the
3 department may use to contract with private groups or
4 organizations which are the most appropriate to administer
5 this program and the groups and organizations participating in
6 the program shall, to the fullest extent possible, provide the
7 funds to match the appropriation made in this paragraph of the
8 funds transferred:

9 \$ 125,000

10 5. TOURISM DIVISION

11 Tourism operations/advertising

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

15 \$ 5,040,732

16 FTEs 18.52

17 The department may expend up to \$130,000 to provide
18 assistance to private welcome centers in the state. The
19 department shall not provide assistance of more than \$10,000
20 to any one private welcome center. A private welcome center
21 seeking assistance shall submit a competitive application to
22 the department and may be eligible for receiving assistance if
23 the private welcome center complies with all of the following
24 criteria:

25 a. The private welcome center is at risk of a projected
26 operating deficit.

27 b. The private welcome center complies with operational
28 standards and requirements determined by the department.

29 c. The private welcome center submits a financial plan for
30 self-sufficiency to the department.

31 The department shall conduct a study of the public and
32 private welcome center system in the state. The department
33 shall make recommendations to the general assembly for the
34 future operation of the system including recommendations
35 concerning funding for private welcome center operations and

1 quality standards for public and private welcome centers.

2 The department shall not use the moneys appropriated in
3 this subsection, unless the department develops public-private
4 partnerships with Iowa businesses in the tourism industry,
5 Iowa tour groups, Iowa tourism organizations, and political
6 subdivisions in this state to assist in the development of
7 advertising efforts. The department shall, to the fullest
8 extent possible, develop cooperative efforts for advertising
9 with contributions from other sources.

10 Sec. 2. COMMUNITY DEVELOPMENT LOAN FUND. Notwithstanding
11 section 15E.120, subsections 5, 6, and 7, and section 15.287,
12 there is appropriated from the Iowa community development loan
13 fund all the moneys available during the fiscal year beginning
14 July 1, 1998, and ending June 30, 1999, to the department of
15 economic development for the community development program to
16 be used by the department for the purposes of the program.

17 Sec. 3. JOB TRAINING FUND. Notwithstanding section
18 15.251, subsection 2, there is appropriated from the job
19 training fund to the department of economic development for
20 the fiscal year beginning July 1, 1998, and ending June 30,
21 1999, the following amount, or so much thereof as is
22 necessary, to be used for the purposes designated:

23 For administration of chapter 260E, including salaries,
24 support, maintenance, miscellaneous purposes, and for not more
25 than the following full-time equivalent positions:

26	\$	210,000
27	FTEs	2.50

28 Appropriations to the department of economic development
29 for administration of chapter 260E and the department of
30 workforce development for the target alliance program shall be
31 funded on a proportional basis if receipts to the job training
32 fund are insufficient to fund both appropriations in their
33 entirety.

34 Sec. 4. WORKFORCE DEVELOPMENT FUND. There is appropriated
35 from the workforce development fund account created in section

1 15.342A, to the workforce development fund created in section
2 15.343, for the fiscal year beginning July 1, 1998, and ending
3 June 30, 1999, the following amount, for the purposes of the
4 workforce development fund:

5 \$ 6,175,000

6 Sec. 5. Of all funds appropriated to or receipts credited
7 to the job training fund created in section 260F.6, subsection
8 1, up to \$175,000 for the fiscal year beginning July 1, 1998,
9 and ending June 30, 1999, and not more than 1.50 FTEs may be
10 used for the administration of the Iowa jobs training Act.

11 Sec. 6. IOWA STATE UNIVERSITY. There is appropriated from
12 the general fund of the state to the Iowa state university of
13 science and technology for the fiscal year beginning July 1,
14 1998, and ending June 30, 1999, the following amounts, or so
15 much thereof as is necessary, to be used for the purposes
16 designated:

17 1. For funding and maintaining in their current locations
18 the existing small business development centers, and for not
19 more than the following full-time equivalent positions:

20 \$ 1,235,880
21 FTEs 5.80

22 2. For the Iowa state university of science and technology
23 research park, including salaries, support, maintenance,
24 miscellaneous purposes, and for not more than the following
25 full-time equivalent positions:

26 \$ 376,500
27 FTEs 4.31

28 3. For funding the institute for physical research and
29 technology, provided that \$318,358 shall be allocated to the
30 industrial incentive program in accordance with the intent of
31 the general assembly, and for not more than the following
32 full-time equivalent positions:

33 \$ 4,379,458
34 FTEs 46.42

35 It is the intent of the general assembly that the incentive

1 program focus on Iowa industrial sectors and seek
2 contributions and in-kind donations from businesses,
3 industrial foundations, and trade associations and that moneys
4 for the institute for physical research and technology
5 industrial incentive program shall only be allocated for
6 projects which are matched by private sector moneys for
7 directed contract research or for nondirected research. The
8 match required of small businesses as defined in section
9 15.102, subsection 4, for directed contract research or for
10 nondirected research shall be \$1 for each \$3 of state funds.
11 The match required for other businesses for directed contract
12 research or for nondirected research shall be \$1 for each \$1
13 of state funds. The match required of industrial foundations
14 or trade associations shall be \$1 for each \$1 of state funds.

15 Iowa state university of science and technology shall
16 report annually to the joint appropriations subcommittee on
17 economic development and legislative fiscal bureau the total
18 amounts of private contributions, the proportion of
19 contributions from small businesses and other businesses, and
20 the proportion for directed contract research and nondirected
21 research of benefit to Iowa businesses and industrial sectors.

22 Notwithstanding section 8.33, moneys appropriated for the
23 fiscal year which remain unobligated and unexpended at the end
24 of the fiscal year shall not revert but shall be available for
25 expenditure the following fiscal year.

26 Sec. 7. UNIVERSITY OF IOWA. There is appropriated from
27 the general fund of the state to the state university of Iowa
28 for the fiscal year beginning July 1, 1998, and ending June
29 30, 1999, the following amounts, or so much thereof as is
30 necessary, to be used for the purposes designated:

31 1. For the university of Iowa research park, including
32 salaries, support, maintenance, equipment, miscellaneous
33 purposes, and for not more than the following full-time
34 equivalent positions:

35 \$ 331,007

1 FTEs 4.35

2 2. For funding the advanced drug development program at
 3 the Oakdale research park and for not more than the following
 4 full-time equivalent positions:

5 \$ 262,199

6 FTEs 2.85

7 The board of regents shall submit a report on the progress
 8 of regents institutions in meeting the strategic plan for
 9 technology transfer and economic development to the
 10 chairpersons of the joint appropriations subcommittee on
 11 economic development, the joint appropriations subcommittee on
 12 education, the majority leader and minority leader of the
 13 senate, the majority and minority leaders of the house of
 14 representatives, the secretary of the senate, the chief clerk
 15 of the house of representatives, and the legislative fiscal
 16 bureau by December 1, 1998.

17 Sec. 8. UNIVERSITY OF NORTHERN IOWA. There is
 18 appropriated from the general fund of the state to the
 19 university of northern Iowa for the fiscal year beginning July
 20 1, 1998, and ending June 30, 1999, the following amounts, or
 21 so much thereof as is necessary, to be used for the purposes
 22 designated:

23 1. For the metal casting institute, including salaries,
 24 support, maintenance, miscellaneous purposes, and for not more
 25 than the following full-time equivalent positions:

26 \$ 166,349

27 FTEs 2.75

28 2. For the institute of decision making, including
 29 salaries, support, maintenance, miscellaneous purposes, and
 30 for not more than the following full-time equivalent
 31 positions:

32 \$ 688,308

33 FTEs 8.00

34 Sec. 9. DEPARTMENT OF WORKFORCE DEVELOPMENT. There is
 35 appropriated from the general fund of the state, to the

1 department of workforce development for the fiscal year
2 beginning July 1, 1998, and ending June 30, 1999, the
3 following amounts, or so much thereof as is necessary, for the
4 purposes designated:

5 1. DIVISION OF LABOR SERVICES

6 For the division of labor services, including salaries,
7 support, maintenance, miscellaneous purposes, and for not more
8 than the following full-time equivalent positions:

9 \$ 2,902,693
10 FTEs 93.00

11 From the contractor registration fees, the division of
12 labor services shall reimburse the department of inspections
13 and appeals for all costs associated with hearings under
14 chapter 91C, relating to contractor registration.

15 2. DIVISION OF INDUSTRIAL SERVICES

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

19 \$ 2,390,927
20 FTEs 34.00

21 The division of industrial services shall continue charging
22 a \$65 filing fee for workers' compensation cases. The filing
23 fee shall be paid by the petitioner of a claim. However, the
24 fee can be taxed as a cost and paid by the losing party,
25 except in cases where it would impose an undue hardship or be
26 unjust under the circumstances.

27 3. For salaries, support, maintenance, miscellaneous
28 purposes, and for not more than the following full-time
29 equivalent position for the workforce development state and
30 regional boards:

31 \$ 106,929
32 FTE 1.00

33 4. For salaries, support, maintenance, miscellaneous
34 purposes for collection of labor market information, and for
35 not more than the following full-time equivalent position:

1 \$ 65,354
2 FTE 1.00

3 5. WORKFORCE DEVELOPMENT AREA

4 For salaries, support, maintenance, and miscellaneous
5 purposes for the development and maintenance of a workforce
6 sufficient in size and skill to meet the occupational demands
7 of each workforce development area, and for workforce
8 development programs, including those provided for in sections
9 84A.7, 84A.8, and 84A.9. Each region shall be required to
10 provide an equal amount of matching funds from local sources:

11 \$ 1,480,022
12 FTEs 4.20

13 The department shall expend \$923,180 on youth workforce
14 programs. Youth conservation corps program moneys shall be
15 allocated among the regions which have developed a youth
16 conservation corps program by July 1, 1998.

17 Notwithstanding section 8.33, moneys committed to grantees
18 under contract that remain unexpended on June 30, 1999, shall
19 not revert to any fund but shall be available for expenditure
20 for purposes of the contract during the fiscal year beginning
21 July 1, 1999.

22 6. LABOR MANAGEMENT COORDINATOR

23 For salaries, support, maintenance, miscellaneous purposes,
24 and for not more than the following full-time equivalent
25 position:

26 \$ 66,851
27 FTE 0.50

28 The Iowa workforce development board shall be responsible
29 for the functions previously conducted by the state labor
30 management cooperation council. The board, the department of
31 workforce development, and the labor management coordinator
32 shall cooperate to improve communications and facilitate
33 dialogue between labor, management, and government on
34 workforce development problems facing the state, to form in-
35 plant labor management committees, and to provide technical

1 assistance to establish effective labor management policies in
2 the state.

3 7. WELFARE-TO-WORK MATCHING FUNDS

4 For matching funds for welfare-to-work grants authorized
5 through the United States department of labor to provide
6 additional services for the hardest to employ recipients of
7 family investment program benefits:

8 \$ 888,633

9 Notwithstanding section 8.33, moneys appropriated in this
10 subsection which remain unexpended or unobligated on June 30,
11 1999, shall not revert to the general fund of the state but
12 shall remain available for expenditure for the same purpose
13 during the fiscal year beginning July 1, 1999.

14 Sec. 10. JOB TRAINING FUND. Notwithstanding section
15 15.251, subsection 2, there is appropriated from the job
16 training fund to the department of workforce development for
17 the fiscal year beginning July 1, 1998, and ending June 30,
18 1999, the following amount, or so much thereof as is
19 necessary, to be used for the purpose designated:

20 For the target alliance program:

21 \$ 30,000

22 Sec. 11. ADMINISTRATIVE CONTRIBUTION SURCHARGE FUND.

23 There is appropriated from the administrative contribution
24 surcharge fund of the state to the department of workforce
25 development for the fiscal year beginning July 1, 1998, and
26 ending June 30, 1999, the following amount, or so much thereof
27 as is necessary, for the purposes designated:

28 Notwithstanding section 96.7, subsection 12, paragraph "c",
29 for salaries, support, maintenance, conducting labor
30 availability surveys, miscellaneous purposes, and for not more
31 than the following full-time equivalent positions:

32 \$ 7,100,000

33 FTEs 125.42

34 Sec. 12. EMPLOYMENT SECURITY CONTINGENCY FUND. There is
35 appropriated from the special employment security contingency

1 fund to the department of workforce development for the fiscal
2 year beginning July 1, 1998, and ending June 30, 1999, the
3 following amounts, or so much thereof as is necessary, for the
4 purposes designated:

5 1. DIVISION OF LABOR SERVICES

6 For salaries, support, maintenance, and miscellaneous
7 purposes:

8 \$ 296,000

9 2. DIVISION OF INDUSTRIAL SERVICES

10 For salaries, support, maintenance, and miscellaneous
11 purposes:

12 \$ 175,000

13 Any additional penalty and interest revenue may be used to
14 accomplish the mission of the department.

15 Sec. 13. PUBLIC EMPLOYMENT RELATIONS BOARD. There is

16 appropriated from the general fund of the state to the public
17 employment relations board for the fiscal year beginning July
18 1, 1998, and ending June 30, 1999, the following amount, or so
19 much thereof as is necessary, for the purposes designated:

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

23 \$ 857,844

24 FTEs 12.80

25 Sec. 14. TERMINATION OF THE IOWA SEED CAPITAL CORPORATION.

26 On or before June 30, 1998, the board of directors of the Iowa
27 seed capital corporation shall wind up the affairs of the
28 corporation, including the termination of staff, and
29 dissolution of the corporation. The board of directors of the
30 Iowa seed capital corporation shall transfer any remaining
31 moneys to the strategic investment fund established in section
32 15.313 for the purposes specified in this section. In the
33 event that the equity assets of the Iowa seed capital
34 corporation cannot be appropriately and effectively liquidated
35 before June 30, 1998, the board of directors of the Iowa seed

1 capital corporation shall turn its remaining moneys and equity
2 assets over to a liquidating manager. The selection and
3 appointment process for the liquidating manager shall be
4 established by the insurance division of the department of
5 commerce subject to approval by the attorney general.

6 Liquidation shall be completed by the liquidation manager
7 within a reasonable time provided that appropriate steps are
8 taken to maximize the moneys transferred to the state and
9 minimize the transition effect on the affected companies. The
10 liquidation manager shall be reimbursed for the actual costs
11 associated with the liquidation of the Iowa seed capital
12 corporation assets including, but not limited to, brokerage
13 fees and administrative charges.

14 Moneys, unless otherwise provided by law, shall be
15 transferred to the strategic investment fund by the
16 liquidating manager following the liquidation of assets and
17 shall be used by the department of economic development for
18 any of the following purposes relating to venture capital, new
19 business starts, and entrepreneurial development: the
20 entrepreneurial ventures assistance program, the small
21 business innovative research grant program, recognized
22 entrepreneurial venture development training programs,
23 projects defined as a new business opportunity, a new product
24 development, and a venture project under the community
25 economic betterment program, and other joint initiatives of
26 the department with the John Pappajohn entrepreneurial
27 centers.

28 Sec. 15. SHELTER ASSISTANCE FUND. In providing moneys
29 from the shelter assistance fund to homeless shelter programs,
30 the department of economic development shall explore the
31 potential of allocating moneys to homeless shelter programs
32 based in part on their ability to move their clients toward
33 self-sufficiency.

34 Sec. 16. The department of economic development and the
35 department of workforce development shall within the budget

1 proposals for the fiscal year beginning July 1, 2000, detail
2 the number of FTEs and contract employees included in the
3 budget proposal. During the budget process for the fiscal
4 year beginning July 1, 2000, the joint economic development
5 appropriation subcommittee shall examine contract employees in
6 relationship to the budgets of the department of economic
7 development and the department of workforce development.

8 Sec. 17. The department of economic development shall
9 submit a report to the general assembly as provided in section
10 7A.11 by January 1, 1999, which includes all of the following:

11 1. A survey of all business, industry, and agriculture-
12 related international trade activities in this state. The
13 survey shall include the types of businesses and the products
14 involved in international trade and the estimated costs and
15 revenues resulting from such trade.

16 2. A list of specific targets and targeted opportunities
17 for business, industry, and agriculture related to
18 international trade activities in this state. These targets
19 shall include the types of businesses and the products that
20 are currently involved in international trade, as well as the
21 types of businesses and the products that could potentially
22 become involved in international trade in the future.

23 Sec. 18. BUDGET PROPOSALS. The department of economic
24 development and the department of workforce development shall
25 submit all budget proposals in the traditional format as well
26 as in the budgeting for results format for the fiscal year
27 beginning July 1, 1999.

28 Sec. 19. FEDERAL GRANTS. All federal grants to and the
29 federal receipts of agencies appropriated funds under this
30 Act, not otherwise appropriated, are appropriated for the
31 purposes set forth in the federal grants or receipts unless
32 otherwise provided by the general assembly.

33 Sec. 20. The Iowa finance authority and the Iowa housing
34 corporation shall consider restrictions on any per diem
35 provided to a member of the board of directors serving both

1 the authority and the Iowa housing corporation on occasions
2 when meetings of both entities are held on the same day and in
3 the same city or metropolitan area.

4 Sec. 21. Notwithstanding section 96.9, subsection 4,
5 paragraph "a", moneys credited to the state by the secretary
6 of the treasury of the United States pursuant to section 903
7 of the Social Security Act shall be appropriated to the
8 department of workforce development and shall be used by the
9 department for the administration of the unemployment
10 compensation program only. This appropriation shall not apply
11 to any fiscal year after June 30, 2001.

12 Sec. 22. Notwithstanding any full-time equivalent position
13 limitations in this Act to the contrary, the department of
14 economic development may add 3.00 FTEs for the commission on
15 volunteer services and 1.00 FTE for the housing assistance
16 program. Two of the full-time equivalent positions added
17 under this section for the commission on volunteer services
18 relate to the transition of personnel services contractors to
19 full-time equivalent positions. The merit system provisions
20 of chapter 19A and the provisions of the state and union
21 collective bargaining agreements shall not govern movement
22 into these full-time positions until September 1, 1998. The
23 provisions relating to the transition of personnel services
24 contractors to full-time equivalent positions, chapter 19A,
25 and collective bargaining agreements are void after September
26 1, 1998.

27 Sec. 23. Section 14 of this Act, being deemed of immediate
28 importance, takes effect upon enactment.

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SENATE FILE 2296

H-8711

1 Amend Senate File 2296, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 14, line 16, by striking the words and
4 figures "by July 1, 1998".

5 2. Page 16, by inserting after line 24 the
6 following:

7 "Sec. 13A. IOWA HOUSING CORPORATION. There is
8 appropriated from the strategic investment fund to the
9 Iowa housing corporation for the fiscal year beginning
10 July 1, 1998, and ending June 30, 1999, the following
11 amount, or so much thereof as is necessary, to be used
12 for the purposes designated:

13 For assisting in the payment of per diem expenses
14 for board members attending the bimonthly board
15 meetings:

16 \$ 7,350

17 Sec. 13B. AUDITOR OF STATE. There is appropriated
18 from the strategic investment fund to the auditor of
19 state for the fiscal year beginning July 1, 1998, and
20 ending June 30, 1999, the following amount, or so much
21 thereof as is necessary, to be used for the purposes
22 designated:

23 For payment of expenses related to auditing of the
24 Iowa housing corporation:

25 \$ 4,000

26 Sec. 13C. Section 16.5, Code Supplement 1997, is
27 amended by adding the following new subsections:

28 NEW SUBSECTION. 18. Require any nonprofit
29 corporation created by or in association with the
30 authority since January 1, 1989, to include two
31 representatives of nonprofit housing organizations as
32 voting members on the board of directors of any such
33 corporation. Any such nonprofit corporation shall not
34 have more than one member on the board of directors
35 who is employed by the authority or serves on the
36 board of directors of the authority.

37 NEW SUBSECTION. 19. Require any nonprofit
38 corporation created by or in association with the
39 authority since January 1, 1989, to file a detailed
40 report by January 15 of each year with the
41 chairpersons and ranking members of the appropriate
42 appropriations subcommittees of the general assembly
43 which shall include, at a minimum, all of the
44 following:

- 45 a. An annual report of the corporation.
- 46 b. An itemized list of projects assisted, project
47 fees received, project locations, types and amounts of
48 assistance provided, and contact persons for each
49 project.

- 50 c. An itemized list of types and amounts of

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1 financial assistance provided to the corporation by
2 outside sources.

3 d. A list, by position, of all corporate employees
4 and board members. The information submitted pursuant
5 to this paragraph shall include the compensation
6 received, including salary and benefits, received by
7 each employee and board member.

8 NEW SUBSECTION. 20. Require any nonprofit
9 corporation created by or in association with the
10 authority since January 1, 1989, to adopt a written
11 conflict of interests policy.

12 Sec. 13D. AUDIT. By January 15, 1999, the auditor
13 of state shall conduct an audit, or review any
14 previously completed audit, of any nonprofit
15 corporation in existence which has been incorporated
16 since January 1, 1989, by or in association with the
17 Iowa finance authority, for the entire time period
18 since the corporation was incorporated. The auditor
19 shall make or cause to be made a written report
20 consistent with and similar to the type of report
21 required under section 11.4. The auditor of state may
22 conduct similar additional audits of the same
23 nonprofit corporation as the auditor deems necessary
24 and the nonprofit corporation shall pay a fee for all
25 audits conducted.

26 Sec. 13E. HOUSING CORPORATION BOARD. The board of
27 directors of the Iowa housing corporation shall
28 consist of seven voting members serving staggered
29 three-year terms. Two members shall be
30 representatives of nonprofit housing organizations
31 appointed by the governor subject to confirmation by
32 the senate. The Iowa association of realtors, the
33 home builders association of Iowa, and the Iowa
34 bankers association shall all appoint one member to
35 the board. The governor shall appoint the remaining
36 two board members subject to confirmation by the
37 senate. The initial terms of one representative of a
38 nonprofit housing organization and the representative
39 of the Iowa association of realtors shall be appointed
40 for terms commencing by July 1, 1998, or as soon
41 thereafter as possible, the representative of the Iowa
42 bankers association and one appointment by the
43 governor from the general public shall be appointed
44 for terms commencing May 1, 1999, and the
45 representative of the home builders association of
46 Iowa, one representative of a nonprofit housing
47 organization, and one appointment by the governor from
48 the general public shall be appointed for terms
49 commencing May 1, 2000. Board members serving on the
50 effective date of this section shall continue to serve

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1 on the board until replaced by members designated in
2 this section. After the initial appointments, all
3 succeeding appointees shall serve staggered three year
4 terms beginning and ending as provided in chapter 69.
5 All appointments to the board of directors made by the
6 governor shall conform to the requirements of sections
7 69.15, 69.16, 69.16A, 69.17, 69.18, and 69.19. An
8 employee or staff member of the Iowa housing
9 corporation shall not be eligible to serve on the
10 board of directors."

11 3. By striking page 16, line 25, through page 17,
12 line 27, and inserting the following:

13 "Sec. 14. TERMINATION OF THE IOWA SEED CAPITAL
14 CORPORATION. On or before June 30, 1998, the board of
15 directors of the Iowa seed capital corporation shall
16 wind up the affairs of the corporation, including the
17 termination of staff and dissolution of the
18 corporation. On or before June 30, 1998, the board of
19 directors of the Iowa seed capital corporation shall
20 transfer all corporation moneys to the strategic
21 investment fund established in section 15.313 for the
22 purposes specified in this section. On or before June
23 30, 1998, the board of directors of the Iowa seed
24 capital corporation shall assign its ownership rights
25 in its portfolio and all other noncash assets to the
26 Iowa public employees' retirement system as the
27 successor and assignee of the Iowa seed capital
28 corporation. The general assembly finds that this
29 assignment allows for the benefits of the Iowa seed
30 capital corporation to inure to the state. Debts or
31 obligations of the corporation shall not be
32 transferred to the Iowa public employees' retirement
33 system. The general assembly intends this process to
34 minimize any adverse impact on the portfolio
35 companies, while maximizing the long-term benefit to
36 the state.

37 The moneys transferred to the strategic investment
38 fund shall, unless otherwise specified by law, be used
39 for any of the following purposes relating to venture
40 capital, new business starts, and entrepreneurial
41 development: the entrepreneurial ventures assistance
42 program, the small business innovative research grant
43 program, recognized entrepreneurial venture
44 development training programs, projects defined as a
45 new business opportunity, a new product development,
46 and a venture project under the community economic
47 betterment program, and other joint initiatives of the
48 department with the John Pappajohn entrepreneurial
49 centers."

50 4. Page 19, by striking lines 27 and 28 and

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Page 4

- 1 inserting the following:
- 2 "Sec. 23. Sections 13C, 13D, 13E, and 14 of this
- 3 Act, being deemed of immediate importance, take effect
- 4 upon enactment."
- 5 5. Title page, line 4, by inserting after the
- 6 word "board," the following: "auditor of state, Iowa
- 7 housing corporation,".
- 8 6. By renumbering, relettering, or redesignating
- 9 and correcting internal references as necessary.

By COMMITTEE ON APPROPRIATIONS
MILLAGE of Scott, Chairperson

H-8711 FILED MARCH 25, 1998

adopted 4-3-98 (p. 1252)

SENATE FILE 2296

H-8782

- 1 Amend Senate File 2296, as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 7, by inserting after line 16 the
- 4 following:
- 5 "Beginning September 30, 1998, the department shall
- 6 file a report quarterly with the general assembly in a
- 7 manner consistent with section 7A.11 and with the
- 8 chairpersons and ranking members of the joint
- 9 appropriations subcommittee on economic development
- 10 regarding moneys expended by the department during the
- 11 previous three months on China-related activities.
- 12 The report shall list the expenses in a line-item
- 13 format."

By CORMACK of Webster

H-8782 FILED MARCH 30, 1998

W/D 4-3-98 (p. 1251)

SENATE FILE 2296

H-8852

- 1 Amend Senate File 2296, as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 3, line 5, by striking the figure
- 4 "6,806,774" and inserting the following: "6,749,774".
- 5 2. Page 13, line 9, by striking the figure
- 6 "2,902,693" and inserting the following: "2,959,693".
- 7 3. Page 13, line 10, by striking the figure
- 8 "93.00" and inserting the following: "94.00".

By HOLVECK of Polk REYNOLDS-KNIGHT of Van Buren
 DOTZLER of Black Hawk WISE of Lee

H-8852 FILED APRIL 1, 1998

*W/D 4/3/98
 (p. 1259)*

SENATE FILE 2296

H-8860

- 1 Amend Senate File 2296, as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 3, line 5, by striking the figure
- 4 "6,806,774" and inserting the following: "6,766,174".
- 5 2. Page 13, by striking lines 27 through 32 and
- 6 inserting the following:
- 7 "3. For salaries, support, maintenance,
- 8 miscellaneous purposes, for not more than the
- 9 following full-time equivalent position for the
- 10 workforce development state and regional boards, and
- 11 for an allocation of \$40,600 to pay for a regional
- 12 board statewide conference:

13	\$	147,529
14	FTE	1.00"

By DOTZLER of Black Hawk	CONNORS of Polk
HOLVECK of Polk	BELL of Jasper
REYNOLDS-KNIGHT of Van Buren	BRAND of Tama
WISE of Lee	JOCHUM of Dubuque
WITT of Black Hawk	DODERER of Johnson
THOMAS of Clayton	FOEGE of Linn
HUSER of Polk	BURNETT of Story
KINZER of Scott	MASCHER of Johnson
FALCK of Fayette	SCHERRMAN of Dubuque
SHOULTZ of Black Hawk	LARKIN of Lee
MYERS of Johnson	MERTZ of Kossuth
COHOON of Des Moines	WARNSTADT of Woodbury
WHITEAD of Woodbury	MURPHY of Dubuque
MORELAND of Wapello	CATALDO of Polk
TAYLOR of Linn	CHIDO of Polk
KOENIGS of Mitchell	FORD of Polk
KREIMAN of Davis	BERNAU of Story
FALLON of Polk	OSTERHAUS of Jackson

H-8860 FILED APRIL 1, 1998

*W/D 4-3-98
 (p. 1259)*

SENATE FILE 2296

H-8818

1 Amend Senate File 2296, as amended, passed, and
2 reprinted by the Senate, as follows:

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

5 "g. Volunteerism Program

6 For the purposes of implementing and administering
7 a volunteerism program pursuant to this lettered
8 paragraph:

9 \$ 500,000

10 The department shall implement and administer a
11 one-year program on volunteerism beginning July 1,
12 1998. The department shall provide grants to counties
13 in order to provide assistance in implementing and
14 administering America's promise programs. All
15 counties in the state shall be eligible to participate
16 in the program. The department shall develop the
17 criteria for receiving grant moneys. The criteria
18 shall include, but not be limited to, need and the
19 impact of the program."

By LARKIN of Lee
COHOON of Des Moines

H-8818 FILED MARCH 31, 1998

*Lost
4-3-98*

SENATE FILE 2296

H-8862

- 1 Amend Senate File 2296, as amended, passed, and
 2 reprinted by the Senate, as follows:
 3 1. Page 3, line 5, by striking the figure
 4 "6,806,774" and inserting the following: "6,684,281".
 5 2. Page 13, line 9, by striking the figure
 6 "2,902,693" and inserting the following: "3,025,186".
 7 3. Page 13, line 10, by striking the figure
 8 "93.00" and inserting the following: "98.00".

By REYNOLDS-KNIGHT of Van Buren	DODERER of Johnson
DOTZLER of Black Hawk	JOCHUM of Dubuque
HOLVECK of Polk	MASCHER of Johnson
WISE of Lee	BURNETT of Story
WARNSTADT of Woodbury	FOEGE of Linn
DREES of Carroll	TAYLOR of Linn
BRAND of Tama	HUSER of Polk
BUKTA of Clinton	CATALDO of Polk
KREIMAN of Davis	CHIODO of Polk
OSTERHAUS of Jackson	FORD of Polk
O'BRIEN of Boone	MERTZ of Kossuth
CHAPMAN of Linn	MUNDIE of Webster
MORELAND of Wapello	LARKIN of Lee
FALLON of Polk	WHITEAD of Woodbury
FALCK of Fayette	MYERS of Johnson
KINZER of Scott	SCHRADER of Marion
WITT of Black Hawk	WEIGEL of Chickasaw
SHOULTZ of Black Hawk	BERNAU of Story
KOENIGS of Mitchell	SCHERRMAN of Dubuque
MURPHY of Dubuque	COHOON of Des Moines
CONNORS of Polk	

H-8862 FILED APRIL 1, 1998

W/D 4-3-98 (p. 1259)

SENATE FILE 2296

H-8870

- 1 Amend Senate File 2296, as amended, passed, and
 2 reprinted by the Senate, as follows:
 3 1. Page 10, line 5, by striking the figure
 4 "6,175,000" and inserting the following: "6,850,000".
 By CHURCHILL of Polk

H-8870 FILED APRIL 2, 1998

Adopted 4-3-98 (p. 1251)

SENATE FILE 2296

H-8861

1 Amend Senate File 2296, as amended, passed, and
 2 reprinted by the Senate, as follows:
 3 1. Page 3, line 5, by striking the figure
 4 "6,806,774" and inserting the following: "6,751,574".
 5 2. Page 13, by striking lines 27 through 32 and
 6 inserting the following:
 7 "3. For salaries, support, maintenance,
 8 miscellaneous purposes, for not more than the
 9 following full-time equivalent position for the
 10 workforce development state and regional boards, and
 11 for an allocation of \$55,200 to pay expenses of
 12 regional board members:

13	\$	162,129
14	FTE	1.00"

By DOTZLER of Black Hawk	BRAND of Tama
HOLVECK of Polk	JOCHUM of Dubuque
REYNOLDS-KNIGHT of Van Buren	DODERER of Johnson
WISE of Lee	FOEGE of Linn
CHIODO of Polk	BURNETT of Story
HUSER of Polk	MASCHER of Johnson
OSTERHAUS of Jackson	SCHERRMAN of Dubuque
FALLON of Polk	LARKIN of Lee
FALCK of Fayette	MERTZ of Kossuth
SHOULTZ of Black Hawk	WARNSTADT of Woodbury
MYERS of Johnson	MURPHY of Dubuque
COHOON of Des Moines	CATALDO of Polk
WHITEAD of Woodbury	FORD of Polk
MORELAND of Wapello	BERNAU of Story
TAYLOR of Linn	FREVERT of Palo Alto
KOENIGS of Mitchell	WITT of Black Hawk
KREIMAN of Davis	THOMAS of Clayton
CONNORS of Polk	KINZER of Scott
BELL of Jasper	

H-8861 FILED APRIL 1, 1998

W/D 4-3-98 (P. 1259)

SENATE FILE 2296

H-8872

1 Amend Senate File 2296, as amended, passed, and
 2 reprinted by the Senate, as follows:
 3 1. Page 7, by inserting after line 16 the
 4 following:
 5 "The department shall file a report every six
 6 months with the general assembly in a manner
 7 consistent with section 7A.11 and with the
 8 chairpersons and ranking members of the joint
 9 appropriations subcommittee on economic development
 10 which gives an update of all activities regarding
 11 trade promotion in the Chinese market."

By CORMACK of Webster

H-8872 FILED APRIL 2, 1998

adopted 4/3/98 (p. 1251)

SENATE FILE 2296

H-8901

1 Amend the amendment, H-8711, to Senate File 2296,
2 as amended, passed, and reprinted by the Senate, as
3 follows:
4 1. Page 3, by inserting after line 49 the
5 following:
6 "____. Page 18, by inserting after line 27 the
7 following:
8 "Sec. _____. By December 31 of each year, the ISCC
9 liquidation corporation shall submit an annual report
10 to the chairpersons and the ranking members of the
11 joint appropriations subcommittee on economic
12 development. The report shall include an update on
13 the financial condition of the corporation relating to
14 the status of any moneys, assets, or contracts
15 currently being held by the corporation or transferred
16 by the corporation during the prior year."

By LARSON of Linn
HOLVECK of Polk

WEIGEL of Chickasaw
DOTZLER of Black Hawk

H-8901 FILED APRIL 3, 1998

Adopted 4-3-98 (p. 1252)

SENATE FILE 2296

H-8902

1 Amend the amendment, H-8900, to Senate File 2296,
2 as amended, passed, and reprinted by the Senate, as
3 follows:
4 1. Page 1, line 15, by striking the figure
5 "6,803,513" and inserting the following: "6,746,513".
6 2. Page 1, by inserting after line 27 the
7 following:
8 "____. Page 13, line 9, by striking the figure
9 "2,902,693" and inserting the following: "2,959,693".
10 _____. Page 13, line 10, by striking the figure
11 "93.00" and inserting the following: "94.00"."

By HOLVECK of Polk

H-8902 FILED APRIL 3, 1998

*Lost 4/3/98
(p. 1266)*

SENATE FILE 2296

H-8898

1 Amend the amendment, H-8711, to Senate File 2296,
2 as amended, passed, and reprinted by the Senate, as
3 follows:

4 1. Page 1, by inserting after line 25 the
5 following:

6 "Sec. ____ . Section 15E.83, Code 1997, is amended
7 to read as follows:

8 15E.83 SEED CAPITAL CORPORATION.

9 1. The Iowa seed capital corporation shall be
10 incorporated under chapter 504A. ~~The purpose of the~~
11 ~~corporation shall be to provide seed capital to start-~~
12 ~~up and emerging growth companies in Iowa that are~~
13 ~~bringing new products and processes to the~~
14 ~~marketplace, and it shall be the goal of the~~
15 ~~corporation to financially support the establishment~~
16 ~~and growth of start-up and emerging growth companies~~
17 ~~that can contribute to the economic diversity of the~~
18 ~~state and provide general and specific economic~~
19 ~~benefits to the state.--The corporation shall only~~
20 ~~provide seed capital or financial assistance to Iowa~~
21 ~~businesses.--The corporation shall not be regarded as~~
22 ~~a state agency, except for purposes of chapters 17A~~
23 ~~and 69, and a member of the board is not considered a~~
24 ~~state employee, except for purposes of chapter 669.~~
25 ~~An individual employed by the corporation is a state~~
26 ~~employee for purposes of the Iowa public employees'~~
27 ~~retirement system, state health and dental plans, and~~
28 ~~other state employee benefit plans and chapter 669.~~
29 ~~Chapters 8, 18, 19A, and 20 and other provisions of~~
30 ~~law that relate to requirements or restrictions~~
31 ~~dealing with state personnel or state funds do not~~
32 ~~apply to the corporation and any employees of the~~
33 ~~board or corporation except to the extent provided in~~
34 ~~this division.--Chapters 21 and 22 shall apply to~~
35 ~~activities of the corporation and to employees of the~~
36 ~~board or corporation except to the extent provided in~~
37 ~~this division.~~

38 2. The corporation shall be governed by a board of
39 seven directors ~~who shall serve a term of four years.~~
40 ~~Of the seven directors, four shall be persons~~
41 ~~experienced in business finance and employed at a bank~~
42 ~~or other financial institution, be a certified public~~
43 ~~accountant, be an attorney, or be a licensed~~
44 ~~stockbroker.--Each director shall serve at the~~
45 ~~pleasure of the governor and shall be appointed by the~~
46 ~~governor, subject to confirmation by the senate~~
47 ~~pursuant to section 2.32.--A director is eligible for~~
48 ~~reappointment.--A vacancy on the board of directors~~
49 ~~shall be filled in the same manner as an original~~
50 ~~appointment.~~

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Page 2

1 ~~3. The board of directors shall annually elect one~~
 2 ~~member as chairperson and one member as secretary.~~
 3 ~~The board may elect other officers of the corporation~~
 4 ~~as necessary. Members shall be reimbursed for~~
 5 ~~necessary expenses incurred in the performance of~~
 6 ~~duties from funds appropriated to the corporation.~~

7 4 3. Each director of the corporation shall take
 8 an oath of office and the record of each oath shall be
 9 filed in the office of the secretary of state.

10 5 4. The corporation shall receive information and
 11 cooperate with other agencies of the state and the
 12 political subdivisions of the state.

13 Sec. ____ . Section 15E.85, Code 1997, is amended to
 14 read as follows:

15 15E.85 BOARD OF DIRECTORS.

16 The powers of the corporation are vested in and
 17 shall be exercised by the board of directors. Four
 18 ~~members of the board constitute a quorum and an~~
 19 ~~affirmative vote of at least four of the members~~
 20 ~~present at a meeting is necessary before an action may~~
 21 ~~be taken by the board.~~ An action taken by the board
 22 shall be authorized by resolution at a regular or
 23 special meeting and takes effect immediately unless
 24 the resolution specifies otherwise. Notice of a
 25 meeting shall be given orally or in writing not less
 26 than forty-eight hours prior to the meeting.

27 Sec. ____ . Section 15E.87, Code 1997, is amended to
 28 read as follows:

29 15E.87 CORPORATE PURPOSE -- POWERS.

30 The purpose of the corporation is to stimulate and
 31 encourage the development of new products within Iowa
 32 by the infusion of financial aid for invention and
 33 innovation in situations in which financial aid would
 34 not otherwise be reasonably available from commercial
 35 sources. For this purpose the corporation has the
 36 following powers:

37 1. To have perpetual succession as a corporate
 38 body and to adopt bylaws, policies, and procedures for
 39 the regulation of its affairs and conduct of its
 40 business consistent with the purposes of this
 41 division.

42 ~~2. To enter into venture agreements with persons~~
 43 ~~doing business in Iowa upon conditions and terms which~~
 44 ~~are consistent with the purposes of this division for~~
 45 ~~the advancement of financial aid to the persons. The~~
 46 ~~financial aid advanced shall be for the development of~~
 47 ~~specific products, procedures, and techniques which~~
 48 ~~are to be developed and produced in this state. The~~
 49 ~~corporation shall condition the agreements upon~~
 50 ~~contractual assurances that the benefits of increasing~~

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Page 3

1 or-maintaining-employment-and-tax-revenues-shall
2 remain-in-iowa-

3 3.--To-receive-and-accept-aid-or-contributions-from
4 a-source-of-money,-property,-labor,-or-other-things-of
5 value-to-be-used-to-carry-out-the-purposes-of-this
6 division-including-gifts-or-grants-from-a-department
7 or-agency-of-the-United-States-or-any-state-

8 4.--To-issue-notes-and-bonds-as-provided-under-this
9 division-

10 5 2. To hold patents, copyrights, trademarks, or
11 other evidences of protection or exclusivity issued
12 under the laws of this state or the United States to
13 any products.

14 6 3. To employ assistants, agents, and other
15 employees and to engage consultants, attorneys, and
16 appraisers as necessary or desirable to carry out the
17 purposes of the corporation.

18 7 4. To make and enter into contracts and
19 agreements necessary or incidental to its performance
20 of the duties and the powers granted to the
21 corporation.

22 8 5. To sue and be sued, plead, and adopt a seal.

23 9 6. With the approval of the treasurer of state,
24 to invest funds which are not needed for immediate use
25 or disbursement, including funds held in reserve, in
26 obligations issued or guaranteed by the state or the
27 United States.

28 10 7. To procure insurance against a loss in
29 connection with its property and other assets.

30 11 8. To the extent permitted under a corporation
31 contract with other persons, to consent to a
32 termination, modification, forgiveness, or other
33 change in the terms of a contractual right, payment,
34 royalty, contract, or agreement.

35 12 9. To take necessary action to render bonds
36 issued under this division more marketable."

37 2. Page 3, by striking lines 13 through 49 and
38 inserting the following:

39 ""Sec. ____ . LIQUIDATION OF THE IOWA SEED CAPITAL
40 CORPORATION. Notwithstanding sections 15E.81 through
41 15E.94, sections 15E.181 through 15E.184, and 1997
42 Iowa Acts, chapter 143, sections 5 and 6, it is the
43 intent of the general assembly that the Iowa seed
44 capital corporation shall be liquidated or sold in an
45 orderly manner. On May 31, 1998, the terms of the
46 board members of the Iowa seed capital corporation
47 shall terminate, the Iowa seed capital corporation
48 shall be renamed the ISCC liquidation corporation, and
49 a three-person board shall be constituted to complete
50 the orderly liquidation or sale of the assets of the

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Page 4

1 ISCC liquidation corporation. The ISCC liquidation
2 corporation board shall consist of the commissioner of
3 insurance or the commissioner's designee, the
4 superintendent of banking or the superintendent's
5 designee, and the treasurer of state or the
6 treasurer's designee. The members of the ISCC
7 liquidation corporation board and any staff providing
8 assistance to the board shall not be liable for their
9 acts or omissions in connection with the liquidation
10 or sale of the corporation. The ISCC liquidation
11 corporation board shall close the corporation offices
12 at 200 East Grand, Des Moines, Iowa, by June 30, 1998,
13 terminate the officers and staff of the corporation by
14 June 30, 1998, and shall not hire a new permanent or
15 temporary staff to operate this corporation.

16 The staff of the treasurer of state shall provide
17 administrative support to the ISCC liquidation
18 corporation board and the corporation shall reimburse
19 the treasurer of state for the reasonable costs of
20 providing administrative support. The attorney
21 general shall be consulted and shall provide legal
22 support throughout the liquidation and sale process
23 and the corporation shall reimburse the attorney
24 general for the reasonable costs of providing any such
25 consultation and legal support.

26 The ISCC liquidation corporation board's goals in
27 supervising the liquidation or sale of the corporation
28 are to maximize the net revenue to the state and
29 minimize the impact to the companies involved. The
30 board shall not make any new investments during the
31 liquidation period, except for those necessary to
32 protect and maintain its current holdings.

33 The ISCC liquidation corporation board is
34 authorized to contract for the services, including
35 brokers, other financial advisors or consultants, or
36 legal advisors, necessary to complete the orderly
37 liquidation or sale of the ISCC liquidation
38 corporation.

39 The ISCC liquidation corporation board may
40 determine the potential administrative, legal, and
41 contractual service costs for the liquidation or sale
42 of the corporation and may maintain a prudent reserve
43 fund from liquid assets of the corporation for such
44 purposes. Upon the unanimous vote of the ISCC
45 liquidation corporation board the remainder of the
46 liquid assets shall be transferred to the strategic
47 investment fund established in section 15.313.

48 Following the complete liquidation and dissolution
49 of the corporation or the sale of the corporation, all
50 remaining moneys shall be transferred to the strategic

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Page 5

1 investment fund. Upon transfer of the remaining
 2 moneys to the strategic investment fund, the ISCC
 3 liquidation corporation board shall be dissolved."
 4 3. Page 3, by inserting after line 49 the
 5 following:
 6 "____. Page 19, by inserting after line 26 the
 7 following:
 8 "Sec. _____. Section 15E.86, Code 1997, is
 9 repealed.""

By LARSON of Linn

H-8898 FILED APRIL 3, 1998

(p.1249) 4-3-98

SENATE FILE 2296

H-8900

1 Amend Senate File 2296, as amended, passed, and
 2 reprinted by the Senate, as follows:
 3 1. Page 1, line 16, by striking the figure
 4 "1,497,074", and inserting the following:
 5 "1,494,231".
 6 2. Page 2, line 7, by striking the figure
 7 "3,942,849", and inserting the following:
 8 "3,940,232".
 9 3. Page 2, line 24, by striking the figure
 10 "452,252", and inserting the following: "450,622".
 11 4. Page 2, line 30, by striking the figure
 12 "106,124", and inserting the following: "103,967".
 13 5. Page 3, line 5, by striking the figure
 14 "6,806,774", and inserting the following:
 15 "6,803,513".
 16 6. Page 4, line 34, by striking the figure
 17 "427,429", and inserting the following: "425,219".
 18 7. Page 5, line 12, by striking the figure
 19 "829,338", and inserting the following: "827,215".
 20 8. Page 6, line 12, by striking the figure
 21 "422,719", and inserting the following: "418,737".
 22 9. Page 7, line 11, by striking the figure
 23 "2,022,107", and inserting the following:
 24 "2,010,073".
 25 10. Page 8, line 15, by striking the figure
 26 "5,040,732", and inserting the following:
 27 "5,038,912".

By MILLAGE of Scott

H-8900 FILED APRIL 3, 1998

adopted 4/3/98

(p.1262)

SENATE FILE 2296

H-8896

1 Amend the amendment, H-8711, to Senate File 2296,
2 as amended, passed, and reprinted by the Senate, as
3 follows:

4 1. Page 1, by inserting after line 25 the
5 following:

6 "Sec. _____. Section 15E.83, Code 1997, is amended
7 to read as follows:

8 15E.83 SEED CAPITAL CORPORATION.

9 1. The Iowa seed capital corporation shall be
10 incorporated under chapter 504A. ~~The purpose of the~~
11 ~~corporation shall be to provide seed capital to start-~~
12 ~~up and emerging growth companies in Iowa that are~~
13 ~~bringing new products and processes to the~~
14 ~~marketplace, and it shall be the goal of the~~
15 ~~corporation to financially support the establishment~~
16 ~~and growth of start-up and emerging growth companies~~
17 ~~that can contribute to the economic diversity of the~~
18 ~~state and provide general and specific economic~~
19 ~~benefits to the state. The corporation shall only~~
20 ~~provide seed capital or financial assistance to Iowa~~
21 ~~businesses. The corporation shall not be regarded as~~
22 ~~a state agency, except for purposes of chapters 17A~~
23 ~~and 69, and a member of the board is not considered a~~
24 ~~state employee, except for purposes of chapter 669.~~
25 ~~An individual employed by the corporation is a state~~
26 ~~employee for purposes of the Iowa public employees'~~
27 ~~retirement system, state health and dental plans, and~~
28 ~~other state employee benefit plans and chapter 669.~~
29 ~~Chapters 8, 18, 19A, and 20 and other provisions of~~
30 ~~law that relate to requirements or restrictions~~
31 ~~dealing with state personnel or state funds do not~~
32 ~~apply to the corporation and any employees of the~~
33 ~~board or corporation except to the extent provided in~~
34 ~~this division. Chapters 21 and 22 shall apply to~~
35 ~~activities of the corporation and to employees of the~~
36 ~~board or corporation except to the extent provided in~~
37 ~~this division.~~

38 2. The corporation shall be governed by a board of
39 seven directors who shall serve a term of four years.
40 ~~Of the seven directors, four shall be persons~~
41 ~~experienced in business finance and employed at a bank~~
42 ~~or other financial institution, be a certified public~~
43 ~~accountant, be an attorney, or be a licensed~~
44 ~~stockbroker. Each director shall serve at the~~
45 ~~pleasure of the governor and shall be appointed by the~~
46 ~~governor, subject to confirmation by the senate~~
47 ~~pursuant to section 2.32. A director is eligible for~~
48 ~~reappointment. A vacancy on the board of directors~~
49 ~~shall be filled in the same manner as an original~~
50 ~~appointment.~~

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Page 2

1 ~~3.---The-board-of-directors-shall-annually-elect-one~~
 2 ~~member-as-chairperson-and-one-member-as-secretary.~~
 3 ~~The-board-may-elect-other-officers-of-the-corporation~~
 4 ~~as-necessary.---Members-shall-be-reimbursed-for~~
 5 ~~necessary-expenses-incurred-in-the-performance-of~~
 6 ~~duties-from-funds-appropriated-to-the-corporation.~~

7 4 3. Each director of the corporation shall take
 8 an oath of office and the record of each oath shall be
 9 filed in the office of the secretary of state.

10 5 4. The corporation shall receive information and
 11 cooperate with other agencies of the state and the
 12 political subdivisions of the state.

13 Sec. ____ . Section 15E.85, Code 1997, is amended to
 14 read as follows:

15 15E.85 BOARD OF DIRECTORS.

16 The powers of the corporation are vested in and
 17 shall be exercised by the board of directors. Four
 18 ~~members-of-the-board-constitute-a-quorum-and-an~~
 19 ~~affirmative-vote-of-at-least-four-of-the-members~~
 20 ~~present-at-a-meeting-is-necessary-before-an-action-may~~
 21 ~~be-taken-by-the-board.~~ An action taken by the board
 22 shall be authorized by resolution at a regular or
 23 special meeting and takes effect immediately unless
 24 the resolution specifies otherwise. Notice of a
 25 meeting shall be given orally or in writing not less
 26 than forty-eight hours prior to the meeting.

27 Sec. ____ . Section 15E.87, Code 1997, is amended to
 28 read as follows:

29 15E.87 CORPORATE PURPOSE -- POWERS.

30 The purpose of the corporation is to stimulate and
 31 encourage the development of new products within Iowa
 32 by the infusion of financial aid for invention and
 33 innovation in situations in which financial aid would
 34 not otherwise be reasonably available from commercial
 35 sources. For this purpose the corporation has the
 36 following powers:

37 1. To have perpetual succession as a corporate
 38 body and to adopt bylaws, policies, and procedures for
 39 the regulation of its affairs and conduct of its
 40 business consistent with the purposes of this
 41 division.

42 ~~2.---To-enter-into-venture-agreements-with-persons~~
 43 ~~doing-business-in-Iowa-upon-conditions-and-terms-which~~
 44 ~~are-consistent-with-the-purposes-of-this-division-for~~
 45 ~~the-advancement-of-financial-aid-to-the-persons.---The~~
 46 ~~financial-aid-advanced-shall-be-for-the-development-of~~
 47 ~~specific-products,procedures, and-techniques-which~~
 48 ~~are-to-be-developed-and-produced-in-this-state.---The~~
 49 ~~corporation-shall-condition-the-agreements-upon~~
 50 ~~contractual-assurances-that-the-benefits-of-increasing~~

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Page 3

~~1 or-maintaining-employment-and-tax-revenues-shall~~
~~2 remain-in-Iowa.~~
~~3 3.--To-receive-and-accept-aid-or-contributions-from~~
~~4 a-source-of-money, property, labor, or other things-of~~
~~5 value-to-be-used-to-carry-out-the-purposes-of-this~~
~~6 division-including-gifts-or-grants-from-a-department~~
~~7 or-agency-of-the-United-States-or-any-state.~~
~~8 4.--To-issue-notes-and-bonds-as-provided-under-this~~
~~9 division.~~

10 5 2. To hold patents, copyrights, trademarks, or
11 other evidences of protection or exclusivity issued
12 under the laws of this state or the United States to
13 any products.

14 6 3. To employ assistants, agents, and other
15 employees and to engage consultants, attorneys, and
16 appraisers as necessary or desirable to carry out the
17 purposes of the corporation.

18 7 4. To make and enter into contracts and
19 agreements necessary or incidental to its performance
20 of the duties and the powers granted to the
21 corporation.

22 8 5. To sue and be sued, plead, and adopt a seal.

23 9 6. With the approval of the treasurer of state,
24 to invest funds which are not needed for immediate use
25 or disbursement, including funds held in reserve, in
26 obligations issued or guaranteed by the state or the
27 United States.

28 ~~10~~ 7. To procure insurance against a loss in
29 connection with its property and other assets.

30 ~~11~~ 8. To the extent permitted under a corporation
31 contract with other persons, to consent to a
32 termination, modification, forgiveness, or other
33 change in the terms of a contractual right, payment,
34 royalty, contract, or agreement.

35 ~~12~~ 9. To take necessary action to render bonds
36 issued under this division more marketable."

37 2. Page 3, by striking lines 13 through 49 and
38 inserting the following:

39 ""Sec. ____ . LIQUIDATION OF THE IOWA SEED CAPITAL
40 CORPORATION. Notwithstanding sections 15E.81 through
41 15E.94, sections 15E.181 through 15E.184, and 1997
42 Iowa Acts, chapter 143, sections 5 and 6, it is the
43 intent of the general assembly that the Iowa seed
44 capital corporation shall be liquidated or sold in an
45 orderly manner. On May 31, 1998, the terms of the
46 board members of the Iowa seed capital corporation
47 shall terminate, the Iowa seed capital corporation
48 shall be renamed the ISCC liquidation corporation, and
49 a three-person board shall be constituted to complete
50 the orderly liquidation or sale of the assets of the

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Page 4

1 ISCC liquidation corporation. The ISCC liquidation
2 corporation board shall consist of the commissioner of
3 insurance or the commissioner's designee, the
4 superintendent of banking or the superintendent's
5 designee, and the treasurer of state or the
6 treasurer's designee. The members of the ISCC
7 liquidation corporation board and any staff providing
8 assistance to the board shall not be liable for their
9 acts or omissions in connection with the liquidation
10 or sale of the corporation. The ISCC liquidation
11 corporation board shall close the corporation offices
12 at 200 East Grand, Des Moines, Iowa, by June 30, 1998,
13 terminate the officers and staff of the corporation by
14 June 30, 1998, and shall not hire a new permanent or
15 temporary staff to operate this corporation.

16 The staff of the treasurer of state shall provide
17 administrative support to the ISCC liquidation
18 corporation board and the corporation shall reimburse
19 the treasurer of state for the reasonable costs of
20 providing administrative support. The attorney
21 general shall be consulted and shall provide legal
22 support throughout the liquidation and sale process
23 and the corporation shall reimburse the attorney
24 general for the reasonable costs of providing any such
25 consultation and legal support.

26 The ISCC liquidation corporation board's goals in
27 supervising the liquidation or sale of the corporation
28 are to maximize the net revenue to the state and
29 minimize the impact to the companies involved. The
30 board shall not make any new investments during the
31 liquidation period, except for those necessary to
32 protect and maintain its current holdings.

33 The ISCC liquidation corporation board is
34 authorized to contract for the services, including
35 brokers, other financial advisors or consultants, or
36 legal advisors, necessary to complete the orderly
37 liquidation or sale of the ISCC liquidation
38 corporation.

39 The ISCC liquidation corporation board may
40 determine the potential administrative and legal costs
41 for the liquidation or sale of the corporation and may
42 reserve from liquid assets of the corporation a fund
43 for such purposes. The remainder of the liquid assets
44 shall be transferred to the strategic investment fund
45 established in section 15.313.

46 Following the complete liquidation and dissolution
47 of the corporation or the sale of the corporation, all
48 remaining moneys shall be transferred to the strategic
49 investment fund. Upon transfer of the remaining
50 moneys to the strategic investment fund, the ISCC

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1 liquidation corporation board shall be dissolved.""

2 3. Page 3, by inserting after line 49 the

3 following:

4 "____. Page 19, by inserting after line 26 the

5 following:

6 "Sec. ____ Section 15E.86, Code 1997, is

7 repealed.""

By LARSON of Linn

H-8896 FILED APRIL 3, 1998

W...

WITHDRAWN

4-3-98

(P.1245)

H-8883

1 Amend Senate File 2296, as amended, passed, and
 2 reprinted by the Senate, as follows:

3 1. Page 16, by inserting before line 25 the
 4 following:

5 "Sec. ____ . Section 403.15, subsection 5, Code
 6 1997, is amended to read as follows:

7 5. The mayor or chairperson of the board, as
 8 applicable, shall designate a chairperson and vice
 9 chairperson from among the commissioners. An agency
 10 may employ an executive director, technical experts
 11 and such other agents and employees, permanent and
 12 temporary, as it may require, and the agency may
 13 determine their qualifications, duties and
 14 compensation. For such legal service as it may
 15 require, an agency may employ or retain its own
 16 counsel and legal staff. An agency authorized to
 17 transact business and exercise powers under this
 18 chapter shall file, with the local governing body, on
 19 or before September 30 of each year, a report of its
 20 activities for the preceding fiscal year, which report
 21 shall include a complete financial statement setting
 22 forth its assets, liabilities, income and operating
 23 expense as of the end of such fiscal year. At the
 24 time of filing the report, the agency shall publish in
 25 a newspaper of general circulation in the city or
 26 county, as applicable, a notice to the effect that
 27 such report has been filed with the municipality, and
 28 that the report is available for inspection during
 29 business hours in the office of the city clerk or
 30 county auditor, as applicable, and in the office of
 31 the agency. On or before September 30 of each year,
 32 an agency shall submit the annual financial report
 33 prepared pursuant to this section to the department of
 34 economic development and to the county auditor of the
 35 county in which the agency is located. In addition to
 36 the other requirements of this section, the report
 37 shall list each project within an urban renewal area;
 38 the amount of loans, advances, indebtedness, or bonds
 39 which qualified for payment from the special fund for
 40 each urban renewal project in the preceding fiscal
 41 year; the total of such amount for each urban renewal
 42 area located in the municipality; the expiration of
 43 the urban renewal area, if applicable, or otherwise
 44 the term of the indebtedness; and the amount of
 45 incremental assessed valuation in an urban renewal
 46 area that is subject to the division of taxes in
 47 section 403.19, subsection 2 and, if available, the
 48 portion of the incremental value due to new
 49 construction and the portion due to revaluation. The
 50 department of economic development, in consultation

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1 with the legislative fiscal bureau, shall determine
 2 reporting criteria for reports filed with the
 3 department pursuant to this subsection."

4 2. By renumbering as necessary.

By DIX of Butler
 HEATON of Henry

H-8883 FILED APRIL 2, 1998

W/D
 4/3/98
 (p.1251)

SENATE FILE 2296

H-8905

1 Amend the amendment, H-8900, to Senate File 2296,
2 as amended, passed, and reprinted by the Senate, as
3 follows:
4 1. Page 1, line 15, by striking the figure
5 "6,803,513" and inserting the following: "6,681,020".
6 2. Page 1, by inserting after line 27 the
7 following:
8 "____". Page 13, line 9, by striking the figure
9 "2,902,693" and inserting the following: "3,025,186".
10 _____. Page 13, line 10, by striking the figure
11 "93.00" and inserting the following: "98.00"."

By REYNOLDS-KNIGHT of Van Buren

H-8905 FILED APRIL 3, 1998

*Root 4-3-98**(p.1262)*

SENATE FILE 2296

H-8903

1 Amend the amendment, H-8900, to Senate File 2296,
 2 as amended, passed, and reprinted by the Senate, as
 3 follows:
 4 1. Page 1, line 15, by striking the figure
 5 "6,803,513" and inserting the following: "6,748,313".
 6 2. Page 1, by inserting after line 27 the
 7 following:

8 "____". Page 13, by striking lines 27 through 32
 9 and inserting the following:

10 "3. For salaries, support, maintenance,
 11 miscellaneous purposes, for not more than the
 12 following full-time equivalent position for the
 13 workforce development state and regional boards, and
 14 for an allocation of \$55,200 to pay expenses of
 15 regional board members:

16	\$	162,129
17	FTE	1.00"

By DOTZLER of Black Hawk

H-8903 FILED APRIL 3, 1998

Post 3/4/98 (p. 1260)

SENATE FILE 2296

H-8904

1 Amend the amendment, H-8900, to Senate File 2296,
 2 as amended, passed, and reprinted by the Senate, as
 3 follows:
 4 1. Page 1, line 15, by striking the figure
 5 "6,803,513" and inserting the following: "6,762,913".
 6 2. Page 1, by inserting after line 27 the
 7 following:

8 "____". Page 13, by striking lines 27 through 32
 9 and inserting the following:

10 "3. For salaries, support, maintenance,
 11 miscellaneous purposes, for not more than the
 12 following full-time equivalent position for the
 13 workforce development state and regional boards, and
 14 for an allocation of \$40,600 to pay for a regional
 15 board statewide conference:

16	\$	147,529
17	FTE	1.00"

By DOTZLER of Black Hawk

H-8904 FILED APRIL 3, 1998

*Post 4-3-98
(p. 1261)*

HOUSE AMENDMENT TO
SENATE FILE 2296

S-5540

1 Amend Senate File 2296, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 1, line 16, by striking the figure
4 "1,497,074", and inserting the following:
5 "1,494,231".
6 2. Page 2, line 7, by striking the figure
7 "3,942,849", and inserting the following:
8 "3,940,232".
9 3. Page 2, line 24, by striking the figure
10 "452,252", and inserting the following: "450,622".
11 4. Page 2, line 30, by striking the figure
12 "106,124", and inserting the following: "103,967".
13 5. Page 3, line 5, by striking the figure
14 "6,806,774", and inserting the following:
15 "6,803,513".
16 6. Page 4, line 34, by striking the figure
17 "427,429", and inserting the following: "425,219".
18 7. Page 5, line 12, by striking the figure
19 "829,338", and inserting the following: "827,215".
20 8. Page 6, line 12, by striking the figure
21 "422,719", and inserting the following: "418,737".
22 9. Page 7, line 11, by striking the figure
23 "2,022,107", and inserting the following:
24 "2,010,073".
25 10. Page 7, by inserting after line 16 the
26 following:
27 "The department shall file a report every six
28 months with the general assembly in a manner
29 consistent with section 7A.11 and with the
30 chairpersons and ranking members of the joint
31 appropriations subcommittee on economic development
32 which gives an update of all activities regarding
33 trade promotion in the Chinese market."
34 11. Page 8, line 15, by striking the figure
35 "5,040,732", and inserting the following:
36 "5,038,912".
37 12. Page 10, line 5, by striking the figure
38 "6,175,000" and inserting the following: "6,850,000".
39 13. Page 14, line 16, by striking the words and
40 figures "by July 1, 1998".
41 14. Page 16, by inserting after line 24 the
42 following:
43 "Sec. 13A. IOWA HOUSING CORPORATION. There is
44 appropriated from the strategic investment fund to the
45 Iowa housing corporation for the fiscal year beginning
46 July 1, 1998, and ending June 30, 1999, the following
47 amount, or so much thereof as is necessary, to be used
48 for the purposes designated:
49 For assisting in the payment of per diem expenses
50 for board members attending the bimonthly board

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1 meetings:

2 \$ 7,350

3 Sec. 13B. AUDITOR OF STATE. There is appropriated
4 from the strategic investment fund to the auditor of
5 state for the fiscal year beginning July 1, 1998, and
6 ending June 30, 1999, the following amount, or so much
7 thereof as is necessary, to be used for the purposes
8 designated:

9 For payment of expenses related to auditing of the
10 Iowa housing corporation:

11 \$ 4,000

12 Sec. . Section 15E.83, Code 1997, is amended to
13 read as follows:

14 15E.83 SEED CAPITAL CORPORATION.

15 1. The Iowa seed capital corporation shall be
16 incorporated under chapter 504A. ~~The purpose of the~~
17 ~~corporation shall be to provide seed capital to start-~~
18 ~~up and emerging growth companies in Iowa that are~~
19 ~~bringing new products and processes to the~~
20 ~~marketplace, and it shall be the goal of the~~
21 ~~corporation to financially support the establishment~~
22 ~~and growth of start-up and emerging growth companies~~
23 ~~that can contribute to the economic diversity of the~~
24 ~~state and provide general and specific economic~~
25 ~~benefits to the state. The corporation shall only~~
26 ~~provide seed capital or financial assistance to Iowa~~
27 ~~businesses. The corporation shall not be regarded as~~
28 ~~a state agency, except for purposes of chapters 17A~~
29 ~~and 69, and a member of the board is not considered a~~
30 ~~state employee, except for purposes of chapter 669.~~
31 ~~An individual employed by the corporation is a state~~
32 ~~employee for purposes of the Iowa public employees'~~
33 ~~retirement system, state health and dental plans, and~~
34 ~~other state employee benefit plans and chapter 669.~~
35 ~~Chapters 8, 18, 19A, and 20 and other provisions of~~
36 ~~law that relate to requirements or restrictions~~
37 ~~dealing with state personnel or state funds do not~~
38 ~~apply to the corporation and any employees of the~~
39 ~~board or corporation except to the extent provided in~~
40 ~~this division. Chapters 21 and 22 shall apply to~~
41 ~~activities of the corporation and to employees of the~~
42 ~~board or corporation except to the extent provided in~~
43 ~~this division.~~

44 2. The corporation shall be governed by a board of
45 seven directors ~~who shall serve a term of four years.~~
46 ~~Of the seven directors, four shall be persons~~
47 ~~experienced in business finance and employed at a bank~~
48 ~~or other financial institution, be a certified public~~
49 ~~accountant, be an attorney, or be a licensed~~
50 ~~stockbroker. Each director shall serve at the~~

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~~1 pleasure-of-the-governor-and-shall-be-appointed-by-the~~
~~2 governor,-subject-to-confirmation-by-the-senate~~
~~3 pursuant-to-section-2.32.--A-director-is-eligible-for~~
~~4 reappointment.--A-vacancy-on-the-board-of-directors~~
~~5 shall-be-filled-in-the-same-manner-as-an-original~~
~~6 appointment.~~

~~7 3.--The-board-of-directors-shall-annually-elect-one~~
~~8 member-as-chairperson-and-one-member-as-secretary.~~
~~9 The-board-may-elect-other-officers-of-the-corporation~~
~~10 as-necessary.--Members-shall-be-reimbursed-for~~
~~11 necessary-expenses-incurred-in-the-performance-of~~
~~12 duties-from-funds-appropriated-to-the-corporation.~~

~~13 4 3. Each director of the corporation shall take~~
~~14 an oath of office and the record of each oath shall be~~
~~15 filed in the office of the secretary of state.~~

~~16 5 4. The corporation shall receive information and~~
~~17 cooperate with other agencies of the state and the~~
~~18 political subdivisions of the state.~~

~~19 Sec. . Section 15E.85, Code 1997, is amended to~~
~~20 read as follows:~~

~~21 15E.85 BOARD OF DIRECTORS.~~

~~22 The powers of the corporation are vested in and~~
~~23 shall be exercised by the board of directors. Four~~
~~24 members-of-the-board-constitute-a-quorum-and-an~~
~~25 affirmative-vote-of-at-least-four-of-the-members~~
~~26 present-at-a-meeting-is-necessary-before-an-action-may~~
~~27 be-taken-by-the-board. An action taken by the board~~
~~28 shall be authorized by resolution at a regular or~~
~~29 special meeting and takes effect immediately unless~~
~~30 the resolution specifies otherwise. Notice of a~~
~~31 meeting shall be given orally or in writing not less~~
~~32 than forty-eight hours prior to the meeting.~~

~~33 Sec. . Section 15E.87, Code 1997, is amended to~~
~~34 read as follows:~~

~~35 15E.87 CORPORATE PURPOSE -- POWERS.~~

~~36 The purpose of the corporation is to stimulate and~~
~~37 encourage the development of new products within Iowa~~
~~38 by the infusion of financial aid for invention and~~
~~39 innovation in situations in which financial aid would~~
~~40 not otherwise be reasonably available from commercial~~
~~41 sources. For this purpose the corporation has the~~
~~42 following powers:~~

~~43 1. To have perpetual succession as a corporate~~
~~44 body and to adopt bylaws, policies, and procedures for~~
~~45 the regulation of its affairs and conduct of its~~
~~46 business consistent with the purposes of this~~
~~47 division.~~

~~48 2.--To-enter-into-venture-agreements-with-persons~~
~~49 doing-business-in-Iowa-upon-conditions-and-terms-which~~
~~50 are-consistent-with-the-purposes-of-this-division-for~~

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~~1 the-advancement-of-financial-aid-to-the-persons---The
2 financial-aid-advanced-shall-be-for-the-development-of
3 specific-products,-procedures,-and-techniques-which
4 are-to-be-developed-and-produced-in-this-state---The
5 corporation-shall-condition-the-agreements-upon
6 contractual-assurances-that-the-benefits-of-increasing
7 or-maintaining-employment-and-tax-revenues-shall
8 remain-in-Iowa-~~

~~9 3---To-receive-and-accept-aid-or-contributions-from
10 a-source-of-money,-property,-labor,-or-other-things-of
11 value-to-be-used-to-carry-out-the-purposes-of-this
12 division-including-gifts-or-grants-from-a-department
13 or-agency-of-the-United-States-or-any-state-~~

~~14 4---To-issue-notes-and-bonds-as-provided-under-this
15 division-~~

16 5 2. To hold patents, copyrights, trademarks, or
17 other evidences of protection or exclusivity issued
18 under the laws of this state or the United States to
19 any products.

20 6 3. To employ assistants, agents, and other
21 employees and to engage consultants, attorneys, and
22 appraisers as necessary or desirable to carry out the
23 purposes of the corporation.

24 7 4. To make and enter into contracts and
25 agreements necessary or incidental to its performance
26 of the duties and the powers granted to the
27 corporation.

28 8 5. To sue and be sued, plead, and adopt a seal.

29 9 6. With the approval of the treasurer of state,
30 to invest funds which are not needed for immediate use
31 or disbursement, including funds held in reserve, in
32 obligations issued or guaranteed by the state or the
33 United States.

34 ~~10~~ 7. To procure insurance against a loss in
35 connection with its property and other assets.

36 ~~11~~ 8. To the extent permitted under a corporation
37 contract with other persons, to consent to a
38 termination, modification, forgiveness, or other
39 change in the terms of a contractual right, payment,
40 royalty, contract, or agreement.

41 ~~12~~ 9. To take necessary action to render bonds
42 issued under this division more marketable."

43 Sec. 13C. Section 16.5, Code Supplement 1997, is
44 amended by adding the following new subsections:

45 NEW SUBSECTION. 18. Require any nonprofit
46 corporation created by or in association with the
47 authority since January 1, 1989, to include two
48 representatives of nonprofit housing organizations as
49 voting members on the board of directors of any such
50 corporation. Any such nonprofit corporation shall not

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1 have more than one member on the board of directors
2 who is employed by the authority or serves on the
3 board of directors of the authority.

4 NEW SUBSECTION. 19. Require any nonprofit
5 corporation created by or in association with the
6 authority since January 1, 1989, to file a detailed
7 report by January 15 of each year with the
8 chairpersons and ranking members of the appropriate
9 appropriations subcommittees of the general assembly
10 which shall include, at a minimum, all of the
11 following:

12 a. An annual report of the corporation.

13 b. An itemized list of projects assisted, project
14 fees received, project locations, types and amounts of
15 assistance provided, and contact persons for each
16 project.

17 c. An itemized list of types and amounts of
18 financial assistance provided to the corporation by
19 outside sources.

20 d. A list, by position, of all corporate employees
21 and board members. The information submitted pursuant
22 to this paragraph shall include the compensation
23 received, including salary and benefits, received by
24 each employee and board member.

25 NEW SUBSECTION. 20. Require any nonprofit
26 corporation created by or in association with the
27 authority since January 1, 1989, to adopt a written
28 conflict of interests policy.

29 Sec. 13D. AUDIT. By January 15, 1999, the auditor
30 of state shall conduct an audit, or review any
31 previously completed audit, of any nonprofit
32 corporation in existence which has been incorporated
33 since January 1, 1989, by or in association with the
34 Iowa finance authority, for the entire time period
35 since the corporation was incorporated. The auditor
36 shall make or cause to be made a written report
37 consistent with and similar to the type of report
38 required under section 11.4. The auditor of state may
39 conduct similar additional audits of the same
40 nonprofit corporation as the auditor deems necessary
41 and the nonprofit corporation shall pay a fee for all
42 audits conducted.

43 Sec. 13E. HOUSING CORPORATION BOARD. The board of
44 directors of the Iowa housing corporation shall
45 consist of seven voting members serving staggered
46 three-year terms. Two members shall be
47 representatives of nonprofit housing organizations
48 appointed by the governor subject to confirmation by
49 the senate. The Iowa association of realtors, the
50 home builders association of Iowa, and the Iowa

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1 bankers association shall all appoint one member to
2 the board. The governor shall appoint the remaining
3 two board members subject to confirmation by the
4 senate. The initial terms of one representative of a
5 nonprofit housing organization and the representative
6 of the Iowa association of realtors shall be appointed
7 for terms commencing by July 1, 1998, or as soon
8 thereafter as possible, the representative of the Iowa
9 bankers association and one appointment by the
10 governor from the general public shall be appointed
11 for terms commencing May 1, 1999, and the
12 representative of the home builders association of
13 Iowa, one representative of a nonprofit housing
14 organization, and one appointment by the governor from
15 the general public shall be appointed for terms
16 commencing May 1, 2000. Board members serving on the
17 effective date of this section shall continue to serve
18 on the board until replaced by members designated in
19 this section. After the initial appointments, all
20 succeeding appointees shall serve staggered three year
21 terms beginning and ending as provided in chapter 69.
22 All appointments to the board of directors made by the
23 governor shall conform to the requirements of sections
24 69.15, 69.16, 69.16A, 69.17, 69.18, and 69.19. An
25 employee or staff member of the Iowa housing
26 corporation shall not be eligible to serve on the
27 board of directors."

28 15. By striking page 16, line 25, through page
29 17, line 27, and inserting the following:

30 "Sec. ____ . LIQUIDATION OF THE IOWA SEED CAPITAL
31 CORPORATION. Notwithstanding sections 15E.81 through
32 15E.94, sections 15E.181 through 15E.184, and 1997
33 Iowa Acts, chapter 143, sections 5 and 6, it is the
34 intent of the general assembly that the Iowa seed
35 capital corporation shall be liquidated or sold in an
36 orderly manner. On May 31, 1998, the terms of the
37 board members of the Iowa seed capital corporation
38 shall terminate, the Iowa seed capital corporation
39 shall be renamed the ISCC liquidation corporation, and
40 a three-person board shall be constituted to complete
41 the orderly liquidation or sale of the assets of the
42 ISCC liquidation corporation. The ISCC liquidation
43 corporation board shall consist of the commissioner of
44 insurance or the commissioner's designee, the
45 superintendent of banking or the superintendent's
46 designee, and the treasurer of state or the
47 treasurer's designee. The members of the ISCC
48 liquidation corporation board and any staff providing
49 assistance to the board shall not be liable for their
50 acts or omissions in connection with the liquidation

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1 or sale of the corporation. The ISCC liquidation
2 corporation board shall close the corporation offices
3 at 200 East Grand, Des Moines, Iowa, by June 30, 1998,
4 terminate the officers and staff of the corporation by
5 June 30, 1998, and shall not hire a new permanent or
6 temporary staff to operate this corporation.

7 The staff of the treasurer of state shall provide
8 administrative support to the ISCC liquidation
9 corporation board and the corporation shall reimburse
10 the treasurer of state for the reasonable costs of
11 providing administrative support. The attorney
12 general shall be consulted and shall provide legal
13 support throughout the liquidation and sale process
14 and the corporation shall reimburse the attorney
15 general for the reasonable costs of providing any such
16 consultation and legal support.

17 The ISCC liquidation corporation board's goals in
18 supervising the liquidation or sale of the corporation
19 are to maximize the net revenue to the state and
20 minimize the impact to the companies involved. The
21 board shall not make any new investments during the
22 liquidation period, except for those necessary to
23 protect and maintain its current holdings.

24 The ISCC liquidation corporation board is
25 authorized to contract for the services, including
26 brokers, other financial advisors or consultants, or
27 legal advisors, necessary to complete the orderly
28 liquidation or sale of the ISCC liquidation
29 corporation.

30 The ISCC liquidation corporation board may
31 determine the potential administrative, legal, and
32 contractual service costs for the liquidation or sale
33 of the corporation and may maintain a prudent reserve
34 fund from liquid assets of the corporation for such
35 purposes. Upon the unanimous vote of the ISCC
36 liquidation corporation board the remainder of the
37 liquid assets shall be transferred to the strategic
38 investment fund established in section 15.313.

39 Following the complete liquidation and dissolution
40 of the corporation or the sale of the corporation, all
41 remaining moneys shall be transferred to the strategic
42 investment fund. Upon transfer of the remaining
43 moneys to the strategic investment fund, the ISCC
44 liquidation corporation board shall be dissolved."

45 16. Page 18, by inserting after line 27 the
46 following:

47 "Sec. _____. By December 31 of each year, the ISCC
48 liquidation corporation shall submit an annual report
49 to the chairpersons and the ranking members of the
50 joint appropriations subcommittee on economic

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1 development. The report shall include an update on
 2 the financial condition of the corporation relating to
 3 the status of any moneys, assets, or contracts
 4 currently being held by the corporation or transferred
 5 by the corporation during the prior year."

6 17. Page 19, by inserting after line 26 the
 7 following:

8 "Sec. ____ . Section 15E.86, Code 1997, is repealed."

9 18. Page 19, by striking lines 27 and 28 and
 10 inserting the following:

11 "Sec. 23. Sections 13C, 13D, 13E, and 14 of this
 12 Act, being deemed of immediate importance, take effect
 13 upon enactment."

14 19. Title page, line 4, by inserting after the
 15 word "board," the following: "auditor of state, Iowa
 16 housing corporation,".

17 20. By renumbering, relettering, or redesignating
 18 and correcting internal references as necessary.

Senate Concurred 4/17/98 (P.1375) RECEIVED FROM THE HOUSE

S-5540 FILED APRIL 7, 1998

MTR 4/20/98 by Borlaug
Senate Concurred 4-20-98

SENATE FILE 2296

S-5730

1 Amend the House amendment, S-5540, to Senate File
 2 2296, as amended, passed, and reprinted by the Senate,
 3 as follows:

4 1. Page 5, line 46, by striking the words "Two
 5 members" and inserting the following: "One member".

6 2. Page 5, by striking line 47 and inserting the
 7 following: "a representative of a nonprofit housing
 8 organization".

9 3. Page 5, line 50, by inserting after the words
 10 "of Iowa," the following: "the Iowa credit union
 11 league,".

12 4. Page 6, lines 4 and 5, by striking the words
 13 "one representative of a nonprofit housing
 14 organization", and inserting the following: "the
 15 representative of the Iowa credit union league".

16 5. Page 6, line 13, by striking the word "one"
 17 and inserting the following: "the".

By JOANN DOUGLAS
 MICHAEL E. GRONSTAL

o/o 4/17/98 (P.1375)

S-5730 FILED APRIL 16, 1998

SENATE FILE 2296

S-5742

1 Amend the House amendment, S-5540, to Senate File
2 2296, as amended, passed, and reprinted by the Senate,
3 as follows:

4 1. Page 2, by inserting after line 11 the
5 following:

6 "Sec. ____ . NEW SECTION. 15.361 TITLE.

7 This part shall be known and may be cited as the
8 "Certified School to Career Program".

9 Sec. ____ . NEW SECTION. 15.362 DEFINITIONS.

10 As used in this part, unless the context otherwise
11 requires:

12 1. "Certified school to career program" or
13 "certified program" means a sequenced and articulated
14 secondary and postsecondary program registered as an
15 apprenticeship program under 29 C.F.R. subtit. A, pt.
16 29, which is conducted pursuant to an agreement as
17 provided in section 15.364 or a program approved by
18 the state board of education, in conjunction with the
19 department of economic development, as meeting the
20 standards enumerated in section 15.363, that
21 integrates a secondary school curriculum with private
22 sector job training which places students in job
23 internships, and which is designed to continue into
24 postsecondary education and that will result in
25 teaching new skills and adding value to the wage-
26 earning potential of participants and increase their
27 long-term employability in the state and which is
28 conducted pursuant to an agreement as provided in
29 section 15.364.

30 2. "Participant" means an individual between the
31 ages of sixteen and twenty-four who is enrolled in a
32 public or private secondary or postsecondary school
33 and who initiated participation in a certified school
34 to career program as part of secondary school
35 education.

36 3. "Payroll expenditures" means the base wages
37 actually paid by an employer to a participant plus the
38 amount held in trust to be applied toward the
39 participant's postsecondary education.

40 4. "Sponsor" means any person, association,
41 committee, or organization operating a school to
42 career program and in whose name the program is or
43 will be registered or approved.

44 Sec. ____ . NEW SECTION. 15.363 CERTIFICATION
45 STANDARDS.

46 The state board of education, in consultation with
47 the department of economic development, shall adopt
48 rules pursuant to chapter 17A to guide the board and
49 department in determining whether a potential school
50 to career program should be approved.

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1 A school to career program which is approved by the
2 state board of education in conjunction with the
3 department of economic development shall comply with
4 all of the following standards:

5 1. The program is conducted pursuant to an
6 organized, written plan embodying the terms and
7 conditions of employment, job training, classroom
8 instruction, and supervision of one or more
9 participants, subscribed to by a sponsor who has
10 undertaken to carry out the school to career program.

11 2. The program complies with all state and federal
12 laws pertaining to the workplace.

13 3. The employer agrees to assign an employee to
14 serve as a mentor for a participant. The mentor's
15 occupation shall be in the same career pathway as the
16 career interests of the participant.

17 4. The program involves an eligible postsecondary
18 institution as defined in section 261C.3.

19 5. Other standards adopted by rule by the state
20 board of education after consultation with the
21 department of economic development.

22 Sec. ____ . NEW SECTION. 15.364 CERTIFIED PROGRAM
23 AGREEMENT.

24 The certified program shall be conducted pursuant
25 to a signed written agreement between each participant
26 and the employer which contains at least the following
27 provisions:

28 1. The names and signatures of the participant and
29 the sponsor or employer and the signature of a parent
30 or guardian if the participant is a minor.

31 2. A description of the career field in which the
32 participant is to be trained, and the beginning date
33 and duration of the training.

34 3. The employer's agreement to provide paid
35 employment, at a base wage, for the participant during
36 the summer months after the participant's junior and
37 senior years in high school and after the
38 participant's first year of postsecondary education.

39 4. The participant and employer shall agree upon
40 set minimum academic standards which must be
41 maintained through the participant's secondary and
42 postsecondary education.

43 5. This base wage paid to the participant shall
44 not be less than the minimum wage prescribed by Iowa
45 law or the federal Fair Labor Standards Act, whichever
46 is applicable.

47 6. That in addition to the base wage paid to the
48 participant, the employer shall pay an additional sum
49 to be held in trust to be applied toward the
50 participant's postsecondary education required for

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1 completion of the certified program. The additional
2 amount must be not less than an amount determined by
3 the department of economic development to be
4 sufficient to provide payment of tuition expenses
5 toward completion of not more than two academic years
6 of the required postsecondary education component of
7 the certified program at an Iowa community college or
8 an Iowa public or private college or university. This
9 amount shall be held in trust for the benefit of the
10 participant pursuant to rules adopted by the
11 department of economic development. Payment into an
12 ERISA-approved fund for the benefit of the participant
13 shall satisfy this requirement. The specific fund
14 shall be specified in the agreement.

15 7. The participant's agreement to work for the
16 employer for at least two years following the
17 completion of the participant's postsecondary
18 education required by the certified program and the
19 employer's agreement to both of the following:

20 a. To provide and pay at least eighty percent of
21 the cost of a standard medical and dental insurance
22 plan for the participant.

23 b. To pay a full-time hourly wage to the
24 participant of at least eleven dollars per hour
25 indexed to 1998 dollars based on the gross national
26 product implicit price deflator published by the
27 bureau of economic analysis of the United States
28 department of commerce or one hundred thirty percent
29 of the average wage in the county in which the
30 facility where the participant will be employed is
31 located, whichever is higher.

32 However, the agreement may provide for additional
33 education and work commitments beyond the two years.

34 8. If the participant does not complete the two-
35 year employment obligation, the participant's
36 agreement to repay to the employer the amount paid by
37 the employer toward the participant's postsecondary
38 education expenses pursuant to subsection 6.

39 9. That if a participant does not complete the
40 certified program contemplated by the agreement, any
41 unexpended funds being held in trust for the
42 participant's postsecondary education shall be paid
43 back to the employer. In addition the participant
44 must repay to the employer amounts paid from the trust
45 which were expended on the participant's behalf for
46 postsecondary education.

47 Sec. ____ . NEW SECTION. 15.365 PAYROLL
48 EXPENDITURE REFUND.

49 1. An employer who employs a participant in a
50 certified school to career program may claim a refund

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1 of twenty percent of the employer's payroll
 2 expenditures for each participant in the certified
 3 program. The refund is limited to the first four
 4 hundred hours of payroll expenditures per participant
 5 for each calendar year the participant is in the
 6 certified program, not to exceed three years per
 7 participant.

8 2. To receive a refund under subsection 1 for a
 9 calendar year, the employer shall file the claim by
 10 July 1 of the following calendar year. The claim
 11 shall be filed on forms provided by the department of
 12 economic development and the employer shall provide
 13 such information regarding the employer's
 14 participation in a certified school to career program
 15 as the department may require. Forms should be
 16 designed such that claims for refunds for more than
 17 one participant may be made on a single form. A valid
 18 claim shall be paid with interest, the interest to
 19 begin to accrue on the first day of the second
 20 calendar month following the date the claim for refund
 21 was to be filed or was filed, whichever is the latest,
 22 at the rate in effect under section 421.7 counting
 23 each fraction of a month as an entire month under
 24 rules prescribed by the department.

25 3. For each fiscal year of the fiscal period
 26 beginning July 1, 1999, and ending June 30, 2004,
 27 there is appropriated annually from the general fund
 28 of the state to the department of economic development
 29 an amount sufficient to pay refunds under this
 30 section.

31 4. The department of economic development shall
 32 consult with the department of revenue and finance for
 33 purposes of this section. The department of economic
 34 development shall adopt rules as deemed necessary to
 35 carry out the purposes of the certified school to
 36 career program.

37 Sec. ____ . NEW SECTION. 15.366 REPEAL.

38 This part of chapter 15 is repealed June 30, 2004.
 39 However, any contracts in existence on June 30, 2004,
 40 shall continue to be valid and each party to such
 41 contract is obligated to perform as required under
 42 such contract. However, no employer is entitled to
 43 any payroll expenditure refund for payroll
 44 expenditures incurred after December 31, 2002."

By TOM VILSACK

S-5742 FILED APRIL 17, 1998
RULED OUT OF ORDER

(P. 1374)

SENATE FILE 2296

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1 Amend the House amendment, S-5540, to Senate File
2 2296, as amended, passed, and reprinted by the Senate,
3 as follows:

4 1. By striking page 1, line 3, through page 8,
5 line 16, and inserting the following:

6 "____. By striking everything after the enacting
7 clause and inserting the following:

8 "Section 1. DEPARTMENT OF ECONOMIC DEVELOPMENT.

9 There is appropriated from the general fund of the
10 state and other designated funds to the department of
11 economic development for the fiscal year beginning
12 July 1, 1998, and ending June 30, 1999, the following
13 amounts, or so much thereof as is necessary, to be
14 used for the purposes designated:

15 1. ADMINISTRATIVE SERVICES DIVISION

16 a. General administration

17 For salaries, support, maintenance, miscellaneous
18 purposes, and for providing that a business receiving
19 moneys from the department for the purpose of job
20 creation shall make available ten percent of the new
21 jobs created for promise jobs program participants who
22 are qualified for the jobs created and for not more
23 than the following full-time equivalent positions:

24 \$ 1,494,231

25 FTEs 25.75

26 One of the full-time equivalent positions
27 authorized in this lettered paragraph relates to the
28 transition of personnel services contractors to full-
29 time equivalent positions. The merit system
30 provisions of chapter 19A and the provisions of the
31 state and union collective bargaining agreements shall
32 not govern movement into these full-time equivalent
33 positions until September 1, 1998. These provisions
34 relating to the transition of personnel services
35 contractors to full-time equivalent positions, chapter
36 19A, and collective bargaining agreements are void
37 after September 1, 1998.

38 b. Film office

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

42 \$ 253,632

43 FTEs 2.00

44 2. BUSINESS DEVELOPMENT DIVISION

45 a. Business development operations

46 For salaries, support, maintenance, miscellaneous
47 purposes, for not more than the following full-time
48 equivalent positions, for allocating \$495,000 to
49 support activities in conjunction with the Iowa
50 manufacturing technology center, \$150,000 to the

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1 graphic arts center, and for a strategic marketing
2 effort for workforce development:

3	\$	3,940,232
4	FTEs	22.75

5 Four of the full-time equivalent positions
6 authorized in this lettered paragraph relate to the
7 transition of personnel services contractors to full-
8 time equivalent positions. The merit system
9 provisions of chapter 19A and the provisions of the
10 state and union collective bargaining agreements shall
11 not govern movement into these full-time equivalent
12 positions until September 1, 1998. These provisions
13 relating to the transition of personnel services
14 contractors to full-time equivalent positions, chapter
15 19A, and collective bargaining agreements are void
16 after September 1, 1998.

17 b. Small business programs

18 For salaries, support, maintenance, miscellaneous
19 purposes, and for not more than the following full-
20 time equivalent positions for the small business
21 program, the small business advisory council, and
22 targeted small business program:

23	\$	450,622
24	FTEs	5.00

25 c. Federal procurement office

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

29	\$	103,967
30	FTEs	3.00

31 Notwithstanding section 8.33, moneys remaining
32 unencumbered or unobligated on June 30, 1999, shall
33 not revert and shall be available for expenditure
34 during the fiscal year beginning July 1, 1999, for the
35 same purposes.

36 d. Strategic investment fund

37 For deposit in the strategic investment fund for
38 salaries, support, for not more than the following
39 full-time equivalent positions:

40	\$	6,803,513
41	FTEs	12.50

42 Two of the full-time equivalent positions
43 authorized in this lettered paragraph relate to the
44 transition of personnel services contractors to full-
45 time equivalent positions. The merit system
46 provisions of chapter 19A and the provisions of the
47 state and union collective bargaining agreements shall
48 not govern movement into these full-time equivalent
49 positions until September 1, 1998. These provisions
50 relating to the transition of personnel services

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1 contractors to full-time equivalent positions, chapter
2 19A, and collective bargaining agreements are void
3 after September 1, 1998.

4 The department may allocate from the strategic
5 investment fund up to \$600,000 for the entrepreneurial
6 ventures assistance program. The department shall
7 seek the advice, consultation, and cooperation of the
8 entrepreneurial centers and the major benefactor of
9 the centers in the implementation of the
10 entrepreneurial ventures assistance program.

11 The department may allocate from the strategic
12 investment fund up to \$100,000 for the microbusiness
13 rural enterprise assistance program under section
14 15.114.

15 The department shall provide an annual report on
16 the progress made by the department in making the
17 community economic betterment program a self-
18 sustaining, revolving loan program.

19 e. Insurance economic development

20 There is appropriated from moneys collected by the
21 division of insurance in excess of the anticipated
22 gross revenues under section 505.7, subsection 3, to
23 the department for the fiscal year beginning July 1,
24 1998, and ending June 30, 1999, the following amount,
25 or so much thereof as is necessary, for insurance
26 economic development and international insurance
27 economic development:

28 \$ 200,000

29 f. Value-added agriculture

30 There is appropriated from the moneys available to
31 support value-added agricultural products and
32 processes, four percent, or so much thereof as is
33 necessary, of the total moneys available to support
34 value-added agricultural products and processes
35 pursuant to section 423.24 each quarter for
36 administration of the value-added agricultural
37 products and processes financial assistance program as
38 provided in section 15E.111, including salaries,
39 support, maintenance, miscellaneous purposes, and for
40 not more than 2.00 FTEs.

41 The department shall collaborate with the
42 university of northern Iowa on a strategic initiative
43 to develop ag-based industrial lubrication technology
44 and to create projects to deploy the technology in
45 commercial applications. Notwithstanding the
46 requirements of section 15E.111 and the administrative
47 rules for value-added agricultural products and
48 processes, the department shall allocate \$150,000 for
49 this initiative.

50 3. COMMUNITY DEVELOPMENT DIVISION

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1 a. Community assistance

2 For salaries, support, maintenance, miscellaneous
3 purposes, and for not more than the following full-
4 time equivalent positions for administration of the
5 community economic preparedness program, the Iowa
6 community betterment program, and the city development
7 board:

8 \$ 654,547
9 FTES 8.50

10 b. Main street/rural main street program

11 For salaries and support for not more than the
12 following full-time equivalent positions:

13 \$ 425,219
14 FTES 3.00

15 Notwithstanding section 8.33, moneys committed to
16 grantees under contract from the general fund of the
17 state that remain unexpended on June 30, 1999, shall
18 not revert to any fund but shall be available for
19 expenditure for purposes of the contract during the
20 fiscal year beginning July 1, 1999.

21 c. Community development program

22 For salaries, support, maintenance, miscellaneous
23 purposes, for not more than the following full-time
24 equivalent positions, for rural resource coordination,
25 rural community leadership, rural innovations grant
26 program, and the rural enterprise fund:

27 \$ 827,215
28 FTES 7.50

29 Three of the full-time equivalent positions
30 authorized in this lettered paragraph relate to the
31 transition of personnel services contractors to full-
32 time equivalent positions. The merit system
33 provisions of chapter 19A and the provisions of the
34 state and union collective bargaining agreements shall
35 not govern movement into these full-time equivalent
36 positions until September 1, 1998. These provisions
37 relating to the transition of personnel services
38 contractors to full-time equivalent positions, chapter
39 19A, and collective bargaining agreements are void
40 after September 1, 1998.

41 There is appropriated from the rural community 2000
42 program revolving fund established in section 15.287
43 to provide to Iowa's councils of governments funds for
44 planning and technical assistance to local
45 governments:

46 \$ 150,000

47 There is appropriated from the rural community 2000
48 program revolving fund established in section 15.287
49 to the rural development program for the purposes of
50 the program including the rural enterprise fund and

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1 collaborative skills development training:		
2	\$	484,343

3 Notwithstanding section 8.33, moneys committed to
 4 grantees under contract from the general fund of the
 5 state or through transfers from the Iowa community
 6 development loan fund or from the rural community 2000
 7 program revolving fund that remain unexpended on June
 8 30, 1999, shall not revert but shall be available for
 9 expenditure for purposes of the contract during the
 10 fiscal year beginning July 1, 1999.

11 d. Community development block grant and HOME

12 For administration and related federal housing and
 13 urban development grant administration for salaries,
 14 support, maintenance, miscellaneous purposes, and for
 15 not more than the following full-time equivalent
 16 positions:

17	\$	418,737
18	FTEs	21.75

19 Three of the full-time equivalent positions
 20 authorized in this lettered paragraph relate to the
 21 transition of personnel services contractors to full-
 22 time equivalent positions. The merit system
 23 provisions of chapter 19A and the provisions of the
 24 state and union collective bargaining agreements shall
 25 not govern movement into these full-time equivalent
 26 positions until September 1, 1998. These provisions
 27 relating to the transition of personnel services
 28 contractors to full-time equivalent positions, chapter
 29 19A, and collective bargaining agreements are void
 30 after September 1, 1998.

31 e. Housing development fund

32 For providing technical assistance to communities
 33 of all sizes and local financial institutions to help
 34 meet local housing needs and to provide and transfer
 35 matching funds for the HOME program:

36	\$	1,300,000
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37 Notwithstanding section 8.33, moneys committed to
 38 grantees under contract from the housing development
 39 fund and moneys transferred for matching funds for the
 40 HOME program that remain unexpended or unobligated on
 41 June 30, 1999, shall not revert to any fund but shall
 42 be available for obligation and expenditure for
 43 purposes of those programs during the fiscal year
 44 beginning July 1, 1999.

45 f. Shelter assistance program

46 For the purposes of the shelter assistance fund:

47	\$	400,000
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48 4. INTERNATIONAL DIVISION

49 a. International trade operations

50 For salaries, support, maintenance, miscellaneous

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1 purposes, for support of foreign representation and
2 trade offices, and for not more than the following
3 full-time equivalent positions:

4 \$ 2,010,073
5 FTEs 10.00

6 From among the full-time equivalent positions
7 authorized by this lettered paragraph, one position
8 shall concentrate on the export sale of grain, one on
9 the export sale of livestock, and one on the export
10 sale of value-added agricultural products.

11 The department shall file a report every six months
12 with the general assembly in a manner consistent with
13 section 7A.11 and with the chairpersons and ranking
14 members of the joint appropriations subcommittee on
15 economic development which gives an update of all
16 activities regarding trade promotion in the Chinese
17 market.

18 b. Export trade assistance program

19 For export trade activities, including a program to
20 encourage and increase participation in trade shows
21 and trade missions by providing financial assistance
22 to businesses for a percentage of their costs of
23 participating in trade shows and trade missions, by
24 providing for the lease/sublease of showcase space in
25 existing world trade centers, by providing temporary
26 office space for foreign buyers, international
27 prospects, and potential reverse investors, and by
28 providing other promotional and assistance activities,
29 including salaries and support:

30 \$ 425,000

31 Notwithstanding section 8.33, moneys appropriated
32 by this lettered paragraph which remain unobligated or
33 unexpended on June 30, 1999, shall not revert to the
34 general fund of the state but shall be transferred to
35 and deposited in the strategic investment fund created
36 in section 15.313.

37 c. Agricultural product advisory council

38 For support, maintenance, and miscellaneous
39 purposes:

40 \$ 1,300

41 d. For transfer to the partner state program which
42 the department may use to contract with private groups
43 or organizations which are the most appropriate to
44 administer this program and the groups and
45 organizations participating in the program shall, to
46 the fullest extent possible, provide the funds to
47 match the appropriation made in this paragraph of the
48 funds transferred:

49 \$ 125,000

50 5. TOURISM DIVISION

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1 Tourism operations/advertising
 2 For salaries, support, maintenance, miscellaneous
 3 purposes, for not more than the following full-time
 4 equivalent positions:
 5 \$ 5,038,912
 6 FTEs 18.52

7 The department may expend up to \$130,000 to provide
 8 assistance to private welcome centers in the state.
 9 The department shall not provide assistance of more
 10 than \$10,000 to any one private welcome center. A
 11 private welcome center seeking assistance shall submit
 12 a competitive application to the department and may be
 13 eligible for receiving assistance if the private
 14 welcome center complies with all of the following
 15 criteria:

- 16 a. The private welcome center is at risk of a
 17 projected operating deficit.
 - 18 b. The private welcome center complies with
 19 operational standards and requirements determined by
 20 the department.
 - 21 c. The private welcome center submits a financial
 22 plan for self-sufficiency to the department.
- 23 The department shall conduct a study of the public
 24 and private welcome center system in the state. The
 25 department shall make recommendations to the general
 26 assembly for the future operation of the system
 27 including recommendations concerning funding for
 28 private welcome center operations and quality
 29 standards for public and private welcome centers.

30 The department shall not use the moneys
 31 appropriated in this subsection, unless the department
 32 develops public-private partnerships with Iowa
 33 businesses in the tourism industry, Iowa tour groups,
 34 Iowa tourism organizations, and political subdivisions
 35 in this state to assist in the development of
 36 advertising efforts. The department shall, to the
 37 fullest extent possible, develop cooperative efforts
 38 for advertising with contributions from other sources.

39 Sec. 2. COMMUNITY DEVELOPMENT LOAN FUND.
 40 Notwithstanding section 15E.120, subsections 5, 6, and
 41 7, and section 15.287, there is appropriated from the
 42 Iowa community development loan fund all the moneys
 43 available during the fiscal year beginning July 1,
 44 1998, and ending June 30, 1999, to the department of
 45 economic development for the community development
 46 program to be used by the department for the purposes
 47 of the program.

48 Sec. 3. JOB TRAINING FUND. Notwithstanding
 49 section 15.251, subsection 2, there is appropriated
 50 from the job training fund to the department of

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1 economic development for the fiscal year beginning
2 July 1, 1998, and ending June 30, 1999, the following
3 amount, or so much thereof as is necessary, to be used
4 for the purposes designated:

5 For administration of chapter 260E, including
6 salaries, support, maintenance, miscellaneous
7 purposes, and for not more than the following full-
8 time equivalent positions:

9	\$	210,000
10	FTEs	2.50

11 Appropriations to the department of economic
12 development for administration of chapter 260E and the
13 department of workforce development for the target
14 alliance program shall be funded on a proportional
15 basis if receipts to the job training fund are
16 insufficient to fund both appropriations in their
17 entirety.

18 Sec. 4. WORKFORCE DEVELOPMENT FUND. There is
19 appropriated from the workforce development fund
20 account created in section 15.342A, to the workforce
21 development fund created in section 15.343, for the
22 fiscal year beginning July 1, 1998, and ending June
23 30, 1999, the following amount, for the purposes of
24 the workforce development fund:

25	\$	6,850,000
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26 Sec. 5. Of all funds appropriated to or receipts
27 credited to the job training fund created in section
28 260F.6, subsection 1, up to \$175,000 for the fiscal
29 year beginning July 1, 1998, and ending June 30, 1999,
30 and not more than 1.50 FTEs may be used for the
31 administration of the Iowa jobs training Act.

32 Sec. 6. IOWA STATE UNIVERSITY. There is
33 appropriated from the general fund of the state to the
34 Iowa state university of science and technology for
35 the fiscal year beginning July 1, 1998, and ending
36 June 30, 1999, the following amounts, or so much
37 thereof as is necessary, to be used for the purposes
38 designated:

39 1. For funding and maintaining in their current
40 locations the existing small business development
41 centers, and for not more than the following full-time
42 equivalent positions:

43	\$	1,235,880
44	FTEs	5.80

45 2. For the Iowa state university of science and
46 technology research park, including salaries, support,
47 maintenance, miscellaneous purposes, and for not more
48 than the following full-time equivalent positions:

49	\$	376,500
50	FTEs	4.31

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1 3. For funding the institute for physical research
 2 and technology, provided that \$318,358 shall be
 3 allocated to the industrial incentive program in
 4 accordance with the intent of the general assembly,
 5 and for not more than the following full-time
 6 equivalent positions:

7 \$ 4,379,458
 8 FTEs 46.42

9 It is the intent of the general assembly that the
 10 incentive program focus on Iowa industrial sectors and
 11 seek contributions and in-kind donations from
 12 businesses, industrial foundations, and trade
 13 associations and that moneys for the institute for
 14 physical research and technology industrial incentive
 15 program shall only be allocated for projects which are
 16 matched by private sector moneys for directed contract
 17 research or for nondirected research. The match
 18 required of small businesses as defined in section
 19 15.102, subsection 4, for directed contract research
 20 or for nondirected research shall be \$1 for each \$3 of
 21 state funds. The match required for other businesses
 22 for directed contract research or for nondirected
 23 research shall be \$1 for each \$1 of state funds. The
 24 match required of industrial foundations or trade
 25 associations shall be \$1 for each \$1 of state funds.

26 Iowa state university of science and technology
 27 shall report annually to the joint appropriations
 28 subcommittee on economic development and legislative
 29 fiscal bureau the total amounts of private
 30 contributions, the proportion of contributions from
 31 small businesses and other businesses, and the
 32 proportion for directed contract research and
 33 nondirected research of benefit to Iowa businesses and
 34 industrial sectors.

35 Notwithstanding section 8.33, moneys appropriated
 36 for the fiscal year which remain unobligated and
 37 unexpended at the end of the fiscal year shall not
 38 revert but shall be available for expenditure the
 39 following fiscal year.

40 Sec. 7. UNIVERSITY OF IOWA. There is appropriated
 41 from the general fund of the state to the state
 42 university of Iowa for the fiscal year beginning July
 43 1, 1998, and ending June 30, 1999, the following
 44 amounts, or so much thereof as is necessary, to be
 45 used for the purposes designated:

46 1. For the university of Iowa research park,
 47 including salaries, support, maintenance, equipment,
 48 miscellaneous purposes, and for not more than the
 49 following full-time equivalent positions:

50 \$ 331,007

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1	FTEs	4.35
2 2. For funding the advanced drug development		
3 program at the Oakdale research park and for not more		
4 than the following full-time equivalent positions:		
5	\$	262,199
6	FTEs	2.85

7 The board of regents shall submit a report on the
8 progress of regents institutions in meeting the
9 strategic plan for technology transfer and economic
10 development to the chairpersons of the joint
11 appropriations subcommittee on economic development,
12 the joint appropriations subcommittee on education,
13 the majority leader and minority leader of the senate,
14 the majority and minority leaders of the house of
15 representatives, the secretary of the senate, the
16 chief clerk of the house of representatives, and the
17 legislative fiscal bureau by December 1, 1998.

18 Sec. 8. UNIVERSITY OF NORTHERN IOWA. There is
19 appropriated from the general fund of the state to the
20 university of northern Iowa for the fiscal year
21 beginning July 1, 1998, and ending June 30, 1999, the
22 following amounts, or so much thereof as is necessary,
23 to be used for the purposes designated:

24 1. For the metal casting institute, including		
25 salaries, support, maintenance, miscellaneous		
26 purposes, and for not more than the following full-		
27 time equivalent positions:		
28	\$	166,349
29	FTEs	2.75

30 2. For the institute of decision making, including
31 salaries, support, maintenance, miscellaneous
32 purposes, and for not more than the following full-
33 time equivalent positions:

34	\$	688,308
35	FTEs	8.00

36 Sec. 9. DEPARTMENT OF WORKFORCE DEVELOPMENT.
37 There is appropriated from the general fund of the
38 state, to the department of workforce development for
39 the fiscal year beginning July 1, 1998, and ending
40 June 30, 1999, the following amounts, or so much
41 thereof as is necessary, for the purposes designated:

42 1. DIVISION OF LABOR SERVICES		
43 For the division of labor services, including		
44 salaries, support, maintenance, miscellaneous		
45 purposes, and for not more than the following full-		
46 time equivalent positions:		
47	\$	2,902,693
48	FTEs	93.00

49 From the contractor registration fees, the division
50 of labor services shall reimburse the department of

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1 inspections and appeals for all costs associated with
2 hearings under chapter 91C, relating to contractor
3 registration.

4 2. DIVISION OF INDUSTRIAL SERVICES

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

8	\$	2,390,927
9	FTEs	34.00

10 The division of industrial services shall continue
11 charging a \$65 filing fee for workers' compensation
12 cases. The filing fee shall be paid by the petitioner
13 of a claim. However, the fee can be taxed as a cost
14 and paid by the losing party, except in cases where it
15 would impose an undue hardship or be unjust under the
16 circumstances.

17 3. For salaries, support, maintenance,
18 miscellaneous purposes, and for not more than the
19 following full-time equivalent position for the
20 workforce development state and regional boards:

21	\$	106,929
22	FTE	1.00

23 4. For salaries, support, maintenance,
24 miscellaneous purposes for collection of labor market
25 information, and for not more than the following full-
26 time equivalent position:

27	\$	65,354
28	FTE	1.00

29 5. WORKFORCE DEVELOPMENT AREA

30 For salaries, support, maintenance, and
31 miscellaneous purposes for the development and
32 maintenance of a workforce sufficient in size and
33 skill to meet the occupational demands of each
34 workforce development area, and for workforce
35 development programs, including those provided for in
36 sections 84A.7, 84A.8, and 84A.9. Each region shall
37 be required to provide an equal amount of matching
38 funds from local sources:

39	\$	1,480,022
40	FTEs	4.20

41 The department shall expend \$923,180 on youth
42 workforce programs. Youth conservation corps program
43 moneys shall be allocated among the regions which have
44 developed a youth conservation corps program.

45 Notwithstanding section 8.33, moneys committed to
46 grantees under contract that remain unexpended on June
47 30, 1999, shall not revert to any fund but shall be
48 available for expenditure for purposes of the contract
49 during the fiscal year beginning July 1, 1999.

50 6. LABOR MANAGEMENT COORDINATOR

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1 For salaries, support, maintenance, miscellaneous
2 purposes, and for not more than the following full-
3 time equivalent position:

4 \$ 66,851
5 FTE 0.50

6 The Iowa workforce development board shall be
7 responsible for the functions previously conducted by
8 the state labor management cooperation council. The
9 board, the department of workforce development, and
10 the labor management coordinator shall cooperate to
11 improve communications and facilitate dialogue between
12 labor, management, and government on workforce
13 development problems facing the state, to form in-
14 plant labor management committees, and to provide
15 technical assistance to establish effective labor
16 management policies in the state.

17 7. WELFARE-TO-WORK MATCHING FUNDS

18 For matching funds for welfare-to-work grants
19 authorized through the United States department of
20 labor to provide additional services for the hardest
21 to employ recipients of family investment program
22 benefits:

23 \$ 888,633

24 Notwithstanding section 8.33, moneys appropriated
25 in this subsection which remain unexpended or
26 unobligated on June 30, 1999, shall not revert to the
27 general fund of the state but shall remain available
28 for expenditure for the same purpose during the fiscal
29 year beginning July 1, 1999.

30 Sec. 10. JOB TRAINING FUND. Notwithstanding
31 section 15.251, subsection 2, there is appropriated
32 from the job training fund to the department of
33 workforce development for the fiscal year beginning
34 July 1, 1998, and ending June 30, 1999, the following
35 amount, or so much thereof as is necessary, to be used
36 for the purpose designated:

37 For the target alliance program:
38 \$ 30,000

39 Sec. 11. ADMINISTRATIVE CONTRIBUTION SURCHARGE
40 FUND. There is appropriated from the administrative
41 contribution surcharge fund of the state to the
42 department of workforce development for the fiscal
43 year beginning July 1, 1998, and ending June 30, 1999,
44 the following amount, or so much thereof as is
45 necessary, for the purposes designated:

46 Notwithstanding section 96.7, subsection 12,
47 paragraph "c", for salaries, support, maintenance,
48 conducting labor availability surveys, miscellaneous
49 purposes, and for not more than the following full-
50 time equivalent positions:

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1	\$	7,100,000
2	FTEs	125.42

3 Sec. 12. EMPLOYMENT SECURITY CONTINGENCY FUND.

4 There is appropriated from the special employment
5 security contingency fund to the department of
6 workforce development for the fiscal year beginning
7 July 1, 1998, and ending June 30, 1999, the following
8 amounts, or so much thereof as is necessary, for the
9 purposes designated:

10 1. DIVISION OF LABOR SERVICES

11 For salaries, support, maintenance, and
12 miscellaneous purposes:

13	\$	296,000
----------	----	---------

14 2. DIVISION OF INDUSTRIAL SERVICES

15 For salaries, support, maintenance, and
16 miscellaneous purposes:

17	\$	175,000
----------	----	---------

18 Any additional penalty and interest revenue may be
19 used to accomplish the mission of the department.

20 Sec. 13. PUBLIC EMPLOYMENT RELATIONS BOARD. There

21 is appropriated from the general fund of the state to
22 the public employment relations board for the fiscal
23 year beginning July 1, 1998, and ending June 30, 1999,
24 the following amount, or so much thereof as is
25 necessary, for the purposes designated:

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

29	\$	857,844
30	FTEs	12.80

31 Sec. 14. WORKFORCE RECRUITMENT INITIATIVE.

32 1. FINDINGS. The general assembly finds that
33 growing levels of employment coupled with historically
34 low levels of unemployment are evidence of increasing
35 scarcity of skilled workers. Limited access to a
36 skilled workforce is preventing Iowa companies from
37 increasing employment and production, and is a barrier
38 to sustained and stable economic growth.

39 Further, the general assembly finds that in order
40 to increase the size of the workforce, a partnership
41 of private sector employers, communities and public
42 sector organizations should be formed to develop and
43 implement a workforce recruitment initiative. The
44 initiative is intended to include strategies for
45 recruiting new workers that will meet the workforce
46 needs of Iowa employers who are unable to fill high
47 quality jobs.

48 2. ESTABLISHMENT. The general assembly finds an
49 immediate need for the establishment of a workforce
50 recruitment initiative with projects intended to

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1 retain and recruit new skilled and unskilled employees
 2 to fill the needs of both communities and businesses.
 3 The department of economic development and the
 4 department of workforce development shall enter into a
 5 cooperative memorandum of understanding to accomplish
 6 purposes of this initiative. The memorandum shall
 7 include, but not be limited to, provisions for the
 8 sharing and utilization of job matching databases and
 9 technology to accomplish the purposes of the
 10 initiative and for an allocation out of moneys
 11 appropriated to the department of economic development
 12 for purposes of the workforce recruitment initiative
 13 for payment of employee salaries related to the
 14 workforce recruitment initiative.

15 3. STATE AGENCY COOPERATION. The department of
 16 economic development and the department of workforce
 17 development shall seek and obtain the cooperation of
 18 any state agency and local economic development
 19 organization actively involved in workforce
 20 development initiatives which could provide employee
 21 recruitment and marketing assistance to accomplish the
 22 workforce recruitment initiative.

23 4. FTEs. For purposes of the workforce
 24 recruitment initiative, the department of workforce
 25 development shall increase the number of full-time
 26 equivalent positions authorized for the department
 27 during the fiscal year beginning July 1, 1998, by 2.00
 28 FTEs through moneys authorized for expenditure in this
 29 Act and allocated pursuant to the cooperative
 30 memorandum of understanding entered into with the
 31 department of economic development as provided in
 32 section 2.

33 5. APPROPRIATION. There is appropriated from the
 34 general fund of the state to the department of
 35 economic development for the fiscal year beginning
 36 July 1, 1998, and ending June 30, 1999, the following
 37 amount, or so much thereof as is necessary, to be used
 38 for the purposes designated:

39 For workforce recruitment initiative purposes
 40 including technical support and maintenance of
 41 databases and an internet web site, for a joint
 42 proposal of the department of economic development and
 43 the department of workforce development relating to
 44 the workforce recruitment initiative which shall
 45 include provisions for private sector contributions,
 46 and including salaries, support, maintenance,
 47 miscellaneous purposes, and for not more than the
 48 following full-time equivalent positions:

49	\$	300,000
50	FTEs	3.00

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1 Notwithstanding section 8.33, moneys appropriated
2 in this subsection which remain unexpended or
3 unobligated on June 30, 1999, shall not revert to the
4 general fund of the state but shall remain available
5 for expenditure in the fiscal year beginning July 1,
6 1999, for the purposes designated.

7 6. STRATEGIC INVESTMENT FUND ALLOCATION. There is
8 allocated from the strategic investment fund to the
9 department of economic development for the fiscal year
10 beginning July 1, 1998, and ending June 30, 1999,
11 \$150,000 to be used for the purchase of equipment,
12 software, laptop computers, and other necessary
13 technological equipment.

14 7. BUSINESS DEVELOPMENT DIVISION. The business
15 development division of the department of economic
16 development may expend from moneys appropriated to the
17 department and allocated to the business development
18 division, for business development operations, up to
19 \$400,000 for increasing the labor availability and
20 recruitment efforts in the state in all occupational
21 areas and as deemed necessary.

22 Sec. 15. NEW SECTION. 15.361 TITLE.

23 This part shall be known and may be cited as the
24 "Certified School to Career Program".

25 Sec. 16. NEW SECTION. 15.362 DEFINITIONS.

26 As used in this part, unless the context otherwise
27 requires:

28 1. "Certified school to career program" or
29 "certified program" means a sequenced and articulated
30 secondary and postsecondary program registered as an
31 apprenticeship program under 29 C.F.R. subtit. A, pt.
32 29, which is conducted pursuant to an agreement as
33 provided in section 15.364 or a program approved by
34 the state board of education, in conjunction with the
35 department of economic development, as meeting the
36 standards enumerated in section 15.363, that
37 integrates a secondary school curriculum with private
38 sector job training which places students in job
39 internships, and which is designed to continue into
40 postsecondary education and that will result in
41 teaching new skills and adding value to the wage-
42 earning potential of participants and increase their
43 long-term employability in the state and which is
44 conducted pursuant to an agreement as provided in
45 section 15.364.

46 2. "Participant" means an individual between the
47 ages of sixteen and twenty-four who is enrolled in a
48 public or private secondary or postsecondary school
49 and who initiated participation in a certified school
50 to career program as part of secondary school

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1 education.

2 3. "Payroll expenditures" means the base wages
3 actually paid by an employer to a participant plus the
4 amount held in trust to be applied toward the
5 participant's postsecondary education.

6 4. "Sponsor" means any person, association,
7 committee, or organization operating a school to
8 career program and in whose name the program is or
9 will be registered or approved.

10 Sec. 17. NEW SECTION. 15.363 CERTIFICATION
11 STANDARDS.

12 The state board of education, in consultation with
13 the department of economic development, shall adopt
14 rules pursuant to chapter 17A to guide the board and
15 department in determining whether a potential school
16 to career program should be approved.

17 A school to career program which is approved by the
18 state board of education in conjunction with the
19 department of economic development shall comply with
20 all of the following standards:

21 1. The program is conducted pursuant to an
22 organized, written plan embodying the terms and
23 conditions of employment, job training, classroom
24 instruction, and supervision of one or more
25 participants, subscribed to by a sponsor who has
26 undertaken to carry out the school to career program.

27 2. The program complies with all state and federal
28 laws pertaining to the workplace.

29 3. The employer agrees to assign an employee to
30 serve as a mentor for a participant. The mentor's
31 occupation shall be in the same career pathway as the
32 career interests of the participant.

33 4. The program involves an eligible postsecondary
34 institution as defined in section 261C.3.

35 5. Other standards adopted by rule by the state
36 board of education after consultation with the
37 department of economic development.

38 Sec. 18. NEW SECTION. 15.364 CERTIFIED PROGRAM
39 AGREEMENT.

40 The certified program shall be conducted pursuant
41 to a signed written agreement between each participant
42 and the employer which contains at least the following
43 provisions:

44 1. The names and signatures of the participant and
45 the sponsor or employer and the signature of a parent
46 or guardian if the participant is a minor.

47 2. A description of the career field in which the
48 participant is to be trained, and the beginning date
49 and duration of the training.

50 3. The employer's agreement to provide paid

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1 employment, at a base wage, for the participant during
2 the summer months after the participant's junior and
3 senior years in high school and after the
4 participant's first year of postsecondary education.

5 4. The participant and employer shall agree upon
6 set minimum academic standards which must be
7 maintained through the participant's secondary and
8 postsecondary education.

9 5. This base wage paid to the participant shall
10 not be less than the minimum wage prescribed by Iowa
11 law or the federal Fair Labor Standards Act, whichever
12 is applicable.

13 6. That in addition to the base wage paid to the
14 participant, the employer shall pay an additional sum
15 to be held in trust to be applied toward the
16 participant's postsecondary education required for
17 completion of the certified program. The additional
18 amount must be not less than an amount determined by
19 the department of economic development to be
20 sufficient to provide payment of tuition expenses
21 toward completion of not more than two academic years
22 of the required postsecondary education component of
23 the certified program at an Iowa community college or
24 an Iowa public or private college or university. This
25 amount shall be held in trust for the benefit of the
26 participant pursuant to rules adopted by the
27 department of economic development. Payment into an
28 ERISA-approved fund for the benefit of the participant
29 shall satisfy this requirement. The specific fund
30 shall be specified in the agreement.

31 7. The participant's agreement to work for the
32 employer for at least two years following the
33 completion of the participant's postsecondary
34 education required by the certified program. However,
35 the agreement may provide for additional education and
36 work commitments beyond the two years.

37 8. If the participant does not complete the two-
38 year employment obligation, the participant's
39 agreement to repay to the employer the amount paid by
40 the employer toward the participant's postsecondary
41 education expenses pursuant to subsection 6.

42 9. That if a participant does not complete the
43 certified program contemplated by the agreement, any
44 unexpended funds being held in trust for the
45 participant's postsecondary education shall be paid
46 back to the employer. In addition the participant
47 must repay to the employer amounts paid from the trust
48 which were expended on the participant's behalf for
49 postsecondary education.

50 Sec. 19. NEW SECTION. 15.365 PAYROLL EXPENDITURE

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1 REFUND.

2 1. An employer who employs a participant in a
3 certified school to career program may claim a refund
4 of twenty percent of the employer's payroll
5 expenditures for each participant in the certified
6 program. The refund is limited to the first four
7 hundred hours of payroll expenditures per participant
8 for each calendar year the participant is in the
9 certified program, not to exceed three years per
10 participant.

11 2. To receive a refund under subsection 1 for a
12 calendar year, the employer shall file the claim by
13 July 1 of the following calendar year. The claim
14 shall be filed on forms provided by the department of
15 economic development and the employer shall provide
16 such information regarding the employer's
17 participation in a certified school to career program
18 as the department may require. Forms should be
19 designed such that claims for refunds for more than
20 one participant may be made on a single form.

21 3. For each fiscal year of the fiscal period
22 beginning July 1, 1999, and ending June 30, 2004,
23 there is appropriated up to five hundred thousand
24 dollars annually from the general fund of the state to
25 the department of economic development to pay refunds
26 under this section. If the amount appropriated in a
27 fiscal year is insufficient to pay all refund claims
28 for the calendar year in full, each claimant shall
29 receive a proportion of the claimant's refund claim
30 equal to the ratio of the amount appropriated to the
31 total amount of refund claims. Any unpaid portion of
32 a claim shall not be paid from a subsequent fiscal
33 year appropriation.

34 4. The department of economic development shall
35 consult with the department of revenue and finance for
36 purposes of this section. The department of economic
37 development shall adopt rules as deemed necessary to
38 carry out the purposes of the certified school to
39 career program.

40 Sec. 20. NEW SECTION. 15.366 CUSTOMER TRACKING
41 SYSTEM.

42 All participants and sponsors participating in a
43 certified school to career program shall be included
44 in the customer tracking system implemented by the
45 department of workforce development pursuant to
46 section 84A.5.

47 Sec. 21. NEW SECTION. 15.367 REPEAL.

48 This part of chapter 15 is repealed June 30, 2004.
49 However, any contracts in existence on June 30, 2004,
50 shall continue to be valid and each party to such

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1 contract is obligated to perform as required under
2 such contract. However, no employer is entitled to
3 any payroll expenditure refund for payroll
4 expenditures incurred after December 31, 2002.

5 Sec. 22. Section 15E.83, Code 1997, is amended to
6 read as follows:

7 15E.83 SEED CAPITAL CORPORATION.

8 1. The Iowa seed capital corporation shall be
9 incorporated under chapter 504A. ~~The purpose of the~~
10 ~~corporation shall be to provide seed capital to start-~~
11 ~~up and emerging growth companies in Iowa that are~~
12 ~~bringing new products and processes to the~~
13 ~~marketplace, and it shall be the goal of the~~
14 ~~corporation to financially support the establishment~~
15 ~~and growth of start-up and emerging growth companies~~
16 ~~that can contribute to the economic diversity of the~~
17 ~~state and provide general and specific economic~~
18 ~~benefits to the state. The corporation shall only~~
19 ~~provide seed capital or financial assistance to Iowa~~
20 ~~businesses. The corporation shall not be regarded as~~
21 ~~a state agency, except for purposes of chapters 17A~~
22 ~~and 69, and a member of the board is not considered a~~
23 ~~state employee, except for purposes of chapter 669.~~
24 ~~An individual employed by the corporation is a state~~
25 ~~employee for purposes of the Iowa public employees'~~
26 ~~retirement system, state health and dental plans, and~~
27 ~~other state employee benefit plans and chapter 669.~~
28 ~~Chapters 8, 18, 19A, and 20 and other provisions of~~
29 ~~law that relate to requirements or restrictions~~
30 ~~dealing with state personnel or state funds do not~~
31 ~~apply to the corporation and any employees of the~~
32 ~~board or corporation except to the extent provided in~~
33 ~~this division. Chapters 21 and 22 shall apply to~~
34 ~~activities of the corporation and to employees of the~~
35 ~~board or corporation except to the extent provided in~~
36 ~~this division.~~

37 2. The corporation shall be governed by a board of
38 seven directors who shall serve a term of four years.
39 ~~Of the seven directors, four shall be persons~~
40 ~~experienced in business finance and employed at a bank~~
41 ~~or other financial institution, be a certified public~~
42 ~~accountant, be an attorney, or be a licensed~~
43 ~~stockbroker. Each director shall serve at the~~
44 ~~pleasure of the governor and shall be appointed by the~~
45 ~~governor, subject to confirmation by the senate~~
46 ~~pursuant to section 2.32. A director is eligible for~~
47 ~~reappointment. A vacancy on the board of directors~~
48 ~~shall be filled in the same manner as an original~~
49 ~~appointment.~~

50 3. ~~The board of directors shall annually elect one~~

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~~1 member-as-chairperson-and-one-member-as-secretary-
2 The-board-may-elect-other-officers-of-the-corporation
3 as-necessary.--Members-shall-be-reimbursed-for
4 necessary-expenses-incurred-in-the-performance-of
5 duties-from-funds-appropriated-to-the-corporation-~~

6 4 3. Each director of the corporation shall take
7 an oath of office and the record of each oath shall be
8 filed in the office of the secretary of state.

9 5 4. The corporation shall receive information and
10 cooperate with other agencies of the state and the
11 political subdivisions of the state.

12 Sec. 23. Section 15E.85, Code 1997, is amended to
13 read as follows:

14 15E.85 BOARD OF DIRECTORS.

15 The powers of the corporation are vested in and
16 shall be exercised by the board of directors. ~~Four~~
17 ~~members-of-the-board-constitute-a-quorum-and-an~~
18 ~~affirmative-vote-of-at-least-four-of-the-members~~
19 ~~present-at-a-meeting-is-necessary-before-an-action-may~~
20 ~~be-taken-by-the-board-~~ An action taken by the board
21 shall be authorized by resolution at a regular or
22 special meeting and takes effect immediately unless
23 the resolution specifies otherwise. Notice of a
24 meeting shall be given orally or in writing not less
25 than forty-eight hours prior to the meeting.

26 Sec. 24. Section 15E.87, Code 1997, is amended to
27 read as follows:

28 15E.87 CORPORATE PURPOSE -- POWERS.

29 The purpose of the corporation is to stimulate and
30 encourage the development of new products within Iowa
31 by the infusion of financial aid for invention and
32 innovation in situations in which financial aid would
33 not otherwise be reasonably available from commercial
34 sources. For this purpose the corporation has the
35 following powers:

36 1. To have perpetual succession as a corporate
37 body and to adopt bylaws, policies, and procedures for
38 the regulation of its affairs and conduct of its
39 business consistent with the purposes of this
40 division.

41 ~~2.--To-enter-into-venture-agreements-with-persons~~
42 ~~doing-business-in-Iowa-upon-conditions-and-terms-which~~
43 ~~are-consistent-with-the-purposes-of-this-division-for~~
44 ~~the-advancement-of-financial-aid-to-the-persons.--The~~
45 ~~financial-aid-advanced-shall-be-for-the-development-of~~
46 ~~specific-products,-procedures,-and-techniques-which~~
47 ~~are-to-be-developed-and-produced-in-this-state.--The~~
48 ~~corporation-shall-condition-the-agreements-upon~~
49 ~~contractual-assurances-that-the-benefits-of-increasing~~
50 ~~or-maintaining-employment-and-tax-revenues-shall~~

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1 remain-in-Iowa;

2 3. ~~To receive and accept aid or contributions from~~
3 ~~a source of money, property, labor, or other things of~~
4 ~~value to be used to carry out the purposes of this~~
5 ~~division including gifts or grants from a department~~
6 ~~or agency of the United States or any state.~~

7 4. ~~To issue notes and bonds as provided under this~~
8 ~~division.~~

9 5 2. To hold patents, copyrights, trademarks, or
10 other evidences of protection or exclusivity issued
11 under the laws of this state or the United States to
12 any products.

13 6 3. To employ assistants, agents, and other
14 employees and to engage consultants, attorneys, and
15 appraisers as necessary or desirable to carry out the
16 purposes of the corporation.

17 7 4. To make and enter into contracts and
18 agreements necessary or incidental to its performance
19 of the duties and the powers granted to the
20 corporation.

21 8 5. To sue and be sued, plead, and adopt a seal.

22 9 6. With the approval of the treasurer of state,
23 to invest funds which are not needed for immediate use
24 or disbursement, including funds held in reserve, in
25 obligations issued or guaranteed by the state or the
26 United States.

27 ~~10~~ 7. To procure insurance against a loss in
28 connection with its property and other assets.

29 ~~11~~ 8. To the extent permitted under a corporation
30 contract with other persons, to consent to a
31 termination, modification, forgiveness, or other
32 change in the terms of a contractual right, payment,
33 royalty, contract, or agreement.

34 ~~12~~ 9. To take necessary action to render bonds
35 issued under this division more marketable.

36 Sec. 25. LIQUIDATION OF THE IOWA SEED CAPITAL
37 CORPORATION. Notwithstanding sections 15E.81 through
38 15E.94, sections 15E.181 through 15E.184, and 1997
39 Iowa Acts, chapter 143, sections 5 and 6, it is the
40 intent of the general assembly that the Iowa seed
41 capital corporation shall be liquidated or sold in an
42 orderly manner. On May 31, 1998, the terms of the
43 board members of the Iowa seed capital corporation
44 shall terminate, the Iowa seed capital corporation
45 shall be renamed the ISCC liquidation corporation, and
46 a three-person board shall be constituted to complete
47 the orderly liquidation or sale of the assets of the
48 ISCC liquidation corporation. The ISCC liquidation
49 corporation board shall consist of the commissioner of
50 insurance or the commissioner's designee, the

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1 superintendent of banking or the superintendent's
2 designee, and the treasurer of state or the
3 treasurer's designee. The members of the ISCC
4 liquidation corporation board and any staff providing
5 assistance to the board shall not be liable for their
6 acts or omissions in connection with the liquidation
7 or sale of the corporation. The ISCC liquidation
8 corporation board shall close the corporation offices
9 at 200 East Grand, Des Moines, Iowa, by June 30, 1998,
10 terminate the officers and staff of the corporation by
11 June 30, 1998, and shall not hire a new permanent or
12 temporary staff to operate this corporation.

13 The staff of the treasurer of state shall provide
14 administrative support to the ISCC liquidation
15 corporation board and the corporation shall reimburse
16 the treasurer of state for the reasonable costs of
17 providing administrative support. The attorney
18 general shall be consulted and shall provide legal
19 support throughout the liquidation and sale process
20 and the corporation shall reimburse the attorney
21 general for the reasonable costs of providing any such
22 consultation and legal support.

23 The ISCC liquidation corporation board's goals in
24 supervising the liquidation or sale of the corporation
25 are to maximize the net revenue to the state and
26 minimize the impact to the companies involved. The
27 board shall not make any new investments during the
28 liquidation period, except for those necessary to
29 protect and maintain its current holdings.

30 The ISCC liquidation corporation board is
31 authorized to contract for the services, including
32 brokers, other financial advisors or consultants, or
33 legal advisors, necessary to complete the orderly
34 liquidation or sale of the ISCC liquidation
35 corporation.

36 The ISCC liquidation corporation board may
37 determine the potential administrative, legal, and
38 contractual service costs for the liquidation or sale
39 of the corporation and may maintain a prudent reserve
40 fund from liquid assets of the corporation for such
41 purposes. Upon the unanimous vote of the ISCC
42 liquidation corporation board the remainder of the
43 liquid assets shall be transferred to the strategic
44 investment fund established in section 15.313.

45 Following the complete liquidation and dissolution
46 of the corporation or the sale of the corporation, all
47 remaining moneys shall be transferred to the strategic
48 investment fund. Upon transfer of the remaining
49 moneys to the strategic investment fund, the ISCC
50 liquidation corporation board shall be dissolved.

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1 Sec. 26. SHELTER ASSISTANCE FUND. In providing
2 moneys from the shelter assistance fund to homeless
3 shelter programs, the department of economic
4 development shall explore the potential of allocating
5 moneys to homeless shelter programs based in part on
6 their ability to move their clients toward self-
7 sufficiency.

8 Sec. 27. The department of economic development
9 and the department of workforce development shall
10 within the budget proposals for the fiscal year
11 beginning July 1, 2000, detail the number of FTEs and
12 contract employees included in the budget proposal.
13 During the budget process for the fiscal year
14 beginning July 1, 2000, the joint economic development
15 appropriation subcommittee shall examine contract
16 employees in relationship to the budgets of the
17 department of economic development and the department
18 of workforce development.

19 Sec. 28. The department of economic development
20 shall submit a report to the general assembly as
21 provided in section 7A.11 by January 1, 1999, which
22 includes all of the following:

23 1. A survey of all business, industry, and
24 agriculture-related international trade activities in
25 this state. The survey shall include the types of
26 businesses and the products involved in international
27 trade and the estimated costs and revenues resulting
28 from such trade.

29 2. A list of specific targets and targeted
30 opportunities for business, industry, and agriculture
31 related to international trade activities in this
32 state. These targets shall include the types of
33 businesses and the products that are currently
34 involved in international trade, as well as the types
35 of businesses and the products that could potentially
36 become involved in international trade in the future.

37 Sec. 29. BUDGET PROPOSALS. The department of
38 economic development and the department of workforce
39 development shall submit all budget proposals in the
40 traditional format as well as in the budgeting for
41 results format for the fiscal year beginning July 1,
42 1999.

43 Sec. 30. By December 31 of each year, the ISCC
44 liquidation corporation shall submit an annual report
45 to the chairpersons and the ranking members of the
46 joint appropriations subcommittee on economic
47 development. The report shall include an update on
48 the financial condition of the corporation relating to
49 the status of any moneys, assets, or contracts
50 currently being held by the corporation or transferred

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1 by the corporation during the prior year.

2 Sec. 31. NONPROFIT CORPORATIONS. Any nonprofit
3 corporation created by or in association with the Iowa
4 finance authority since January 1, 1989, shall file a
5 report by January 15 of each year with the
6 chairpersons and ranking members of the appropriate
7 appropriations subcommittees of the general assembly.
8 Any nonprofit corporation created by or in association
9 with the authority since January 1, 1989, shall adopt
10 a written conflict of interests policy.

11 Sec. 32. HOUSING CORPORATION BOARD. The board of
12 directors of the Iowa housing corporation shall
13 consist of seven voting members serving staggered
14 three-year terms. One member of the board of
15 directors shall be a representative of the home
16 builders association of Iowa and one member of the
17 board of directors shall be a representative of the
18 Iowa bankers association.

19 Sec. 33. Notwithstanding the provisions of
20 chapters 260E and 15A.7, a community college which
21 enters into a job training agreement with a new
22 commercial airline company based in central Iowa
23 between May 1, 1998, and December 31, 1998, is
24 authorized to secure the principal and interest of a
25 certificate for the training agreement.

26 Revenues from a job training agreement received
27 prior to the payment in full of certificates and not
28 pledged to such certificates and not necessary for the
29 payment of principal and interest maturing on such
30 certificates may be applied by the community college
31 to the reduction of any outstanding certificates for
32 the training agreement entered into pursuant to this
33 section.

34 If the provisions of this section are required to
35 reduce any outstanding certificates for training
36 agreement, the community college shall notify the
37 general assembly and provide any information requested
38 through the legislative fiscal bureau.

39 Sec. 34. FEDERAL GRANTS. All federal grants to
40 and the federal receipts of agencies appropriated
41 funds under this Act, not otherwise appropriated, are
42 appropriated for the purposes set forth in the federal
43 grants or receipts unless otherwise provided by the
44 general assembly.

45 Sec. 35. The Iowa finance authority and the Iowa
46 housing corporation shall consider restrictions on any
47 per diem provided to a member of the board of
48 directors serving both the authority and the Iowa
49 housing corporation on occasions when meetings of both
50 entities are held on the same day and in the same city

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1 or metropolitan area.

2 Sec. 36. Notwithstanding section 96.9, subsection
3 4, paragraph "a", moneys credited to the state by the
4 secretary of the treasury of the United States
5 pursuant to section 903 of the Social Security Act
6 shall be appropriated to the department of workforce
7 development and shall be used by the department for
8 the administration of the unemployment compensation
9 program only. This appropriation shall not apply to
10 any fiscal year after June 30, 2001.

11 Sec. 37. Notwithstanding any full-time equivalent
12 position limitations in this Act to the contrary, the
13 department of economic development may add 3.00 FTEs
14 for the commission on volunteer services and 1.00 FTE
15 for the housing assistance program. Two of the full-
16 time equivalent positions added under this section for
17 the commission on volunteer services relate to the
18 transition of personnel services contractors to full-
19 time equivalent positions. The merit system
20 provisions of chapter 19A and the provisions of the
21 state and union collective bargaining agreements shall
22 not govern movement into these full-time positions
23 until September 1, 1998. The provisions relating to
24 the transition of personnel services contractors to
25 full-time equivalent positions, chapter 19A, and
26 collective bargaining agreements are void after
27 September 1, 1998.

28 Sec. 38. Section 15E.86, Code 1997, is repealed.

29 Sec. 39. EFFECTIVE DATE. Sections 14, 15, 16, 17,
30 18, 19, 20, 21, and 25 of this Act, being deemed of
31 immediate importance, take effect upon enactment."

By ALLEN BORLAUG

S-5749 FILED APRIL 17, 1998

ADOPTED

MTR by Borlaug 4/20 (P. 1374) - Motion Perpetual
adopted 4/20/98 (P. 1396)

SENATE FILE 2296

S-5755

1 Amend the amendment, S-5749, to the House
2 amendment, S-5540, to Senate File 2296, as amended,
3 passed, and reprinted by the Senate, as follows:

DIV 4 1. Page 24, by striking line 2 and inserting the

A 5 following:

6 "Sec. ____ . NEW SECTION. 16.5A NONPROFIT
7 CORPORATIONS.

8 Any nonprofit".

9 2. Page 24, by striking line 11 and inserting the
10 following:

11 "Sec. ____ . NEW SECTION. 16.5B HOUSING
12 CORPORATION BOARD.

13 The board of".

DIV 14 3. Page 24, line 18, by inserting after the word

B 15 "association." the following: "One member of the
16 board of directors shall be a representative of a
17 nonprofit organization appointed by the governor
18 subject to confirmation by the senate."

19 4. Page 24, by inserting after line 18 the
20 following:

21 "Sec. ____ . NEW SECTION. 16.5C NONPROFIT
22 CORPORATION AUDIT.

23 By January 15, 1999, the auditor of state shall
24 conduct an audit, or review any previously completed
25 audit, of any nonprofit corporation in existence which
26 has been incorporated since January 1, 1989, by or in
27 association with the Iowa finance authority, for the
28 entire period since the corporation was incorporated.
29 The auditor shall make or cause to be made a written
30 report consistent with and similar to the type of
31 report required under section 11.4. The auditor of
32 state may conduct similar additional audits of the
33 same nonprofit corporation as the auditor deems
34 necessary and the nonprofit corporation shall pay a
35 fee for all audits conducted."

36 5. By renumbering as necessary.

By PATRICIA HARPER
MATT McCOY

S-5755 FILED APRIL 17, 1998
DIV A - ADOPTED, DIV B - LOST

(p. 1371)

SENATE FILE 2296

S-5754

1 Amend the amendment, S-5749, to the House
 2 amendment, S-5540, to Senate File 2296, as amended,
 3 passed, and reprinted by the Senate, as follows:
 4 1. Page 17, by striking lines 34 through 36 and
 5 inserting the following: "education required by the
 6 certified program and the employer's agreement to both
 7 of the following:
 8 a. To provide and pay at least eighty percent of
 9 the cost of a standard medical and dental insurance
 10 plan for the participant.
 11 b. To pay a full-time hourly wage to the
 12 participant of at least eleven dollars per hour
 13 indexed to 1998 dollars based on the gross national
 14 product implicit price deflator published by the
 15 bureau of economic analysis of the United States
 16 department of commerce or one hundred thirty percent
 17 of the average wage in the county in which the
 18 facility where the participant will be employed is
 19 located, whichever is higher.
 20 However, the agreement may provide for additional
 21 education and work commitments beyond the two years."

By PATRICIA HARPER
MATT McCOY

S-5754 FILED APRIL 17, 1998
LOST

(p. 1373)

SENATE FILE 2296

S-5758

- 1 Amend the amendment, S-5749, to the House
- 2 amendment, S-5540, to Senate File 2296, as amended,
- 3 passed, and reprinted by the Senate, as follows:
- 4 1. By striking page 15, line 22, through page 19,
- 5 line 4.
- 6 2. Page 25, lines 29 and 30, by striking the
- 7 figures ", 15, 16, 17, 18, 19, 20, 21,".
- 8 3. By renumbering as necessary.

By MIKE CONNOLLY

S-5758 FILED APRIL 17, 1998

WITHDRAWN (P.1374)

SENATE FILE 2296

S-5759

- 1 Amend the amendment, S-5749, to the House
- 2 amendment, S-5540, to Senate File 2296, as amended,
- 3 passed, and reprinted by the Senate, as follows:
- 4 1. Page 13, by inserting after line 30 the
- 5 following:
- 6 "Sec. _____. There is appropriated from those funds
- 7 designated for the fiscal year beginning July 1, 1998,
- 8 and ending June 30, 1999, the following amounts, to be
- 9 used for the purposes designated:
- 10 To the job training fund created in section 260F.6:
- 11 1. To be expended from the strategic investment
- 12 fund created in section 15.313:
- 13 \$ 150,000
- 14 2. To be expended from the general fund of the
- 15 state:
- 16 \$ 650,000"
- 17 2. By renumbering as necessary.

By MATT McCOY

S-5759 FILED APRIL 17, 1998

LOST (P.1374)

SENATE FILE 2296

S-5760

- 1 Amend the amendment, S-5749, to the House
- 2 amendment, S-5540, to Senate File 2296, as amended,
- 3 passed, and reprinted by the Senate, as follows:
- 4 1. Page 21, by inserting after line 35 the
- 5 following:
- 6 "Sec. _____. Section 99F.4A, Code 1997, is amended
- 7 by adding the following new subsection:
- 8 NEW SUBSECTION. 9. A licensed excursion gambling
- 9 boat or a pari-mutuel racetrack and its facilities may
- 10 be sold a new license and a new license may be issued
- 11 for operation in the same county."

By MATT McCOY

S-5760 FILED APRIL 17, 1998

RULED OUT OF ORDER (P.1374)

SENATE FILE 2296

S-5756

1 Amend the amendment, S-5749, to the House
 2 amendment, S-5540, to Senate File 2296, as amended,
 3 passed, and reprinted by the Senate, as follows:
 4 1. Page 13, by inserting after line 30 the
 5 following:
 6 "Sec. _____. There is appropriated from those funds
 7 designated for the fiscal year beginning July 1, 1998,
 8 and ending June 30, 1999, the following amounts, to be
 9 used for the purposes designated:
 10 To the Iowa hope loan revolving fund created in
 11 section 261.17A, subsection 7:
 12 1. To be expended from the strategic investment
 13 fund created in section 15.313:
 14 \$ 150,000
 15 2. To be expended from the general fund of the
 16 state:
 17 \$ 800,000"
 18 2. By renumbering as necessary.

By MATT McCOY

S-5756 FILED APRIL 17, 1998

LOST (p.1371)

SENATE FILE 2296

S-5757

1 Amend the amendment, S-5749, to the House
 2 amendment, S-5540, to Senate File 2296, as amended,
 3 passed, and reprinted by the Senate, as follows:
 4 1. Page 24, by striking line 2 and inserting the
 5 following:
 6 "Sec. _____. NEW SECTION. 16.5A NONPROFIT
 7 CORPORATIONS.
 8 Any nonprofit".
 9 2. Page 24, by striking line 11 and inserting the
 10 following:
 11 "Sec. _____. NEW SECTION. 16.5B HOUSING
 12 CORPORATION BOARD.
 13 The board of".

By STEWART IVERSON, Jr.

S-5757 FILED APRIL 17, 1998

RULED OUT OF ORDER
(p.1372)

SENATE FILE 2296

S-5775

1 Amend the amendment, S-5749, to the House
2 amendment, S-5540, to Senate File 2296, as amended,
3 passed, and reprinted by the Senate, as follows:

4 1. Page 9, by inserting after line 39 the
5 following:

6 "4. For a study relating to the economic impact of
7 commercial airfares for flights arriving at and
8 departing from destinations in this state:

9 \$ 10,000"

10 2. Page 21, by inserting after line 35 the
11 following:

12 "Sec. 101. Section 328.21, Code 1997, is amended
13 by striking the section and inserting in lieu thereof
14 the following:

15 328.21 AIRCRAFT REGISTRATION FEE.

16 1. An annual registration fee of one thousand
17 dollars shall be paid to the department at the time of
18 registration of an aircraft, except as otherwise
19 provided in this section.

20 2. An aircraft thirty years old or older, which is
21 used exclusively for noncommercial purposes, shall be
22 registered as an antique aircraft for a fee of thirty-
23 five dollars.

24 3. An aircraft registered prior to July 1, 1998,
25 at a fee of less than one thousand dollars shall
26 continue to be registered at a fee equal to that
27 amount unless it qualifies under subsection 2 to be
28 registered as an antique aircraft.

29 Sec. 102. Section 328.26, Code 1997, is amended to
30 read as follows:

31 328.26 APPLICATION FOR REGISTRATION.

32 Every application for registration pursuant to
33 sections 328.19 ~~to-328-22~~ and 328.20 shall be made
34 upon such forms, and shall contain such information,
35 as the department may prescribe, and every application
36 shall be accompanied by the full amount of the
37 registration fee.

38 When an aircraft is registered to a person for the
39 first time the fee submitted to the department shall
40 include the tax imposed by section 422.43 or section
41 423.2 or evidence of the exemption of the aircraft
42 from the tax imposed under section 422.43 or 423.2.

43 Sec. 103. Section 422.45, subsection 38A, Code
44 Supplement 1997, is amended to read as follows:

45 38A. The gross receipts from the sale or rental of
46 aircraft; the sale or rental of tangible personal
47 property permanently affixed or attached as a
48 component part of the aircraft, including but not
49 limited to repair or replacement materials or parts;
50 and the gross receipts of all services used for

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1 aircraft repair, remodeling, and maintenance services
2 when such services are performed on aircraft, aircraft
3 engines, or aircraft component materials or parts.
4 For the purposes of this exemption, "aircraft" means
5 aircraft used in ~~a-scheduled~~ an interstate federal
6 aviation administration-certified air carrier
7 operation.

8 Sec. 104. Section 422.45, Code Supplement 1997, is
9 amended by adding the following new subsection:

10 NEW SUBSECTION. 52. The gross receipts from the
11 sale of aircraft to an aircraft dealer who in turn
12 rents or leases the aircraft if all of the following
13 apply:

14 a. The aircraft is kept in the inventory of the
15 dealer for sale at all times.

16 b. The dealer reserves the right to immediately
17 take the aircraft from the renter or lessee when a
18 buyer is found.

19 c. The renter or lessee is aware that the dealer
20 will immediately take the aircraft when a buyer is
21 found.

22 If an aircraft exempt under this subsection is used
23 for any purpose other than leasing or renting, or the
24 conditions in paragraphs "a", "b", and "c" are not
25 continuously met, the dealer claiming the exemption
26 under this subsection is liable for the tax that would
27 have been due except for this subsection. The tax
28 shall be computed upon the original purchase price.

29 Sec. 105. Section 422B.8, unnumbered paragraph 1,
30 Code 1997, is amended to read as follows:

31 A local sales and services tax at the rate of not
32 more than one percent may be imposed by a county on
33 the gross receipts taxed by the state under chapter
34 422, division IV. A local sales and services tax
35 shall be imposed on the same basis as the state sales
36 and services tax and may not be imposed on the sale of
37 any property or on any service not taxed by the state,
38 except the tax shall not be imposed on the gross
39 receipts from the sale of motor fuel or special fuel
40 as defined in chapter 452A, on the gross receipts from
41 the rental of rooms, apartments, or sleeping quarters
42 which are taxed under chapter 422A during the period
43 the hotel and motel tax is imposed, on the gross
44 receipts from the sale of natural gas or electric
45 energy in a city or county where the gross receipts
46 are subject to a franchise fee or user fee during the
47 period the franchise or user fee is imposed, on the
48 gross receipts from the sale of equipment by the state
49 department of transportation, on the gross receipts
50 from the sale, rental, or lease of aircraft, and on

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1 the gross receipts from the sale of a lottery ticket
2 or share in a lottery game conducted pursuant to
3 chapter 99E. A local sales and services tax is
4 applicable to transactions within those incorporated
5 and unincorporated areas of the county where it is
6 imposed and shall be collected by all persons required
7 to collect state gross receipts taxes. All cities
8 contiguous to each other shall be treated as part of
9 one incorporated area and the tax would be imposed in
10 each of those contiguous cities only if the majority
11 of those voting in the total area covered by the
12 contiguous cities favor its imposition."
13 3. Page 25, line 30, by striking the word and
14 figure "and 25" and inserting the following: "25,
15 101, 102, 103, 104, and 105".
16 4. By renumbering as necessary.

By MATT McCOY

S-5775 FILED APRIL 20, 1998

WITHDRAWN

(P. 1395)

SENATE FILE 2296

S-5776

1 Amend the amendment, S-5749, to the House
2 Amendment, S-5540, to Senate File 2296, as amended,
3 passed, and reprinted by the Senate, as follows:

4 1. Page 15, by inserting after line 21 the
5 following:

6 "Sec. _____. There is appropriated from the rebuild
7 Iowa infrastructure fund to the department of economic
8 development for the fiscal year beginning July 1,
9 1998, and ending June 30, 1999, the following amount,
10 or so much thereof as is necessary, to be used for the
11 purpose designated:

12 To fund the community economic betterment
13 recreation program account established in section
14 15.322:

15 \$ 2,000,000

16 Sec. _____. NEW SECTION. 15.321 COMMUNITY ECONOMIC
17 BETTERMENT RECREATION PROGRAM.

18 The purpose of the community economic betterment
19 recreation program is to assist communities in the
20 development and creation of multipurpose recreation
21 facilities. Section 15.317 shall apply to this
22 program. The department shall use the rating factors
23 and criteria in section 15.318 to develop applicable
24 rating factors and criteria for the program with the
25 addition of rating factors and criteria relating to
26 tourism potential and the economic impact of the
27 facility being considered.

28 Sec. _____. NEW SECTION. 15.322 COMMUNITY ECONOMIC
29 BETTERMENT RECREATION PROGRAM ACCOUNT.

30 1. A community economic betterment recreation
31 program account is established within the strategic
32 investment fund to be used by the department for the
33 community economic betterment recreation program. The
34 account shall consist of all appropriations, grants,
35 or gifts received by the department specifically for
36 use under section 15.321 and any moneys allocated to
37 the community economic betterment recreation program
38 account from the strategic investment fund.

39 2. Payments of interest, repayments of moneys
40 loaned under the community economic betterment
41 recreation program, or recaptures of awards shall be
42 deposited into the strategic investment fund."

43 2. By renumbering as necessary.

By TOM VILSACK
MATT McCOY

S-5776 FILED APRIL 20, 1998
WITHDRAWN

(p. 1396)

SENATE FILE 2296

S-5777

1 Amend the amendment, S-5749, to the House
2 amendment, S-5540, to Senate File 2296, as amended,
3 passed, and reprinted by the Senate, as follows:

DIV 4 1. Page 13, by inserting after line 30 the

A 5 following:

6 "Sec. ____ . CAREER ASSESSMENT TOOL DEVELOPMENT.

7 There is appropriated from the general fund of the
8 state to the department of economic development for
9 the fiscal year beginning July 1, 1998, and ending
10 June 30, 1999, the following amount, or so much
11 thereof as is necessary, to be used for the purposes
12 designated:

13 For purposes of development of a career assessment
14 tool as provided in this section:

15 \$ 100,000

16 Moneys appropriated under this section shall be
17 used by the department of economic development,
18 following a request for proposals, to enter into a
19 contract for the development of a career assessment
20 tool with an Iowa-based business in the career
21 assessment field that has made initial documented
22 investments in career assessment research and which
23 demonstrates the ability to work with and market the
24 proposed assessment tool. The assessment tool shall
25 be age-appropriate for middle and secondary school
26 students and capable of measuring student attributes,
27 both unique and general, which affect career pathway
28 options. In addition, the assessment tool shall be
29 effective in addressing the lifelong learning needs of
30 adults, social welfare recipients, and individuals
31 within the correctional system. The assessment tool
32 shall be valid under current educational standards,
33 and aligned with the United States secretary of
34 labor's commission on achieving necessary skills and
35 with guidelines published by the national career
36 development association. The assessment tool may be
37 developed in consultation with private and public
38 entities involved in the education of students of all
39 ages, business and industry, labor organizations,
40 school-to-work program representatives, and social
41 welfare, economic development, and workforce
42 development groups."

DIV 43 2. Page 17, line 42, by inserting after the

B 44 figure "9." the following: "a."

45 3. Page 17, line 43, by inserting after the word
46 "agreement" the following: "after entering a
47 postsecondary education program".

48 4. Page 17, by inserting after line 49 the
49 following:

50 "b. That if a participant does not complete the

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DIV 1 certified program contemplated by the agreement prior
B 2 to entering a postsecondary education program, one-
3 half of the moneys being held in trust for the
4 participant's postsecondary education shall be paid to
5 a postsecondary education institution as defined in
6 section 261C.3 of the participant's choice to pay
7 tuition or expenses of the participant. The other
8 one-half of the trust moneys shall be paid back to the
9 employer. Any moneys to be transferred for the
10 benefit of the participant which are not transferred
11 within five years for purposes of education at the
12 designated postsecondary institution, shall be paid
13 back to the employer."

14 5. Page 19, by inserting after line 4 the
15 following:

16 ""Sec. ____ . NEW SECTION. 15A.8 LOANS PAYABLE
17 FROM NEW JOBS CREDIT FROM WITHHOLDING.

18 1. As an additional means to provide moneys for
19 the payment of the costs of a new jobs training
20 project or multiple projects under chapter 260E and
21 this chapter, a community college may make an advance
22 or loan, including an interfund transfer or a loan
23 from moneys on hand and legally available, to be paid
24 from the same sources and secured in the same manner
25 as certificates described in sections 15A.7 and
26 260E.6.

27 2. Revenues from a job training agreement received
28 prior to the completion by a business of its repayment
29 obligation for a project and not pledged to
30 certificates, loans, or advances, and not necessary
31 for the payment of principal and interest maturing on
32 such certificates, loans, or advances, may be applied
33 by the community college to the reduction of any other
34 outstanding certificates, loans, or advances.""

35 6. Page 21, by inserting after line 35 the
36 following:

37 ""Sec. ____ . Section 422.16A, Code Supplement 1997,
38 is amended to read as follows:

39 422.16A JOB TRAINING WITHHOLDING -- CERTIFICATION
40 AND TRANSFER.

41 Upon the completion by a business of its repayment
42 obligation for a training project funded under chapter
43 260E, including a job training project funded under
44 ~~chapter-260E-and~~ section 15A.8 or repaid in whole or
45 in part by the supplemental new jobs credit from
46 withholding under section 15A.7 or section 15.331, the
47 sponsoring community college shall report to the
48 department of economic development the amount of
49 withholding paid by the business to the community
50 college during the final twelve months of withholding

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B 1 payments. The department of economic development
2 shall notify the department of revenue and finance of
3 that amount. The department shall credit to the
4 workforce development fund account established in
5 section 15.342A twenty-five percent of that amount
6 each quarter for a period of ten years. If the amount
7 of withholding from the business or employer is
8 insufficient, the department shall prorate the
9 quarterly amount credited to the workforce development
10 fund account. The maximum amount from all employers
11 which shall be transferred to the workforce
12 development fund account in any year is ten million
13 dollars.""

14 7. Page 24, by striking lines 19 through 38.

15 8. By renumbering as necessary.

By STEWART IVERSON, Jr.
MIKE CONNOLLY

S-5777 FILED APRIL 20, 1998
DIV A - ADOPTED, DIV B - ADOPTED

(P.1395)

SENATE AMENDMENT TO
HOUSE AMENDMENT TO
SENATE FILE 2296

H-9327

1 Amend the House amendment, S-5540, to Senate File
2 2296, as amended, passed, and reprinted by the Senate,
3 as follows:

4 1. By striking page 1, line 3, through page 8,
5 line 16, and inserting the following:

6 "___". By striking everything after the enacting
7 clause and inserting the following:

8 "Section 1. DEPARTMENT OF ECONOMIC DEVELOPMENT.

9 There is appropriated from the general fund of the
10 state and other designated funds to the department of
11 economic development for the fiscal year beginning
12 July 1, 1998, and ending June 30, 1999, the following
13 amounts, or so much thereof as is necessary, to be
14 used for the purposes designated:

15 1. ADMINISTRATIVE SERVICES DIVISION

16 a. General administration

17 For salaries, support, maintenance, miscellaneous
18 purposes, and for providing that a business receiving
19 moneys from the department for the purpose of job
20 creation shall make available ten percent of the new
21 jobs created for promise jobs program participants who
22 are qualified for the jobs created and for not more
23 than the following full-time equivalent positions:

24 \$ 1,494,231
25 FTES 25.75

26 One of the full-time equivalent positions
27 authorized in this lettered paragraph relates to the
28 transition of personnel services contractors to full-
29 time equivalent positions. The merit system
30 provisions of chapter 19A and the provisions of the
31 state and union collective bargaining agreements shall
32 not govern movement into these full-time equivalent
33 positions until September 1, 1998. These provisions
34 relating to the transition of personnel services
35 contractors to full-time equivalent positions, chapter
36 19A, and collective bargaining agreements are void
37 after September 1, 1998.

38 b. Film office

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

42 \$ 253,632
43 FTES 2.00

44 2. BUSINESS DEVELOPMENT DIVISION

45 a. Business development operations

46 For salaries, support, maintenance, miscellaneous
47 purposes, for not more than the following full-time
48 equivalent positions, for allocating \$495,000 to
49 support activities in conjunction with the Iowa
50 manufacturing technology center, \$150,000 to the

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1 graphic arts center, and for a strategic marketing
 2 effort for workforce development:
 3 \$ 3,940,232
 4 FTEs 22.75

5 Four of the full-time equivalent positions
 6 authorized in this lettered paragraph relate to the
 7 transition of personnel services contractors to full-
 8 time equivalent positions. The merit system
 9 provisions of chapter 19A and the provisions of the
 10 state and union collective bargaining agreements shall
 11 not govern movement into these full-time equivalent
 12 positions until September 1, 1998. These provisions
 13 relating to the transition of personnel services
 14 contractors to full-time equivalent positions, chapter
 15 19A, and collective bargaining agreements are void
 16 after September 1, 1998.

17 b. Small business programs
 18 For salaries, support, maintenance, miscellaneous
 19 purposes, and for not more than the following full-
 20 time equivalent positions for the small business
 21 program, the small business advisory council, and
 22 targeted small business program:
 23 \$ 450,622
 24 FTEs 5.00

25 c. Federal procurement office
 26 For salaries, support, maintenance, miscellaneous
 27 purposes, and for not more than the following full-
 28 time equivalent positions:
 29 \$ 103,967
 30 FTEs 3.00

31 Notwithstanding section 8.33, moneys remaining
 32 unencumbered or unobligated on June 30, 1999, shall
 33 not revert and shall be available for expenditure
 34 during the fiscal year beginning July 1, 1999, for the
 35 same purposes.

36 d. Strategic investment fund
 37 For deposit in the strategic investment fund for
 38 salaries, support, for not more than the following
 39 full-time equivalent positions:
 40 \$ 6,803,513
 41 FTEs 12.50

42 Two of the full-time equivalent positions
 43 authorized in this lettered paragraph relate to the
 44 transition of personnel services contractors to full-
 45 time equivalent positions. The merit system
 46 provisions of chapter 19A and the provisions of the
 47 state and union collective bargaining agreements shall
 48 not govern movement into these full-time equivalent
 49 positions until September 1, 1998. These provisions
 50 relating to the transition of personnel services

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1 contractors to full-time equivalent positions, chapter
2 19A, and collective bargaining agreements are void
3 after September 1, 1998.

4 The department may allocate from the strategic
5 investment fund up to \$600,000 for the entrepreneurial
6 ventures assistance program. The department shall
7 seek the advice, consultation, and cooperation of the
8 entrepreneurial centers and the major benefactor of
9 the centers in the implementation of the
10 entrepreneurial ventures assistance program.

11 The department may allocate from the strategic
12 investment fund up to \$100,000 for the microbusiness
13 rural enterprise assistance program under section
14 15.114.

15 The department shall provide an annual report on
16 the progress made by the department in making the
17 community economic betterment program a self-
18 sustaining, revolving loan program.

19 e. Insurance economic development

20 There is appropriated from moneys collected by the
21 division of insurance in excess of the anticipated
22 gross revenues under section 505.7, subsection 3, to
23 the department for the fiscal year beginning July 1,
24 1998, and ending June 30, 1999, the following amount,
25 or so much thereof as is necessary, for insurance
26 economic development and international insurance
27 economic development:

28 \$ 200,000

29 f. Value-added agriculture

30 There is appropriated from the moneys available to
31 support value-added agricultural products and
32 processes, four percent, or so much thereof as is
33 necessary, of the total moneys available to support
34 value-added agricultural products and processes
35 pursuant to section 423.24 each quarter for
36 administration of the value-added agricultural
37 products and processes financial assistance program as
38 provided in section 15E.111, including salaries,
39 support, maintenance, miscellaneous purposes, and for
40 not more than 2.00 FTEs.

41 The department shall collaborate with the
42 university of northern Iowa on a strategic initiative
43 to develop ag-based industrial lubrication technology
44 and to create projects to deploy the technology in
45 commercial applications. Notwithstanding the
46 requirements of section 15E.111 and the administrative
47 rules for value-added agricultural products and
48 processes, the department shall allocate \$150,000 for
49 this initiative.

50 3. COMMUNITY DEVELOPMENT DIVISION

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1 a. Community assistance
2 For salaries, support, maintenance, miscellaneous
3 purposes, and for not more than the following full-
4 time equivalent positions for administration of the
5 community economic preparedness program, the Iowa
6 community betterment program, and the city development
7 board:
8 \$ 654,547
9 FTES 8.50

10 b. Main street/rural main street program
11 For salaries and support for not more than the
12 following full-time equivalent positions:
13 \$ 425,219
14 FTES 3.00

15 Notwithstanding section 8.33, moneys committed to
16 grantees under contract from the general fund of the
17 state that remain unexpended on June 30, 1999, shall
18 not revert to any fund but shall be available for
19 expenditure for purposes of the contract during the
20 fiscal year beginning July 1, 1999.

21 c. Community development program
22 For salaries, support, maintenance, miscellaneous
23 purposes, for not more than the following full-time
24 equivalent positions, for rural resource coordination,
25 rural community leadership, rural innovations grant
26 program, and the rural enterprise fund:
27 \$ 827,215
28 FTES 7.50

29 Three of the full-time equivalent positions
30 authorized in this lettered paragraph relate to the
31 transition of personnel services contractors to full-
32 time equivalent positions. The merit system
33 provisions of chapter 19A and the provisions of the
34 state and union collective bargaining agreements shall
35 not govern movement into these full-time equivalent
36 positions until September 1, 1998. These provisions
37 relating to the transition of personnel services
38 contractors to full-time equivalent positions, chapter
39 19A, and collective bargaining agreements are void
40 after September 1, 1998.

41 There is appropriated from the rural community 2000
42 program revolving fund established in section 15.287
43 to provide to Iowa's councils of governments funds for
44 planning and technical assistance to local
45 governments:
46 \$ 150,000

47 There is appropriated from the rural community 2000
48 program revolving fund established in section 15.287
49 to the rural development program for the purposes of
50 the program including the rural enterprise fund and

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1 collaborative skills development training:
 2 \$ 484,543
 3 Notwithstanding section 8.33, moneys committed to
 4 grantees under contract from the general fund of the
 5 state or through transfers from the Iowa community
 6 development loan fund or from the rural community 2000
 7 program revolving fund that remain unexpended on June
 8 30, 1999, shall not revert but shall be available for
 9 expenditure for purposes of the contract during the
 10 fiscal year beginning July 1, 1999.

11 d. Community development block grant and HOME
 12 For administration and related federal housing and
 13 urban development grant administration for salaries,
 14 support, maintenance, miscellaneous purposes, and for
 15 not more than the following full-time equivalent
 16 positions:
 17 \$ 418,737
 18 FTES 21.75

19 Three of the full-time equivalent positions
 20 authorized in this lettered paragraph relate to the
 21 transition of personnel services contractors to full-
 22 time equivalent positions. The merit system
 23 provisions of chapter 19A and the provisions of the
 24 state and union collective bargaining agreements shall
 25 not govern movement into these full-time equivalent
 26 positions until September 1, 1998. These provisions
 27 relating to the transition of personnel services
 28 contractors to full-time equivalent positions, chapter
 29 19A, and collective bargaining agreements are void
 30 after September 1, 1998.

31 e. Housing development fund
 32 For providing technical assistance to communities
 33 of all sizes and local financial institutions to help
 34 meet local housing needs and to provide and transfer
 35 matching funds for the HOME program:
 36 \$ 1,300,000

37 Notwithstanding section 8.33, moneys committed to
 38 grantees under contract from the housing development
 39 fund and moneys transferred for matching funds for the
 40 HOME program that remain unexpended or unobligated on
 41 June 30, 1999, shall not revert to any fund but shall
 42 be available for obligation and expenditure for
 43 purposes of those programs during the fiscal year
 44 beginning July 1, 1999.

45 f. Shelter assistance program
 46 For the purposes of the shelter assistance fund:
 47 \$ 400,000

48 4. INTERNATIONAL DIVISION

49 a. International trade operations
 50 For salaries, support, maintenance, miscellaneous

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1 purposes, for support of foreign representation and
2 trade offices, and for not more than the following
3 full-time equivalent positions:

4 \$ 2,010,073
5 FTEs 10.00

6 From among the full-time equivalent positions
7 authorized by this lettered paragraph, one position
8 shall concentrate on the export sale of grain, one on
9 the export sale of livestock, and one on the export
10 sale of value-added agricultural products.

11 The department shall file a report every six months
12 with the general assembly in a manner consistent with
13 section 7A.11 and with the chairpersons and ranking
14 members of the joint appropriations subcommittee on
15 economic development which gives an update of all
16 activities regarding trade promotion in the Chinese
17 market.

18 b. Export trade assistance program

19 For export trade activities, including a program to
20 encourage and increase participation in trade shows
21 and trade missions by providing financial assistance
22 to businesses for a percentage of their costs of
23 participating in trade shows and trade missions, by
24 providing for the lease/sublease of showcase space in
25 existing world trade centers, by providing temporary
26 office space for foreign buyers, international
27 prospects, and potential reverse investors, and by
28 providing other promotional and assistance activities,
29 including salaries and support:

30 \$ 425,000

31 Notwithstanding section 8.33, moneys appropriated
32 by this lettered paragraph which remain unobligated or
33 unexpended on June 30, 1999, shall not revert to the
34 general fund of the state but shall be transferred to
35 and deposited in the strategic investment fund created
36 in section 15.313.

37 c. Agricultural product advisory council

38 For support, maintenance, and miscellaneous
39 purposes:

40 \$ 1,300

41 d. For transfer to the partner state program which
42 the department may use to contract with private groups
43 or organizations which are the most appropriate to
44 administer this program and the groups and
45 organizations participating in the program shall, to
46 the fullest extent possible, provide the funds to
47 match the appropriation made in this paragraph of the
48 funds transferred:

49 \$ 125,000

50 5. TOURISM DIVISION

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1 Tourism operations/advertising

2 For salaries, support, maintenance, miscellaneous

3 purposes, for not more than the following full-time

4 equivalent positions:

5 \$ 5,038,912

6 FTEs 18.52

7 The department may expend up to \$130,000 to provide
8 assistance to private welcome centers in the state.

9 The department shall not provide assistance of more
10 than \$10,000 to any one private welcome center. A
11 private welcome center seeking assistance shall submit
12 a competitive application to the department and may be
13 eligible for receiving assistance if the private
14 welcome center complies with all of the following
15 criteria:

16 a. The private welcome center is at risk of a
17 projected operating deficit.

18 b. The private welcome center complies with
19 operational standards and requirements determined by
20 the department.

21 c. The private welcome center submits a financial
22 plan for self-sufficiency to the department.

23 The department shall conduct a study of the public
24 and private welcome center system in the state. The
25 department shall make recommendations to the general
26 assembly for the future operation of the system
27 including recommendations concerning funding for
28 private welcome center operations and quality
29 standards for public and private welcome centers.

30 The department shall not use the moneys
31 appropriated in this subsection, unless the department
32 develops public-private partnerships with Iowa
33 businesses in the tourism industry, Iowa tour groups,
34 Iowa tourism organizations, and political subdivisions
35 in this state to assist in the development of
36 advertising efforts. The department shall, to the
37 fullest extent possible, develop cooperative efforts
38 for advertising with contributions from other sources.

39 Sec. 2. COMMUNITY DEVELOPMENT LOAN FUND.
40 Notwithstanding section 15E.120, subsections 5, 6, and
41 7, and section 15.287, there is appropriated from the
42 Iowa community development loan fund all the moneys
43 available during the fiscal year beginning July 1,
44 1998, and ending June 30, 1999, to the department of
45 economic development for the community development
46 program to be used by the department for the purposes
47 of the program.

48 Sec. 3. JOB TRAINING FUND. Notwithstanding
49 section 15.251, subsection 2, there is appropriated
50 from the job training fund to the department of

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1 economic development for the fiscal year beginning
2 July 1, 1998, and ending June 30, 1999, the following
3 amount, or so much thereof as is necessary, to be used
4 for the purposes designated:

5 For administration of chapter 260E, including
6 salaries, support, maintenance, miscellaneous
7 purposes, and for not more than the following full-
8 time equivalent positions:

9	\$	210,000
10	FTEs	2.50

11 Appropriations to the department of economic
12 development for administration of chapter 260E and the
13 department of workforce development for the target
14 alliance program shall be funded on a proportional
15 basis if receipts to the job training fund are
16 insufficient to fund both appropriations in their
17 entirety.

18 Sec. 4. WORKFORCE DEVELOPMENT FUND. There is
19 appropriated from the workforce development fund
20 account created in section 15.342A, to the workforce
21 development fund created in section 15.343, for the
22 fiscal year beginning July 1, 1998, and ending June
23 30, 1999, the following amount, for the purposes of
24 the workforce development fund:

25	\$	6,850,000
----------	----	-----------

26 Sec. 5. Of all funds appropriated to or receipts
27 credited to the job training fund created in section
28 260F.6, subsection 1, up to \$175,000 for the fiscal
29 year beginning July 1, 1998, and ending June 30, 1999,
30 and not more than 1.50 FTEs may be used for the
31 administration of the Iowa jobs training Act.

32 Sec. 6. IOWA STATE UNIVERSITY. There is
33 appropriated from the general fund of the state to the
34 Iowa state university of science and technology for
35 the fiscal year beginning July 1, 1998, and ending
36 June 30, 1999, the following amounts, or so much
37 thereof as is necessary, to be used for the purposes
38 designated:

39 1. For funding and maintaining in their current
40 locations the existing small business development
41 centers, and for not more than the following full-time
42 equivalent positions:

43	\$	1,235,880
44	FTEs	5.80

45 2. For the Iowa state university of science and
46 technology research park, including salaries, support,
47 maintenance, miscellaneous purposes, and for not more
48 than the following full-time equivalent positions:

49	\$	376,500
50	FTEs	4.31

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1 3. For funding the institute for physical research
 2 and technology, provided that \$318,358 shall be
 3 allocated to the industrial incentive program in
 4 accordance with the intent of the general assembly,
 5 and for not more than the following full-time
 6 equivalent positions:

7 \$ 4,379,458
 8 FTEs 46.42

9 It is the intent of the general assembly that the
 10 incentive program focus on Iowa industrial sectors and
 11 seek contributions and in-kind donations from
 12 businesses, industrial foundations, and trade
 13 associations and that moneys for the institute for
 14 physical research and technology industrial incentive
 15 program shall only be allocated for projects which are
 16 matched by private sector moneys for directed contract
 17 research or for nondirected research. The match
 18 required of small businesses as defined in section
 19 15.102, subsection 4, for directed contract research
 20 or for nondirected research shall be \$1 for each \$3 of
 21 state funds. The match required for other businesses
 22 for directed contract research or for nondirected
 23 research shall be \$1 for each \$1 of state funds. The
 24 match required of industrial foundations or trade
 25 associations shall be \$1 for each \$1 of state funds.

26 Iowa state university of science and technology
 27 shall report annually to the joint appropriations
 28 subcommittee on economic development and legislative
 29 fiscal bureau the total amounts of private
 30 contributions, the proportion of contributions from
 31 small businesses and other businesses, and the
 32 proportion for directed contract research and
 33 nondirected research of benefit to Iowa businesses and
 34 industrial sectors.

35 Notwithstanding section 8.33, moneys appropriated
 36 for the fiscal year which remain unobligated and
 37 unexpended at the end of the fiscal year shall not
 38 revert but shall be available for expenditure the
 39 following fiscal year.

40 Sec. 7. UNIVERSITY OF IOWA. There is appropriated
 41 from the general fund of the state to the state
 42 university of Iowa for the fiscal year beginning July
 43 1, 1998, and ending June 30, 1999, the following
 44 amounts, or so much thereof as is necessary, to be
 45 used for the purposes designated:

46 1. For the university of Iowa research park,
 47 including salaries, support, maintenance, equipment,
 48 miscellaneous purposes, and for not more than the
 49 following full-time equivalent positions:

50 \$ 331,007

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1 FTEs 4.35

2 2. For funding the advanced drug development
3 program at the Oakdale research park and for not more
4 than the following full-time equivalent positions:

5 \$ 262,199

6 FTEs 2.85

7 The board of regents shall submit a report on the
8 progress of regents institutions in meeting the
9 strategic plan for technology transfer and economic
10 development to the chairpersons of the joint
11 appropriations subcommittee on economic development,
12 the joint appropriations subcommittee on education,
13 the majority leader and minority leader of the senate,
14 the majority and minority leaders of the house of
15 representatives, the secretary of the senate, the
16 chief clerk of the house of representatives, and the
17 legislative fiscal bureau by December 1, 1998.

18 Sec. 8. UNIVERSITY OF NORTHERN IOWA. There is
19 appropriated from the general fund of the state to the
20 university of northern Iowa for the fiscal year
21 beginning July 1, 1998, and ending June 30, 1999, the
22 following amounts, or so much thereof as is necessary,
23 to be used for the purposes designated:

24 1. For the metal casting institute, including
25 salaries, support, maintenance, miscellaneous
26 purposes, and for not more than the following full-
27 time equivalent positions:

28 \$ 166,349

29 FTEs 2.75

30 2. For the institute of decision making, including
31 salaries, support, maintenance, miscellaneous
32 purposes, and for not more than the following full-
33 time equivalent positions:

34 \$ 688,308

35 FTEs 8.00

36 Sec. 9. DEPARTMENT OF WORKFORCE DEVELOPMENT.
37 There is appropriated from the general fund of the
38 state, to the department of workforce development for
39 the fiscal year beginning July 1, 1998, and ending
40 June 30, 1999, the following amounts, or so much
41 thereof as is necessary, for the purposes designated:

42 1. DIVISION OF LABOR SERVICES

43 For the division of labor services, including
44 salaries, support, maintenance, miscellaneous
45 purposes, and for not more than the following full-
46 time equivalent positions:

47 \$ 2,902,693

48 FTEs 93.00

49 From the contractor registration fees, the division
50 of labor services shall reimburse the department of

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1 inspections and appeals for all costs associated with
2 hearings under chapter 91C, relating to contractor
3 registration.

4 2. DIVISION OF INDUSTRIAL SERVICES

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

8	\$	2,390,927
9	FTEs	34.00

10 The division of industrial services shall continue
11 charging a \$65 filing fee for workers' compensation
12 cases. The filing fee shall be paid by the petitioner
13 of a claim. However, the fee can be taxed as a cost
14 and paid by the losing party, except in cases where it
15 would impose an undue hardship or be unjust under the
16 circumstances.

17 3. For salaries, support, maintenance,
18 miscellaneous purposes, and for not more than the
19 following full-time equivalent position for the
20 workforce development state and regional boards:

21	\$	106,929
22	FTE	1.00

23 4. For salaries, support, maintenance,
24 miscellaneous purposes for collection of labor market
25 information, and for not more than the following full-
26 time equivalent position:

27	\$	65,354
28	FTE	1.00

29 5. WORKFORCE DEVELOPMENT AREA

30 For salaries, support, maintenance, and
31 miscellaneous purposes for the development and
32 maintenance of a workforce sufficient in size and
33 skill to meet the occupational demands of each
34 workforce development area, and for workforce
35 development programs, including those provided for in
36 sections 84A.7, 84A.8, and 84A.9. Each region shall
37 be required to provide an equal amount of matching
38 funds from local sources:

39	\$	1,480,022
40	FTEs	4.20

41 The department shall expend \$923,180 on youth
42 workforce programs. Youth conservation corps program
43 moneys shall be allocated among the regions which have
44 developed a youth conservation corps program.

45 Notwithstanding section 8.33, moneys committed to
46 grantees under contract that remain unexpended on June
47 30, 1999, shall not revert to any fund but shall be
48 available for expenditure for purposes of the contract
49 during the fiscal year beginning July 1, 1999.

50 6. LABOR MANAGEMENT COORDINATOR

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1 For salaries, support, maintenance, miscellaneous
2 purposes, and for not more than the following full-
3 time equivalent position:

4 \$ 66,851
5 FTE 0.50

6 The Iowa workforce development board shall be
7 responsible for the functions previously conducted by
8 the state labor management cooperation council. The
9 board, the department of workforce development, and
10 the labor management coordinator shall cooperate to
11 improve communications and facilitate dialogue between
12 labor, management, and government on workforce
13 development problems facing the state, to form in-
14 plant labor management committees, and to provide
15 technical assistance to establish effective labor
16 management policies in the state.

17 7. WELFARE-TO-WORK MATCHING FUNDS

18 For matching funds for welfare-to-work grants
19 authorized through the United States department of
20 labor to provide additional services for the hardest
21 to employ recipients of family investment program
22 benefits:

23 \$ 888,633

24 Notwithstanding section 8.33, moneys appropriated
25 in this subsection which remain unexpended or
26 unobligated on June 30, 1999, shall not revert to the
27 general fund of the state but shall remain available
28 for expenditure for the same purpose during the fiscal
29 year beginning July 1, 1999.

30 Sec. 10. JOB TRAINING FUND. Notwithstanding
31 section 15.251, subsection 2, there is appropriated
32 from the job training fund to the department of
33 workforce development for the fiscal year beginning
34 July 1, 1998, and ending June 30, 1999, the following
35 amount, or so much thereof as is necessary, to be used
36 for the purpose designated:

37 For the target alliance program:

38 \$ 30,000

39 Sec. 11. ADMINISTRATIVE CONTRIBUTION SURCHARGE
40 FUND. There is appropriated from the administrative
41 contribution surcharge fund of the state to the
42 department of workforce development for the fiscal
43 year beginning July 1, 1998, and ending June 30, 1999,
44 the following amount, or so much thereof as is
45 necessary, for the purposes designated:

46 Notwithstanding section 96.7, subsection 12,
47 paragraph "c", for salaries, support, maintenance,
48 conducting labor availability surveys, miscellaneous
49 purposes, and for not more than the following full-
50 time equivalent positions:

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1	\$	7,100,000
2	FTEs	125.42

3 Sec. 12. EMPLOYMENT SECURITY CONTINGENCY FUND.
 4 There is appropriated from the special employment
 5 security contingency fund to the department of
 6 workforce development for the fiscal year beginning
 7 July 1, 1998, and ending June 30, 1999, the following
 8 amounts, or so much thereof as is necessary, for the
 9 purposes designated:

10	1. DIVISION OF LABOR SERVICES		
11	For salaries, support, maintenance, and		
12	miscellaneous purposes:		
13	.....	\$	296,000

14	2. DIVISION OF INDUSTRIAL SERVICES		
15	For salaries, support, maintenance, and		
16	miscellaneous purposes:		
17	.....	\$	175,000

18 Any additional penalty and interest revenue may be
 19 used to accomplish the mission of the department.

20 Sec. 13. PUBLIC EMPLOYMENT RELATIONS BOARD. There
 21 is appropriated from the general fund of the state to
 22 the public employment relations board for the fiscal
 23 year beginning July 1, 1998, and ending June 30, 1999,
 24 the following amount, or so much thereof as is
 25 necessary, for the purposes designated:

26	For salaries, support, maintenance, miscellaneous		
27	purposes, and for not more than the following full-		
28	time equivalent positions:		
29	.....	\$	857,844
30	.....	FTEs	12.80

31 Sec. 14. CAREER ASSESSMENT TOOL DEVELOPMENT.
 32 There is appropriated from the general fund of the
 33 state to the department of economic development for
 34 the fiscal year beginning July 1, 1998, and ending
 35 June 30, 1999, the following amount, or so much
 36 thereof as is necessary, to be used for the purposes
 37 designated:

38	For purposes of development of a career assessment		
39	tool as provided in this section:		
40	.....	\$	100,000

41 Moneys appropriated under this section shall be
 42 used by the department of economic development,
 43 following a request for proposals, to enter into a
 44 contract for the development of a career assessment
 45 tool with an Iowa-based business in the career
 46 assessment field that has made initial documented
 47 investments in career assessment research and which
 48 demonstrates the ability to work with and market the
 49 proposed assessment tool. The assessment tool shall
 50 be age-appropriate for middle and secondary school

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1 students and capable of measuring student attributes,
2 both unique and general, which affect career pathway
3 options. In addition, the assessment tool shall be
4 effective in addressing the lifelong learning needs of
5 adults, social welfare recipients, and individuals
6 within the correctional system. The assessment tool
7 shall be valid under current educational standards,
8 and aligned with the United States secretary of
9 labor's commission on achieving necessary skills and
10 with guidelines published by the national career
11 development association. The assessment tool may be
12 developed in consultation with private and public
13 entities involved in the education of students of all
14 ages, business and industry, labor organizations,
15 school-to-work program representatives, and social
16 welfare, economic development, and workforce
17 development groups.

18 Sec. 15. WORKFORCE RECRUITMENT INITIATIVE.

19 1. FINDINGS. The general assembly finds that
20 growing levels of employment coupled with historically
21 low levels of unemployment are evidence of increasing
22 scarcity of skilled workers. Limited access to a
23 skilled workforce is preventing Iowa companies from
24 increasing employment and production, and is a barrier
25 to sustained and stable economic growth.

26 Further, the general assembly finds that in order
27 to increase the size of the workforce, a partnership
28 of private sector employers, communities and public
29 sector organizations should be formed to develop and
30 implement a workforce recruitment initiative. The
31 initiative is intended to include strategies for
32 recruiting new workers that will meet the workforce
33 needs of Iowa employers who are unable to fill high
34 quality jobs.

35 2. ESTABLISHMENT. The general assembly finds an
36 immediate need for the establishment of a workforce
37 recruitment initiative with projects intended to
38 retain and recruit new skilled and unskilled employees
39 to fill the needs of both communities and businesses.
40 The department of economic development and the
41 department of workforce development shall enter into a
42 cooperative memorandum of understanding to accomplish
43 purposes of this initiative. The memorandum shall
44 include, but not be limited to, provisions for the
45 sharing and utilization of job matching databases and
46 technology to accomplish the purposes of the
47 initiative and for an allocation out of moneys
48 appropriated to the department of economic development
49 for purposes of the workforce recruitment initiative
50 for payment of employee salaries related to the

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1 workforce recruitment initiative.

2 3. STATE AGENCY COOPERATION. The department of
3 economic development and the department of workforce
4 development shall seek and obtain the cooperation of
5 any state agency and local economic development
6 organization actively involved in workforce
7 development initiatives which could provide employee
8 recruitment and marketing assistance to accomplish the
9 workforce recruitment initiative.

10 4. FTEs. For purposes of the workforce
11 recruitment initiative, the department of workforce
12 development shall increase the number of full-time
13 equivalent positions authorized for the department
14 during the fiscal year beginning July 1, 1998, by 2.00
15 FTEs through moneys authorized for expenditure in this
16 Act and allocated pursuant to the cooperative
17 memorandum of understanding entered into with the
18 department of economic development as provided in
19 section 2.

20 5. APPROPRIATION. There is appropriated from the
21 general fund of the state to the department of
22 economic development for the fiscal year beginning
23 July 1, 1998, and ending June 30, 1999, the following
24 amount, or so much thereof as is necessary, to be used
25 for the purposes designated:

26 For workforce recruitment initiative purposes
27 including technical support and maintenance of
28 databases and an internet web site, for a joint
29 proposal of the department of economic development and
30 the department of workforce development relating to
31 the workforce recruitment initiative which shall
32 include provisions for private sector contributions,
33 and including salaries, support, maintenance,
34 miscellaneous purposes, and for not more than the
35 following full-time equivalent positions:

36	\$	300,000
37	FTEs	3.00

38 Notwithstanding section 8.33, moneys appropriated
39 in this subsection which remain unexpended or
40 unobligated on June 30, 1999, shall not revert to the
41 general fund of the state but shall remain available
42 for expenditure in the fiscal year beginning July 1,
43 1999, for the purposes designated.

44 6. STRATEGIC INVESTMENT FUND ALLOCATION. There is
45 allocated from the strategic investment fund to the
46 department of economic development for the fiscal year
47 beginning July 1, 1998, and ending June 30, 1999,
48 \$150,000 to be used for the purchase of equipment,
49 software, laptop computers, and other necessary
50 technological equipment.

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1 7. BUSINESS DEVELOPMENT DIVISION. The business
2 development division of the department of economic
3 development may expend from moneys appropriated to the
4 department and allocated to the business development
5 division, for business development operations, up to
6 \$400,000 for increasing the labor availability and
7 recruitment efforts in the state in all occupational
8 areas and as deemed necessary.

9 Sec. 16. NEW SECTION. 15.361 TITLE.

10 This part shall be known and may be cited as the
11 "Certified School to Career Program".

12 Sec. 17. NEW SECTION. 15.362 DEFINITIONS.

13 As used in this part, unless the context otherwise
14 requires:

15 1. "Certified school to career program" or
16 "certified program" means a sequenced and articulated
17 secondary and postsecondary program registered as an
18 apprenticeship program under 29 C.F.R. subit. A, pt.
19 29, which is conducted pursuant to an agreement as
20 provided in section 15.364 or a program approved by
21 the state board of education, in conjunction with the
22 department of economic development, as meeting the
23 standards enumerated in section 15.363, that
24 integrates a secondary school curriculum with private
25 sector job training which places students in job
26 internships, and which is designed to continue into
27 postsecondary education and that will result in
28 teaching new skills and adding value to the wage-
29 earning potential of participants and increase their
30 long-term employability in the state and which is
31 conducted pursuant to an agreement as provided in
32 section 15.364.

33 2. "Participant" means an individual between the
34 ages of sixteen and twenty-four who is enrolled in a
35 public or private secondary or postsecondary school
36 and who initiated participation in a certified school
37 to career program as part of secondary school
38 education.

39 3. "Payroll expenditures" means the base wages
40 actually paid by an employer to a participant plus the
41 amount held in trust to be applied toward the
42 participant's postsecondary education.

43 4. "Sponsor" means any person, association,
44 committee, or organization operating a school to
45 career program and in whose name the program is or
46 will be registered or approved.

47 Sec. 18. NEW SECTION. 15.363 CERTIFICATION
48 STANDARDS.

49 The state board of education, in consultation with
50 the department of economic development, shall adopt

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1 rules pursuant to chapter 17A to guide the board and
2 department in determining whether a potential school
3 to career program should be approved.

4 A school to career program which is approved by the
5 state board of education in conjunction with the
6 department of economic development shall comply with
7 all of the following standards:

8 1. The program is conducted pursuant to an
9 organized, written plan embodying the terms and
10 conditions of employment, job training, classroom
11 instruction, and supervision of one or more

12 participants, subscribed to by a sponsor who has
13 undertaken to carry out the school to career program.

14 2. The program complies with all state and federal
15 laws pertaining to the workplace.

16 3. The employer agrees to assign an employee to
17 serve as a mentor for a participant. The mentor's
18 occupation shall be in the same career pathway as the
19 career interests of the participant.

20 4. The program involves an eligible postsecondary
21 institution as defined in section 261C.3.

22 5. Other standards adopted by rule by the state
23 board of education after consultation with the
24 department of economic development.

25 Sec. 19. NEW SECTION. 15.364 CERTIFIED PROGRAM
26 AGREEMENT.

27 The certified program shall be conducted pursuant
28 to a signed written agreement between each participant
29 and the employer which contains at least the following
30 provisions:

31 1. The names and signatures of the participant and
32 the sponsor or employer and the signature of a parent
33 or guardian if the participant is a minor.

34 2. A description of the career field in which the
35 participant is to be trained, and the beginning date
36 and duration of the training.

37 3. The employer's agreement to provide paid
38 employment, at a base wage, for the participant during
39 the summer months after the participant's junior and
40 senior years in high school and after the
41 participant's first year of postsecondary education.

42 4. The participant and employer shall agree upon
43 set minimum academic standards which must be
44 maintained through the participant's secondary and
45 postsecondary education.

46 5. This base wage paid to the participant shall
47 not be less than the minimum wage prescribed by Iowa
48 law or the federal Fair Labor Standards Act, whichever
49 is applicable.

50 6. That in addition to the base wage paid to the

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1 participant, the employer shall pay an additional sum
2 to be held in trust to be applied toward the
3 participant's postsecondary education required for
4 completion of the certified program. The additional
5 amount must be not less than an amount determined by
6 the department of economic development to be
7 sufficient to provide payment of tuition expenses
8 toward completion of not more than two academic years
9 of the required postsecondary education component of
10 the certified program at an Iowa community college or
11 an Iowa public or private college or university. This
12 amount shall be held in trust for the benefit of the
13 participant pursuant to rules adopted by the
14 department of economic development. Payment into an
15 ERISA-approved fund for the benefit of the participant
16 shall satisfy this requirement. The specific fund
17 shall be specified in the agreement.

18 7. The participant's agreement to work for the
19 employer for at least two years following the
20 completion of the participant's postsecondary
21 education required by the certified program. However,
22 the agreement may provide for additional education and
23 work commitments beyond the two years.

24 8. If the participant does not complete the two-
25 year employment obligation, the participant's
26 agreement to repay to the employer the amount paid by
27 the employer toward the participant's postsecondary
28 education expenses pursuant to subsection 6.

29 9. a. That if a participant does not complete the
30 certified program contemplated by the agreement after
31 entering a postsecondary education program, any
32 unexpended funds being held in trust for the
33 participant's postsecondary education shall be paid
34 back to the employer. In addition the participant
35 must repay to the employer amounts paid from the trust
36 which were expended on the participant's behalf for
37 postsecondary education.

38 b. That if a participant does not complete the
39 certified program contemplated by the agreement prior
40 to entering a postsecondary education program, one-
41 half of the moneys being held in trust for the
42 participant's postsecondary education shall be paid to
43 a postsecondary education institution as defined in
44 section 261C.3 of the participant's choice to pay
45 tuition or expenses of the participant. The other
46 one-half of the trust moneys shall be paid back to the
47 employer. Any moneys to be transferred for the
48 benefit of the participant which are not transferred
49 within five years for purposes of education at the
50 designated postsecondary institution, shall be paid

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1 back to the employer.

2 Sec. 20. NEW SECTION. 15.365 PAYROLL EXPENDITURE

3 REFUND.

4 1. An employer who employs a participant in a
5 certified school to career program may claim a refund
6 of twenty percent of the employer's payroll
7 expenditures for each participant in the certified
8 program. The refund is limited to the first four
9 hundred hours of payroll expenditures per participant
10 for each calendar year the participant is in the
11 certified program, not to exceed three years per
12 participant.

13 2. To receive a refund under subsection 1 for a
14 calendar year, the employer shall file the claim by
15 July 1 of the following calendar year. The claim
16 shall be filed on forms provided by the department of
17 economic development and the employer shall provide
18 such information regarding the employer's
19 participation in a certified school to career program
20 as the department may require. Forms should be
21 designed such that claims for refunds for more than
22 one participant may be made on a single form.

23 3. For each fiscal year of the fiscal period
24 beginning July 1, 1999, and ending June 30, 2004,
25 there is appropriated up to five hundred thousand
26 dollars annually from the general fund of the state to
27 the department of economic development to pay refunds
28 under this section. If the amount appropriated in a
29 fiscal year is insufficient to pay all refund claims
30 for the calendar year in full, each claimant shall
31 receive a proportion of the claimant's refund claim
32 equal to the ratio of the amount appropriated to the
33 total amount of refund claims. Any unpaid portion of
34 a claim shall not be paid from a subsequent fiscal
35 year appropriation.

36 4. The department of economic development shall
37 consult with the department of revenue and finance for
38 purposes of this section. The department of economic
39 development shall adopt rules as deemed necessary to
40 carry out the purposes of the certified school to
41 career program.

42 Sec. 21. NEW SECTION. 15.366 CUSTOMER TRACKING
43 SYSTEM.

44 All participants and sponsors participating in a
45 certified school to career program shall be included
46 in the customer tracking system implemented by the
47 department of workforce development pursuant to
48 section 84A.5.

49 Sec. 22. NEW SECTION. 15.367 REPEAL.

50 This part of chapter 15 is repealed June 30, 2004.

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1 However, any contracts in existence on June 30, 2004,
2 shall continue to be valid and each party to such
3 contract is obligated to perform as required under
4 such contract. However, no employer is entitled to
5 any payroll expenditure refund for payroll
6 expenditures incurred after December 31, 2002.

7 Sec. 23. NEW SECTION. 15A.8 LOANS PAYABLE FROM
8 NEW JOBS CREDIT FROM WITHHOLDING.

9 1. As an additional means to provide moneys for
10 the payment of the costs of a new jobs training
11 project or multiple projects under chapter 260E and
12 this chapter, a community college may make an advance
13 or loan, including an interfund transfer or a loan
14 from moneys on hand and legally available, to be paid
15 from the same sources and secured in the same manner
16 as certificates described in sections 15A.7 and
17 260E.6.

18 2. Revenues from a job training agreement received
19 prior to the completion by a business of its repayment
20 obligation for a project and not pledged to
21 certificates, loans, or advances, and not necessary
22 for the payment of principal and interest maturing on
23 such certificates, loans, or advances, may be applied
24 by the community college to the reduction of any other
25 outstanding certificates, loans, or advances.

26 Sec. 24. Section 15E.83, Code 1997, is amended to
27 read as follows:

28 15E.83 SEED CAPITAL CORPORATION.

29 1. The Iowa seed capital corporation shall be
30 incorporated under chapter 504A. ~~The purpose of the~~
31 ~~corporation shall be to provide seed capital to start-~~
32 ~~up and emerging growth companies in Iowa that are~~
33 ~~bringing new products and processes to the~~
34 ~~marketplace, and it shall be the goal of the~~
35 ~~corporation to financially support the establishment~~
36 ~~and growth of start-up and emerging growth companies~~
37 ~~that can contribute to the economic diversity of the~~
38 ~~state and provide general and specific economic~~
39 ~~benefits to the state. The corporation shall only~~
40 ~~provide seed capital or financial assistance to Iowa~~
41 ~~businesses. The corporation shall not be regarded as~~
42 ~~a state agency, except for purposes of chapters 17A~~
43 ~~and 69, and a member of the board is not considered a~~
44 ~~state employee, except for purposes of chapter 669.~~
45 ~~An individual employed by the corporation is a state~~
46 ~~employee for purposes of the Iowa public employees'~~
47 ~~retirement system, state health and dental plans, and~~
48 ~~other state employee benefit plans and chapter 669.~~
49 ~~Chapters 8, 18, 19A, and 20 and other provisions of~~
50 ~~law that relate to requirements or restrictions~~

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~~1 dealing with state personnel or state funds do not
2 apply to the corporation and any employees of the
3 board or corporation except to the extent provided in
4 this division. Chapters 21 and 22 shall apply to
5 activities of the corporation and to employees of the
6 board or corporation except to the extent provided in
7 this division.~~

8 2. The corporation shall be governed by a board of
9 seven directors who shall serve a term of four years.
10 Of the seven directors, four shall be persons
11 experienced in business finance and employed at a bank
12 or other financial institution, be a certified public
13 accountant, be an attorney, or be a licensed
14 stockbroker. Each director shall serve at the
15 pleasure of the governor and shall be appointed by the
16 governor, subject to confirmation by the senate
17 pursuant to section 2:32. A director is eligible for
18 reappointment. A vacancy on the board of directors
19 shall be filled in the same manner as an original
20 appointment.

21 3. The board of directors shall annually elect one
22 member as chairperson and one member as secretary.
23 The board may elect other officers of the corporation
24 as necessary. Members shall be reimbursed for
25 necessary expenses incurred in the performance of
26 duties from funds appropriated to the corporation.

27 4 3. Each director of the corporation shall take
28 an oath of office and the record of each oath shall be
29 filed in the office of the secretary of state.

30 5 4. The corporation shall receive information and
31 cooperate with other agencies of the state and the
32 political subdivisions of the state.

33 Sec. 25. Section 15E.85, Code 1997, is amended to
34 read as follows:

35 15E.85 BOARD OF DIRECTORS.

36 The powers of the corporation are vested in and
37 shall be exercised by the board of directors. Four
38 members of the board constitute a quorum and an
39 affirmative vote of at least four of the members
40 present at a meeting is necessary before an action may
41 be taken by the board. An action taken by the board
42 shall be authorized by resolution at a regular or
43 special meeting and takes effect immediately unless
44 the resolution specifies otherwise. Notice of a
45 meeting shall be given orally or in writing not less
46 than forty-eight hours prior to the meeting.

47 Sec. 26. Section 15E.87, Code 1997, is amended to
48 read as follows:

49 15E.87 CORPORATE PURPOSE -- POWERS.

50 The purpose of the corporation is to stimulate and

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encourage the development of new products within Iowa by the infusion of financial aid for invention and innovation in situations in which financial aid would not otherwise be reasonably available from commercial sources. For this purpose the corporation has the following powers:

1. To have perpetual succession as a corporate body and to adopt bylaws, policies, and procedures for the regulation of its affairs and conduct of its business consistent with the purposes of this division.

~~2. To enter into venture agreements with persons doing business in Iowa upon conditions and terms which are consistent with the purposes of this division for the advancement of financial aid to the persons. The financial aid advanced shall be for the development of specific products, procedures, and techniques which are to be developed and produced in this state. The corporation shall condition the agreements upon contractual assurances that the benefits of increasing or maintaining employment and tax revenues shall remain in Iowa.~~

~~3. To receive and accept aid or contributions from a source of money, property, labor, or other things of value to be used to carry out the purposes of this division including gifts or grants from a department or agency of the United States or any state.~~

~~4. To issue notes and bonds as provided under this division.~~

2. To hold patents, copyrights, trademarks, or other evidences of protection or exclusivity issued under the laws of this state or the United States to any products.

3. To employ assistants, agents, and other employees and to engage consultants, attorneys, and appraisers as necessary or desirable to carry out the purposes of the corporation.

4. To make and enter into contracts and agreements necessary or incidental to its performance of the duties and the powers granted to the corporation.

5. To sue and be sued, plead, and adopt a seal.

6. With the approval of the treasurer of state, to invest funds which are not needed for immediate use or disbursement, including funds held in reserve, in obligations issued or guaranteed by the state or the United States.

7. To procure insurance against a loss in connection with its property and other assets.

8. To the extent permitted under a corporation

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1 contract with other persons, to consent to a
2 termination, modification, forgiveness, or other
3 change in the terms of a contractual right, payment,
4 royalty, contract, or agreement.

5 ~~12~~ 9. To take necessary action to render bonds
6 issued under this division more marketable.

7 Sec. 27. Section 422.16A, Code Supplement 1997, is
8 amended to read as follows:

9 422.16A JOB TRAINING WITHHOLDING -- CERTIFICATION
10 AND TRANSFER.

11 Upon the completion by a business of its repayment
12 obligation for a training project funded under chapter
13 260E, including a job training project funded under
14 ~~chapter-260E-and~~ section 15A.8 or repaid in whole or
15 in part by the supplemental new jobs credit from
16 withholding under section 15A.7 or section 15.331, the
17 sponsoring community college shall report to the
18 department of economic development the amount of
19 withholding paid by the business to the community
20 college during the final twelve months of withholding
21 payments. The department of economic development
22 shall notify the department of revenue and finance of
23 that amount. The department shall credit to the
24 workforce development fund account established in
25 section 15.342A twenty-five percent of that amount
26 each quarter for a period of ten years. If the amount
27 of withholding from the business or employer is
28 insufficient, the department shall prorate the
29 quarterly amount credited to the workforce development
30 fund account. The maximum amount from all employers
31 which shall be transferred to the workforce
32 development fund account in any year is ten million
33 dollars.

34 Sec. 28. LIQUIDATION OF THE IOWA SEED CAPITAL
35 CORPORATION. Notwithstanding sections 15E.81 through
36 15E.94, sections 15E.181 through 15E.184, and 1997
37 Iowa Acts, chapter 143, sections 5 and 6, it is the
38 intent of the general assembly that the Iowa seed
39 capital corporation shall be liquidated or sold in an
40 orderly manner. On May 31, 1998, the terms of the
41 board members of the Iowa seed capital corporation
42 shall terminate, the Iowa seed capital corporation
43 shall be renamed the ISCC liquidation corporation, and
44 a three-person board shall be constituted to complete
45 the orderly liquidation or sale of the assets of the
46 ISCC liquidation corporation. The ISCC liquidation
47 corporation board shall consist of the commissioner of
48 insurance or the commissioner's designee, the
49 superintendent of banking or the superintendent's
50 designee, and the treasurer of state or the

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1 treasurer's designee. The members of the ISCC
2 liquidation corporation board and any staff providing
3 assistance to the board shall not be liable for their
4 acts or omissions in connection with the liquidation
5 or sale of the corporation. The ISCC liquidation
6 corporation board shall close the corporation offices
7 at 200 East Grand, Des Moines, Iowa, by June 30, 1998,
8 terminate the officers and staff of the corporation by
9 June 30, 1998, and shall not hire a new permanent or
10 temporary staff to operate this corporation.

11 The staff of the treasurer of state shall provide
12 administrative support to the ISCC liquidation
13 corporation board and the corporation shall reimburse
14 the treasurer of state for the reasonable costs of
15 providing administrative support. The attorney
16 general shall be consulted and shall provide legal
17 support throughout the liquidation and sale process
18 and the corporation shall reimburse the attorney
19 general for the reasonable costs of providing any such
20 consultation and legal support.

21 The ISCC liquidation corporation board's goals in
22 supervising the liquidation or sale of the corporation
23 are to maximize the net revenue to the state and
24 minimize the impact to the companies involved. The
25 board shall not make any new investments during the
26 liquidation period, except for those necessary to
27 protect and maintain its current holdings.

28 The ISCC liquidation corporation board is
29 authorized to contract for the services, including
30 brokers, other financial advisors or consultants, or
31 legal advisors, necessary to complete the orderly
32 liquidation or sale of the ISCC liquidation
33 corporation.

34 The ISCC liquidation corporation board may
35 determine the potential administrative, legal, and
36 contractual service costs for the liquidation or sale
37 of the corporation and may maintain a prudent reserve
38 fund from liquid assets of the corporation for such
39 purposes. Upon the unanimous vote of the ISCC
40 liquidation corporation board the remainder of the
41 liquid assets shall be transferred to the strategic
42 investment fund established in section 15.313.

43 Following the complete liquidation and dissolution
44 of the corporation or the sale of the corporation, all
45 remaining moneys shall be transferred to the strategic
46 investment fund. Upon transfer of the remaining
47 moneys to the strategic investment fund, the ISCC
48 liquidation corporation board shall be dissolved.

49 Sec. 29. SHELTER ASSISTANCE FUND. In providing
50 moneys from the shelter assistance fund to homeless

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1 shelter programs, the department of economic
2 development shall explore the potential of allocating
3 moneys to homeless shelter programs based in part on
4 their ability to move their clients toward self-
5 sufficiency.

6 Sec. 30. The department of economic development
7 and the department of workforce development shall
8 within the budget proposals for the fiscal year
9 beginning July 1, 2000, detail the number of FTEs and
10 contract employees included in the budget proposal.
11 During the budget process for the fiscal year
12 beginning July 1, 2000, the joint economic development
13 appropriation subcommittee shall examine contract
14 employees in relationship to the budgets of the
15 department of economic development and the department
16 of workforce development.

17 Sec. 31. The department of economic development
18 shall submit a report to the general assembly as
19 provided in section 7A.11 by January 1, 1999, which
20 includes all of the following:

21 1. A survey of all business, industry, and
22 agriculture-related international trade activities in
23 this state. The survey shall include the types of
24 businesses and the products involved in international
25 trade and the estimated costs and revenues resulting
26 from such trade.

27 2. A list of specific targets and targeted
28 opportunities for business, industry, and agriculture
29 related to international trade activities in this
30 state. These targets shall include the types of
31 businesses and the products that are currently
32 involved in international trade, as well as the types
33 of businesses and the products that could potentially
34 become involved in international trade in the future.

35 Sec. 32. BUDGET PROPOSALS. The department of
36 economic development and the department of workforce
37 development shall submit all budget proposals in the
38 traditional format as well as in the budgeting for
39 results format for the fiscal year beginning July 1,
40 1999.

41 Sec. 33. By December 31 of each year, the ISCC
42 liquidation corporation shall submit an annual report
43 to the chairpersons and the ranking members of the
44 joint appropriations subcommittee on economic
45 development. The report shall include an update on
46 the financial condition of the corporation relating to
47 the status of any moneys, assets, or contracts
48 currently being held by the corporation or transferred
49 by the corporation during the prior year.

50 Sec. 34. NEW SECTION. 16.5A NONPROFIT

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1 CORPORATIONS.

2 Any nonprofit corporation created by or in
3 association with the Iowa finance authority since
4 January 1, 1989, shall file a report by January 15 of
5 each year with the chairpersons and ranking members of
6 the appropriate appropriations subcommittees of the
7 general assembly. Any nonprofit corporation created
8 by or in association with the authority since January
9 1, 1989, shall adopt a written conflict of interests
10 policy.

11 Sec. 35. NEW SECTION. 16.5B HOUSING CORPORATION
12 BOARD.

13 The board of directors of the Iowa housing
14 corporation shall consist of seven voting members
15 serving staggered three-year terms. One member of the
16 board of directors shall be a representative of the
17 home builders association of Iowa and one member of
18 the board of directors shall be a representative of
19 the Iowa bankers association.

20 Sec. 36. FEDERAL GRANTS. All federal grants to
21 and the federal receipts of agencies appropriated
22 funds under this Act, not otherwise appropriated, are
23 appropriated for the purposes set forth in the federal
24 grants or receipts unless otherwise provided by the
25 general assembly.

26 Sec. 37. The Iowa finance authority and the Iowa
27 housing corporation shall consider restrictions on any
28 per diem provided to a member of the board of
29 directors serving both the authority and the Iowa
30 housing corporation on occasions when meetings of both
31 entities are held on the same day and in the same city
32 or metropolitan area.

33 Sec. 38. Notwithstanding section 96.9, subsection
34 4, paragraph "a", moneys credited to the state by the
35 secretary of the treasury of the United States
36 pursuant to section 903 of the Social Security Act
37 shall be appropriated to the department of workforce
38 development and shall be used by the department for
39 the administration of the unemployment compensation
40 program only. This appropriation shall not apply to
41 any fiscal year after June 30, 2001.

42 Sec. 39. Notwithstanding any full-time equivalent
43 position limitations in this Act to the contrary, the
44 department of economic development may add 3.00 FTEs
45 for the commission on volunteer services and 1.00 FTE
46 for the housing assistance program. Two of the full-
47 time equivalent positions added under this section for
48 the commission on volunteer services relate to the
49 transition of personnel services contractors to full-
50 time equivalent positions. The merit system

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1 provisions of chapter 19A and the provisions of the
2 state and union collective bargaining agreements shall
3 not govern movement into these full-time positions
4 until September 1, 1998. The provisions relating to
5 the transition of personnel services contractors to
6 full-time equivalent positions, chapter 19A, and
7 collective bargaining agreements are void after
8 September 1, 1998.

9 Sec. 40. Section 15E.86, Code 1997, is repealed.

10 Sec. 41. EFFECTIVE DATE. Sections 15, 16, 17, 18,
11 19, 20, 21, 22, and 28 of this Act, being deemed of
12 immediate importance, take effect upon enactment."

RECEIVED FROM THE SENATE

H-9327 FILED APRIL 20, 1998

House Refused 4-21-98 (P. 1867)
Senate Insisted 4-21-98 (P. 1412)

REPORT OF THE CONFERENCE COMMITTEE
ON SENATE FILE 2296

To the President of the Senate and the Speaker of the House of Representatives:

We, the undersigned members of the conference committee appointed to resolve the differences between the Senate and House of Representatives on Senate File 2296, a bill for an Act appropriating funds to the department of economic development, certain board of regents institutions, the department of workforce development, the public employment relations board, making related statutory changes, and providing an effective date provision, respectfully make the following report:

1. That the Senate recedes from its amendment, H-9327.
2. That the House recedes from its amendment, S-5540.
3. That Senate File 2296, as amended, passed, and

reprinted by the Senate, is amended as follows:

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

"Section 1. DEPARTMENT OF ECONOMIC DEVELOPMENT. There is appropriated from the general fund of the state and other designated funds to the department of economic development for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADMINISTRATIVE SERVICES DIVISION
 - a. General administration

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For salaries, support, maintenance, miscellaneous purposes, and for providing that a business receiving moneys from the department for the purpose of job creation shall make available ten percent of the new jobs created for promise jobs program participants who are qualified for the jobs created and for not more than the following full-time equivalent positions:

.....	\$	1,494,231
.....	FTEs	25.75

One of the full-time equivalent positions authorized in this lettered paragraph relates to the transition of personnel services contractors to full-time equivalent positions. The merit system provisions of chapter 19A and the provisions of the state and union collective bargaining agreements shall not govern movement into these full-time equivalent positions until September 1, 1998. These provisions relating to the transition of personnel services contractors to full-time equivalent positions, chapter 19A, and collective bargaining agreements are void after September 1, 1998.

b. Film office

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

.....	\$	253,632
.....	FTEs	2.00

2. BUSINESS DEVELOPMENT DIVISION

a. Business development operations

For salaries, support, maintenance, miscellaneous purposes, for not more than the following full-time equivalent positions, for allocating \$495,000 to support activities in conjunction with the Iowa manufacturing technology center, \$150,000 to the graphic arts center, and for a strategic marketing effort for workforce development:

.....	\$	3,940,232
.....	FTEs	22.75

Four of the full-time equivalent positions authorized in this lettered paragraph relate to the transition of personnel

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services contractors to full-time equivalent positions. The merit system provisions of chapter 19A and the provisions of the state and union collective bargaining agreements shall not govern movement into these full-time equivalent positions until September 1, 1998. These provisions relating to the transition of personnel services contractors to full-time equivalent positions, chapter 19A, and collective bargaining agreements are void after September 1, 1998.

b. Small business programs

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions for the small business program, the small business advisory council, and targeted small business program:

.....	\$	450,622
.....	FTEs	5.00

c. Federal procurement office

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

.....	\$	103,967
.....	FTEs	3.00

Notwithstanding section 8.33, moneys remaining unencumbered or unobligated on June 30, 1999, shall not revert and shall be available for expenditure during the fiscal year beginning July 1, 1999, for the same purposes.

d. Strategic investment fund

For deposit in the strategic investment fund for salaries, support, for not more than the following full-time equivalent positions:

.....	\$	6,803,513
.....	FTEs	12.50

Two of the full-time equivalent positions authorized in this lettered paragraph relate to the transition of personnel services contractors to full-time equivalent positions. The merit system provisions of chapter 19A and the provisions of the state and union collective bargaining agreements shall not govern movement into these full-time equivalent positions

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until September 1, 1998. These provisions relating to the transition of personnel services contractors to full-time equivalent positions, chapter 19A, and collective bargaining agreements are void after September 1, 1998.

The department may allocate from the strategic investment fund up to \$600,000 for the entrepreneurial ventures assistance program. The department shall seek the advice, consultation, and cooperation of the entrepreneurial centers and the major benefactor of the centers in the implementation of the entrepreneurial ventures assistance program.

The department may allocate from the strategic investment fund up to \$100,000 for the microbusiness rural enterprise assistance program under section 15.114.

The department shall provide an annual report on the progress made by the department in making the community economic betterment program a self-sustaining, revolving loan program.

e. Insurance economic development

There is appropriated from moneys collected by the division of insurance in excess of the anticipated gross revenues under section 505.7, subsection 3, to the department for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amount, or so much thereof as is necessary, for insurance economic development and international insurance economic development:

..... \$ 200,000

f. Value-added agriculture

There is appropriated from the moneys available to support value-added agricultural products and processes, four percent, or so much thereof as is necessary, of the total moneys available to support value-added agricultural products and processes pursuant to section 423.24 each quarter for administration of the value-added agricultural products and processes financial assistance program as provided in section 15E.111, including salaries, support, maintenance, miscellaneous purposes, and for not more than 2.00 FTEs.

The department shall collaborate with the university of

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northern Iowa on a strategic initiative to develop ag-based industrial lubrication technology and to create projects to deploy the technology in commercial applications.

Notwithstanding the requirements of section 15E.111 and the administrative rules for value-added agricultural products and processes, the department shall allocate \$150,000 for this initiative.

3. COMMUNITY DEVELOPMENT DIVISION

a. Community assistance

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions for administration of the community economic preparedness program, the Iowa community betterment program, and the city development board:

.....	\$	654,547
.....	FTEs	8.50

b. Main street/rural main street program

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

.....	\$	425,219
.....	FTEs	3.00

Notwithstanding section 8.33, moneys committed to grantees under contract from the general fund of the state that remain unexpended on June 30, 1999, shall not revert to any fund but shall be available for expenditure for purposes of the contract during the fiscal year beginning July 1, 1999.

c. Community development program

For salaries, support, maintenance, miscellaneous purposes, for not more than the following full-time equivalent positions, for rural resource coordination, rural community leadership, rural innovations grant program, and the rural enterprise fund:

.....	\$	827,215
.....	FTEs	7.50

Three of the full-time equivalent positions authorized in this lettered paragraph relate to the transition of personnel services contractors to full-time equivalent positions. The

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merit system provisions of chapter 19A and the provisions of the state and union collective bargaining agreements shall not govern movement into these full-time equivalent positions until September 1, 1998. These provisions relating to the transition of personnel services contractors to full-time equivalent positions, chapter 19A, and collective bargaining agreements are void after September 1, 1998.

There is appropriated from the rural community 2000 program revolving fund established in section 15.287 to provide to Iowa's councils of governments funds for planning and technical assistance to local governments:

..... \$ 150,000

There is appropriated from the rural community 2000 program revolving fund established in section 15.287 to the rural development program for the purposes of the program including the rural enterprise fund and collaborative skills development training:

..... \$ 484,343

Notwithstanding section 8.33, moneys committed to grantees under contract from the general fund of the state or through transfers from the Iowa community development loan fund or from the rural community 2000 program revolving fund that remain unexpended on June 30, 1999, shall not revert but shall be available for expenditure for purposes of the contract during the fiscal year beginning July 1, 1999.

d. Community development block grant and HOME

For administration and related federal housing and urban development grant administration for salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 418,737

..... FTEs 21.75

Three of the full-time equivalent positions authorized in this lettered paragraph relate to the transition of personnel services contractors to full-time equivalent positions. The merit system provisions of chapter 19A and the provisions of the state and union collective bargaining agreements shall not

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govern movement into these full-time equivalent positions until September 1, 1998. These provisions relating to the transition of personnel services contractors to full-time equivalent positions, chapter 19A, and collective bargaining agreements are void after September 1, 1998.

e. Housing development fund

For providing technical assistance to communities of all sizes and local financial institutions to help meet local housing needs and to provide and transfer matching funds for the HOME program:

..... \$ 1,300,000

Notwithstanding section 8.33, moneys committed to grantees under contract from the housing development fund and moneys transferred for matching funds for the HOME program that remain unexpended or unobligated on June 30, 1999, shall not revert to any fund but shall be available for obligation and expenditure for purposes of those programs during the fiscal year beginning July 1, 1999.

f. Shelter assistance program

For the purposes of the shelter assistance fund:

..... \$ 400,000

4. INTERNATIONAL DIVISION

a. International trade operations

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

..... \$ 2,010,073

..... FTEs 10.00

From among the full-time equivalent positions authorized by this lettered paragraph, one position shall concentrate on the export sale of grain, one on the export sale of livestock, and one on the export sale of value-added agricultural products.

The department shall file a report every six months with the general assembly in a manner consistent with section 7A.11 and with the chairpersons and ranking members of the joint appropriations subcommittee on economic development which

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gives an update of all activities regarding trade promotion in the Chinese market.

b. Export trade assistance program

For export trade activities, including a program to encourage and increase participation in trade shows and trade missions by providing financial assistance to businesses for a percentage of their costs of participating in trade shows and trade missions, by providing for the lease/sublease of showcase space in existing world trade centers, by providing temporary office space for foreign buyers, international prospects, and potential reverse investors, and by providing other promotional and assistance activities, including salaries and support:

..... \$ 425,000

Notwithstanding section 8.33, moneys appropriated by this lettered paragraph which remain unobligated or unexpended on June 30, 1999, shall not revert to the general fund of the state but shall be transferred to and deposited in the strategic investment fund created in section 15.313.

c. Agricultural product advisory council

For support, maintenance, and miscellaneous purposes:

..... \$ 1,300

d. For transfer to the partner state program which the department may use to contract with private groups or organizations which are the most appropriate to administer this program and the groups and organizations participating in the program shall, to the fullest extent possible, provide the funds to match the appropriation made in this paragraph of the funds transferred:

..... \$ 125,000

5. TOURISM DIVISION

Tourism operations/advertising

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

..... \$ 5,038,912

..... FTEs 18.52

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The department may expend up to \$130,000 to provide assistance to private welcome centers in the state. The department shall not provide assistance of more than \$10,000 to any one private welcome center. A private welcome center seeking assistance shall submit a competitive application to the department and may be eligible for receiving assistance if the private welcome center complies with all of the following criteria:

- a. The private welcome center is at risk of a projected operating deficit.
- b. The private welcome center complies with operational standards and requirements determined by the department.
- c. The private welcome center submits a financial plan for self-sufficiency to the department.

The department shall conduct a study of the public and private welcome center system in the state. The department shall make recommendations to the general assembly for the future operation of the system including recommendations concerning funding for private welcome center operations and quality standards for public and private welcome centers.

The department shall not use the moneys appropriated in this subsection, unless the department develops public-private partnerships with Iowa businesses in the tourism industry, Iowa tour groups, Iowa tourism organizations, and political subdivisions in this state to assist in the development of advertising efforts. The department shall, to the fullest extent possible, develop cooperative efforts for advertising with contributions from other sources.

Sec. 2. COMMUNITY DEVELOPMENT LOAN FUND. Notwithstanding section 15E.120, subsections 5, 6, and 7, and section 15.287, there is appropriated from the Iowa community development loan fund all the moneys available during the fiscal year beginning July 1, 1998, and ending June 30, 1999, to the department of economic development for the community development program to be used by the department for the purposes of the program.

Sec. 3. JOB TRAINING FUND. Notwithstanding section 15.251, subsection 2, there is appropriated from the job

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training fund to the department of economic development for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For administration of chapter 260E, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	210,000
.....	FTEs	2.50

Appropriations to the department of economic development for administration of chapter 260E and the department of workforce development for the target alliance program shall be funded on a proportional basis if receipts to the job training fund are insufficient to fund both appropriations in their entirety.

Sec. 4. WORKFORCE DEVELOPMENT FUND. There is appropriated from the workforce development fund account created in section 15.342A, to the workforce development fund created in section 15.343, for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amount, for the purposes of the workforce development fund:

.....	\$	6,850,000
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Sec. 5. Of all funds appropriated to or receipts credited to the job training fund created in section 260F.6, subsection 1, up to \$175,000 for the fiscal year beginning July 1, 1998, and ending June 30, 1999, and not more than 1.50 FTEs may be used for the administration of the Iowa jobs training Act.

Sec. 6. IOWA STATE UNIVERSITY. There is appropriated from the general fund of the state to the Iowa state university of science and technology for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For funding and maintaining in their current locations the existing small business development centers, and for not more than the following full-time equivalent positions:

.....	\$	1,235,880
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..... FTEs 5.80

2. For the Iowa state university of science and technology research park, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 376,500

..... FTEs 4.31

3. For funding the institute for physical research and technology, provided that \$318,358 shall be allocated to the industrial incentive program in accordance with the intent of the general assembly, and for not more than the following full-time equivalent positions:

..... \$ 4,379,458

..... FTEs 46.42

It is the intent of the general assembly that the incentive program focus on Iowa industrial sectors and seek contributions and in-kind donations from businesses, industrial foundations, and trade associations and that moneys for the institute for physical research and technology industrial incentive program shall only be allocated for projects which are matched by private sector moneys for directed contract research or for nondirected research. The match required of small businesses as defined in section 15.102, subsection 4, for directed contract research or for nondirected research shall be \$1 for each \$3 of state funds. The match required for other businesses for directed contract research or for nondirected research shall be \$1 for each \$1 of state funds. The match required of industrial foundations or trade associations shall be \$1 for each \$1 of state funds.

Iowa state university of science and technology shall report annually to the joint appropriations subcommittee on economic development and legislative fiscal bureau the total amounts of private contributions, the proportion of contributions from small businesses and other businesses, and the proportion for directed contract research and nondirected research of benefit to Iowa businesses and industrial sectors.

Notwithstanding section 8.33, moneys appropriated for the

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fiscal year which remain unobligated and unexpended at the end of the fiscal year shall not revert but shall be available for expenditure the following fiscal year.

Sec. 7. UNIVERSITY OF IOWA. There is appropriated from the general fund of the state to the state university of Iowa for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For the university of Iowa research park, including salaries, support, maintenance, equipment, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	331,007
.....	FTEs	4.35

2. For funding the advanced drug development program at the Oakdale research park and for not more than the following full-time equivalent positions:

.....	\$	262,199
.....	FTEs	2.85

The board of regents shall submit a report on the progress of regents institutions in meeting the strategic plan for technology transfer and economic development to the chairpersons of the joint appropriations subcommittee on economic development, the joint appropriations subcommittee on education, the majority leader and minority leader of the senate, the majority and minority leaders of the house of representatives, the secretary of the senate, the chief clerk of the house of representatives, and the legislative fiscal bureau by December 1, 1998.

Sec. 8. UNIVERSITY OF NORTHERN IOWA. There is appropriated from the general fund of the state to the university of northern Iowa for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For the metal casting institute, including salaries, support, maintenance, miscellaneous purposes, and for not more

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than the following full-time equivalent positions:

.....	\$	166,349
.....	FTEs	2.75

2. For the institute of decision making, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	688,308
.....	FTEs	8.00

Sec. 9. DEPARTMENT OF WORKFORCE DEVELOPMENT. There is appropriated from the general fund of the state, to the department of workforce development for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amounts, or so much thereof as is necessary, for the purposes designated:

1. DIVISION OF LABOR SERVICES

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

.....	\$	2,902,693
.....	FTEs	93.00

From the contractor registration fees, the division of labor services shall reimburse the department of inspections and appeals for all costs associated with hearings under chapter 91C, relating to contractor registration.

2. DIVISION OF INDUSTRIAL SERVICES

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

.....	\$	2,390,927
.....	FTEs	34.00

The division of industrial services shall continue charging a \$65 filing fee for workers' compensation cases. The filing fee shall be paid by the petitioner of a claim. However, the fee can be taxed as a cost and paid by the losing party, except in cases where it would impose an undue hardship or be unjust under the circumstances.

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3. For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent position for the workforce development state and regional boards:

.....	\$	106,929
.....	FTE	1.00

4. For salaries, support, maintenance, miscellaneous purposes for collection of labor market information, and for not more than the following full-time equivalent position:

.....	\$	65,354
.....	FTE	1.00

5. WORKFORCE DEVELOPMENT AREA

For salaries, support, maintenance, and miscellaneous purposes for the development and maintenance of a workforce sufficient in size and skill to meet the occupational demands of each workforce development area, and for workforce development programs, including those provided for in sections 84A.7, 84A.8, and 84A.9. Each region shall be required to provide an equal amount of matching funds from local sources:

.....	\$	1,480,022
.....	FTEs	4.20

The department shall expend \$923,180 on youth workforce programs. Youth conservation corps program moneys shall be allocated among the regions which have developed a youth conservation corps program.

Notwithstanding section 8.33, moneys committed to grantees under contract that remain unexpended on June 30, 1999, shall not revert to any fund but shall be available for expenditure for purposes of the contract during the fiscal year beginning July 1, 1999.

6. LABOR MANAGEMENT COORDINATOR

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

.....	\$	66,851
.....	FTE	0.50

The Iowa workforce development board shall be responsible

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for the functions previously conducted by the state labor management cooperation council. The board, the department of workforce development, and the labor management coordinator shall cooperate to improve communications and facilitate dialogue between labor, management, and government on workforce development problems facing the state, to form in-plant labor management committees, and to provide technical assistance to establish effective labor management policies in the state.

7. WELFARE-TO-WORK MATCHING FUNDS

For matching funds for welfare-to-work grants authorized through the United States department of labor to provide additional services for the hardest to employ recipients of family investment program benefits:

..... \$ 888,633

Notwithstanding section 8.33, moneys appropriated in this subsection which remain unexpended or unobligated on June 30, 1999, shall not revert to the general fund of the state but shall remain available for expenditure for the same purpose during the fiscal year beginning July 1, 1999.

Sec. 10. JOB TRAINING FUND. Notwithstanding section 15.251, subsection 2, there is appropriated from the job training fund to the department of workforce development for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the target alliance program:

..... \$ 30,000

Sec. 11. ADMINISTRATIVE CONTRIBUTION SURCHARGE FUND.

There is appropriated from the administrative contribution surcharge fund of the state to the department of workforce development for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amount, or so much thereof as is necessary, for the purposes designated:

Notwithstanding section 96.7, subsection 12, paragraph "c", for salaries, support, maintenance, conducting labor availability surveys, miscellaneous purposes, and for not more

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than the following full-time equivalent positions:

.....	\$	7,100,000
.....	FTEs	125.42

Sec. 12. EMPLOYMENT SECURITY CONTINGENCY FUND. There is appropriated from the special employment security contingency fund to the department of workforce development for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amounts, or so much thereof as is necessary, for the purposes designated:

1. DIVISION OF LABOR SERVICES

For salaries, support, maintenance, and miscellaneous purposes:

.....	\$	296,000
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2. DIVISION OF INDUSTRIAL SERVICES

For salaries, support, maintenance, and miscellaneous purposes:

.....	\$	175,000
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Any additional penalty and interest revenue may be used to accomplish the mission of the department.

Sec. 13. PUBLIC EMPLOYMENT RELATIONS BOARD. There is appropriated from the general fund of the state to the public employment relations board for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amount, or so much thereof as is necessary, for the purposes designated:

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

.....	\$	857,844
.....	FTEs	12.80

Sec. 14. WORKFORCE RECRUITMENT INITIATIVE.

1. FINDINGS. The general assembly finds that growing levels of employment coupled with historically low levels of unemployment are evidence of increasing scarcity of skilled workers. Limited access to a skilled workforce is preventing Iowa companies from increasing employment and production, and is a barrier to sustained and stable economic growth.

Further, the general assembly finds that in order to

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increase the size of the workforce, a partnership of private sector employers, communities and public sector organizations should be formed to develop and implement a workforce recruitment initiative. The initiative is intended to include strategies for recruiting new workers that will meet the workforce needs of Iowa employers who are unable to fill high quality jobs.

2. ESTABLISHMENT. The general assembly finds an immediate need for the establishment of a workforce recruitment initiative with projects intended to retain and recruit new skilled and unskilled employees to fill the needs of both communities and businesses. The department of economic development and the department of workforce development shall enter into a cooperative memorandum of understanding to accomplish purposes of this initiative. The memorandum shall include, but not be limited to, provisions for the sharing and utilization of job matching databases and technology to accomplish the purposes of the initiative and for an allocation out of moneys appropriated to the department of economic development for purposes of the workforce recruitment initiative for payment of employee salaries related to the workforce recruitment initiative.

3. STATE AGENCY COOPERATION. The department of economic development and the department of workforce development shall seek and obtain the cooperation of any state agency and local economic development organization actively involved in workforce development initiatives which could provide employee recruitment and marketing assistance to accomplish the workforce recruitment initiative.

4. FTEs. For purposes of the workforce recruitment initiative, the department of workforce development shall increase the number of full-time equivalent positions authorized for the department during the fiscal year beginning July 1, 1998, by 2.00 FTEs through moneys authorized for expenditure in this Act and allocated pursuant to the cooperative memorandum of understanding entered into with the department of economic development as provided in section 2.

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5. APPROPRIATION. There is appropriated from the general fund of the state to the department of economic development for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For workforce recruitment initiative purposes including technical support and maintenance of databases and an internet web site, for a joint proposal of the department of economic development and the department of workforce development relating to the workforce recruitment initiative which shall include provisions for private sector contributions, and including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	300,000
.....	FTEs	3.00

Notwithstanding section 8.33, moneys appropriated in this subsection which remain unexpended or unobligated on June 30, 1999, shall not revert to the general fund of the state but shall remain available for expenditure in the fiscal year beginning July 1, 1999, for the purposes designated.

6. STRATEGIC INVESTMENT FUND ALLOCATION. There is allocated from the strategic investment fund to the department of economic development for the fiscal year beginning July 1, 1998, and ending June 30, 1999, \$150,000 to be used for the purchase of equipment, software, laptop computers, and other necessary technological equipment.

7. BUSINESS DEVELOPMENT DIVISION. The business development division of the department of economic development may expend from moneys appropriated to the department and allocated to the business development division, for business development operations, up to \$400,000 for increasing the labor availability and recruitment efforts in the state in all occupational areas and as deemed necessary.

Sec. 15. NEW SECTION. 15.361 TITLE.

This part shall be known and may be cited as the "Certified School to Career Program".

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Sec. 16. NEW SECTION. 15.362 DEFINITIONS.

As used in this part, unless the context otherwise requires:

1. "Certified school to career program" or "certified program" means a sequenced and articulated secondary and postsecondary program registered as an apprenticeship program under 29 C.F.R. subtit. A, pt. 29, which is conducted pursuant to an agreement as provided in section 15.364 or a program approved by the state board of education, in conjunction with the department of economic development, as meeting the standards enumerated in section 15.363, that integrates a secondary school curriculum with private sector job training which places students in job internships, and which is designed to continue into postsecondary education and that will result in teaching new skills and adding value to the wage-earning potential of participants and increase their long-term employability in the state and which is conducted pursuant to an agreement as provided in section 15.364.

2. "Participant" means an individual between the ages of sixteen and twenty-four who is enrolled in a public or private secondary or postsecondary school and who initiated participation in a certified school to career program as part of secondary school education.

3. "Payroll expenditures" means the base wages actually paid by an employer to a participant plus the amount held in trust to be applied toward the participant's postsecondary education.

4. "Sponsor" means any person, association, committee, or organization operating a school to career program and in whose name the program is or will be registered or approved.

Sec. 17. NEW SECTION. 15.363 CERTIFICATION STANDARDS.

The state board of education, in consultation with the department of economic development, shall adopt rules pursuant to chapter 17A to guide the board and department in determining whether a potential school to career program should be approved.

A school to career program which is approved by the state

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board of education in conjunction with the department of economic development shall comply with all of the following standards:

1. The program is conducted pursuant to an organized, written plan embodying the terms and conditions of employment, job training, classroom instruction, and supervision of one or more participants, subscribed to by a sponsor who has undertaken to carry out the school to career program.

2. The program complies with all state and federal laws pertaining to the workplace.

3. The employer agrees to assign an employee to serve as a mentor for a participant. The mentor's occupation shall be in the same career pathway as the career interests of the participant.

4. The program involves an eligible postsecondary institution as defined in section 261C.3.

5. Other standards adopted by rule by the state board of education after consultation with the department of economic development.

Sec. 18. NEW SECTION. 15.364 CERTIFIED PROGRAM AGREEMENT.

The certified program shall be conducted pursuant to a signed written agreement between each participant and the employer which contains at least the following provisions:

1. The names and signatures of the participant and the sponsor or employer and the signature of a parent or guardian if the participant is a minor.

2. A description of the career field in which the participant is to be trained, and the beginning date and duration of the training.

3. The employer's agreement to provide paid employment, at a base wage, for the participant during the summer months after the participant's junior and senior years in high school and after the participant's first year of postsecondary education.

4. The participant and employer shall agree upon set minimum academic standards which must be maintained through

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the participant's secondary and postsecondary education.

5. This base wage paid to the participant shall not be less than the minimum wage prescribed by Iowa law or the federal Fair Labor Standards Act, whichever is applicable.

6. That in addition to the base wage paid to the participant, the employer shall pay an additional sum to be held in trust to be applied toward the participant's postsecondary education required for completion of the certified program. The additional amount must be not less than an amount determined by the department of economic development to be sufficient to provide payment of tuition expenses toward completion of not more than two academic years of the required postsecondary education component of the certified program at an Iowa community college or an Iowa public or private college or university. This amount shall be held in trust for the benefit of the participant pursuant to rules adopted by the department of economic development. Payment into an ERISA-approved fund for the benefit of the participant shall satisfy this requirement. The specific fund shall be specified in the agreement.

7. The participant's agreement to work for the employer for at least two years following the completion of the participant's postsecondary education required by the certified program. However, the agreement may provide for additional education and work commitments beyond the two years.

8. If the participant does not complete the two-year employment obligation, the participant's agreement to repay to the employer the amount paid by the employer toward the participant's postsecondary education expenses pursuant to subsection 6.

9. a. That if a participant does not complete the certified program contemplated by the agreement after entering a postsecondary education program, any unexpended funds being held in trust for the participant's postsecondary education shall be paid back to the employer. In addition the participant must repay to the employer amounts paid from the

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trust which were expended on the participant's behalf for postsecondary education.

b. That if a participant does not complete the certified program contemplated by the agreement prior to entering a postsecondary education program, one-half of the moneys being held in trust for the participant's postsecondary education shall be paid to a postsecondary education institution as defined in section 261C.3 of the participant's choice to pay tuition or expenses of the participant. The other one-half of the trust moneys shall be paid back to the employer. Any moneys to be transferred for the benefit of the participant which are not transferred within five years for purposes of education at the designated postsecondary institution, shall be paid back to the employer.

Sec. 19. NEW SECTION. 15.365 PAYROLL EXPENDITURE REFUND.

1. An employer who employs a participant in a certified school to career program may claim a refund of twenty percent of the employer's payroll expenditures for each participant in the certified program. The refund is limited to the first four hundred hours of payroll expenditures per participant for each calendar year the participant is in the certified program, not to exceed three years per participant.

2. To receive a refund under subsection 1 for a calendar year, the employer shall file the claim by July 1 of the following calendar year. The claim shall be filed on forms provided by the department of economic development and the employer shall provide such information regarding the employer's participation in a certified school to career program as the department may require. Forms should be designed such that claims for refunds for more than one participant may be made on a single form.

3. For each fiscal year of the fiscal period beginning July 1, 1999, and ending June 30, 2004, there is appropriated up to five hundred thousand dollars annually from the general fund of the state to the department of economic development to pay refunds under this section. If the amount appropriated in a fiscal year is insufficient to pay all refund claims for the

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calendar year in full, each claimant shall receive a proportion of the claimant's refund claim equal to the ratio of the amount appropriated to the total amount of refund claims. Any unpaid portion of a claim shall not be paid from a subsequent fiscal year appropriation.

4. The department of economic development shall consult with the department of revenue and finance for purposes of this section. The department of economic development shall adopt rules as deemed necessary to carry out the purposes of the certified school to career program.

Sec. 20. NEW SECTION. 15.366 CUSTOMER TRACKING SYSTEM.

All participants and sponsors participating in a certified school to career program shall be included in the customer tracking system implemented by the department of workforce development pursuant to section 84A.5.

Sec. 21. NEW SECTION. 15.367 REPEAL.

This part of chapter 15 is repealed June 30, 2004. However, any contracts in existence on June 30, 2004, shall continue to be valid and each party to such contract is obligated to perform as required under such contract. However, no employer is entitled to any payroll expenditure refund for payroll expenditures incurred after December 31, 2002.

Sec. 22. NEW SECTION. 15A.8 LOANS PAYABLE FROM NEW JOBS CREDIT FROM WITHHOLDING.

1. As an additional means to provide moneys for the payment of the costs of a new jobs training project or multiple projects under chapter 260E and this chapter, a community college may make an advance or loan, including an interfund transfer or a loan from moneys on hand and legally available, to be paid from the same sources and secured in the same manner as certificates described in sections 15A.7 and 260E.6.

2. Revenues from a job training agreement received prior to the completion by a business of its repayment obligation for a project and not pledged to certificates, loans, or advances, and not necessary for the payment of principal and

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interest maturing on such certificates, loans, or advances, may be applied by the community college to the reduction of any other outstanding certificates, loans, or advances.

Sec. 23. Section 15E.83, Code 1997, is amended to read as follows:

15E.83 SEED CAPITAL CORPORATION.

1. The Iowa seed capital corporation shall be incorporated under chapter 504A. ~~The purpose of the corporation shall be to provide seed capital to start-up and emerging-growth companies in Iowa that are bringing new products and processes to the marketplace, and it shall be the goal of the corporation to financially support the establishment and growth of start-up and emerging-growth companies that can contribute to the economic diversity of the state and provide general and specific economic benefits to the state. The corporation shall only provide seed capital or financial assistance to Iowa businesses. The corporation shall not be regarded as a state agency, except for purposes of chapters 17A and 69, and a member of the board is not considered a state employee, except for purposes of chapter 669. An individual employed by the corporation is a state employee for purposes of the Iowa public employees' retirement system, state health and dental plans, and other state employee benefit plans and chapter 669. Chapters 8, 18, 19A, and 20 and other provisions of law that relate to requirements or restrictions dealing with state personnel or state funds do not apply to the corporation and any employees of the board or corporation except to the extent provided in this division. Chapters 21 and 22 shall apply to activities of the corporation and to employees of the board or corporation except to the extent provided in this division.~~

2. The corporation shall be governed by a board of seven directors who shall serve a term of four years. ~~Of the seven directors, four shall be persons experienced in business finance and employed at a bank or other financial institution, be a certified public accountant, be an attorney, or be a licensed stockbroker. Each director shall serve at the~~

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~~pleasure-of-the-governor-and-shall-be-appointed-by-the governor, subject to confirmation by the senate pursuant to section 2.32. A director is eligible for reappointment. A vacancy on the board of directors shall be filled in the same manner as an original appointment.~~

~~3. The board of directors shall annually elect one member as chairperson and one member as secretary. The board may elect other officers of the corporation as necessary. Members shall be reimbursed for necessary expenses incurred in the performance of duties from funds appropriated to the corporation.~~

4 3. Each director of the corporation shall take an oath of office and the record of each oath shall be filed in the office of the secretary of state.

5 4. The corporation shall receive information and cooperate with other agencies of the state and the political subdivisions of the state.

Sec. 24. Section 15E.85, Code 1997, is amended to read as follows:

15E.85 BOARD OF DIRECTORS.

The powers of the corporation are vested in and shall be exercised by the board of directors. ~~Four members of the board constitute a quorum and an affirmative vote of at least four of the members present at a meeting is necessary before an action may be taken by the board.~~ An action taken by the board shall be authorized by resolution at a regular or special meeting and takes effect immediately unless the resolution specifies otherwise. Notice of a meeting shall be given orally or in writing not less than forty-eight hours prior to the meeting.

Sec. 25. Section 15E.87, Code 1997, is amended to read as follows:

15E.87 CORPORATE PURPOSE -- POWERS.

The purpose of the corporation is to stimulate and encourage the development of new products within Iowa by the infusion of financial aid for invention and innovation in situations in which financial aid would not otherwise be

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reasonably available from commercial sources. For this purpose the corporation has the following powers:

1. To have perpetual succession as a corporate body and to adopt bylaws, policies, and procedures for the regulation of its affairs and conduct of its business consistent with the purposes of this division.

~~2. To enter into venture agreements with persons doing business in Iowa upon conditions and terms which are consistent with the purposes of this division for the advancement of financial aid to the persons. The financial aid advanced shall be for the development of specific products, procedures, and techniques which are to be developed and produced in this state. The corporation shall condition the agreements upon contractual assurances that the benefits of increasing or maintaining employment and tax revenues shall remain in Iowa.~~

~~3. To receive and accept aid or contributions from a source of money, property, labor, or other things of value to be used to carry out the purposes of this division including gifts or grants from a department or agency of the United States or any state.~~

~~4. To issue notes and bonds as provided under this division.~~

5 2. To hold patents, copyrights, trademarks, or other evidences of protection or exclusivity issued under the laws of this state or the United States to any products.

6 3. To employ assistants, agents, and other employees and to engage consultants, attorneys, and appraisers as necessary or desirable to carry out the purposes of the corporation.

7 4. To make and enter into contracts and agreements necessary or incidental to its performance of the duties and the powers granted to the corporation.

8 5. To sue and be sued, plead, and adopt a seal.

9 6. With the approval of the treasurer of state, to invest funds which are not needed for immediate use or disbursement, including funds held in reserve, in obligations issued or guaranteed by the state or the United States.

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¶7. To procure insurance against a loss in connection with its property and other assets.

¶8. To the extent permitted under a corporation contract with other persons, to consent to a termination, modification, forgiveness, or other change in the terms of a contractual right, payment, royalty, contract, or agreement.

¶9. To take necessary action to render bonds issued under this division more marketable.

Sec. 26. Section 422.16A, Code Supplement 1997, is amended to read as follows:

422.16A JOB TRAINING WITHHOLDING -- CERTIFICATION AND TRANSFER.

Upon the completion by a business of its repayment obligation for a training project funded under chapter 260E, including a job training project funded under ~~chapter-260E-and~~ section 15A.8 or repaid in whole or in part by the supplemental new jobs credit from withholding under section 15A.7 or section 15.331, the sponsoring community college shall report to the department of economic development the amount of withholding paid by the business to the community college during the final twelve months of withholding payments. The department of economic development shall notify the department of revenue and finance of that amount. The department shall credit to the workforce development fund account established in section 15.342A twenty-five percent of that amount each quarter for a period of ten years. If the amount of withholding from the business or employer is insufficient, the department shall prorate the quarterly amount credited to the workforce development fund account. The maximum amount from all employers which shall be transferred to the workforce development fund account in any year is ten million dollars.

Sec. 27. LIQUIDATION OF THE IOWA SEED CAPITAL CORPORATION. Notwithstanding sections 15E.81 through 15E.94, sections 15E.181 through 15E.184, and 1997 Iowa Acts, chapter 143, sections 5 and 6, it is the intent of the general assembly that the Iowa seed capital corporation shall be liquidated or

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sold in an orderly manner. On May 31, 1998, the terms of the board members of the Iowa seed capital corporation shall terminate, the Iowa seed capital corporation shall be renamed the ISCC liquidation corporation, and a three-person board shall be constituted to complete the orderly liquidation or sale of the assets of the ISCC liquidation corporation. The ISCC liquidation corporation board shall consist of the commissioner of insurance or the commissioner's designee, the superintendent of banking or the superintendent's designee, and the treasurer of state or the treasurer's designee. The members of the ISCC liquidation corporation board and any staff providing assistance to the board shall not be liable for their acts or omissions in connection with the liquidation or sale of the corporation. The ISCC liquidation corporation board shall close the corporation offices at 200 East Grand, Des Moines, Iowa, by June 30, 1998, terminate the officers and staff of the corporation by June 30, 1998, and shall not hire a new permanent or temporary staff to operate this corporation.

The staff of the treasurer of state shall provide administrative support to the ISCC liquidation corporation board and the corporation shall reimburse the treasurer of state for the reasonable costs of providing administrative support. The attorney general shall be consulted and shall provide legal support throughout the liquidation and sale process and the corporation shall reimburse the attorney general for the reasonable costs of providing any such consultation and legal support.

The ISCC liquidation corporation board's goals in supervising the liquidation or sale of the corporation are to maximize the net revenue to the state and minimize the impact to the companies involved. The board shall not make any new investments during the liquidation period, except for those necessary to protect and maintain its current holdings.

The ISCC liquidation corporation board is authorized to contract for the services, including brokers, other financial advisors or consultants, or legal advisors, necessary to

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complete the orderly liquidation or sale of the ISCC liquidation corporation.

The ISCC liquidation corporation board may determine the potential administrative, legal, and contractual service costs for the liquidation or sale of the corporation and may maintain a prudent reserve fund from liquid assets of the corporation for such purposes. Upon the unanimous vote of the ISCC liquidation corporation board the remainder of the liquid assets shall be transferred to the strategic investment fund established in section 15.313.

Following the complete liquidation and dissolution of the corporation or the sale of the corporation, all remaining moneys shall be transferred to the strategic investment fund. Upon transfer of the remaining moneys to the strategic investment fund, the ISCC liquidation corporation board shall be dissolved.

Sec. 28. SHELTER ASSISTANCE FUND. In providing moneys from the shelter assistance fund to homeless shelter programs, the department of economic development shall explore the potential of allocating moneys to homeless shelter programs based in part on their ability to move their clients toward self-sufficiency.

Sec. 29. The department of economic development and the department of workforce development shall within the budget proposals for the fiscal year beginning July 1, 2000, detail the number of FTEs and contract employees included in the budget proposal. During the budget process for the fiscal year beginning July 1, 2000, the joint economic development appropriation subcommittee shall examine contract employees in relationship to the budgets of the department of economic development and the department of workforce development.

Sec. 30. The department of economic development shall submit a report to the general assembly as provided in section 7A.11 by January 1, 1999, which includes all of the following:

1. A survey of all business, industry, and agriculture-related international trade activities in this state. The survey shall include the types of businesses and the products

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involved in international trade and the estimated costs and revenues resulting from such trade.

2. A list of specific targets and targeted opportunities for business, industry, and agriculture related to international trade activities in this state. These targets shall include the types of businesses and the products that are currently involved in international trade, as well as the types of businesses and the products that could potentially become involved in international trade in the future.

Sec. 31. BUDGET PROPOSALS. The department of economic development and the department of workforce development shall submit all budget proposals in the traditional format as well as in the budgeting for results format for the fiscal year beginning July 1, 1999.

Sec. 32. By December 31 of each year, the ISCC liquidation corporation shall submit an annual report to the chairpersons and the ranking members of the joint appropriations subcommittee on economic development. The report shall include an update on the financial condition of the corporation relating to the status of any moneys, assets, or contracts currently being held by the corporation or transferred by the corporation during the prior year.

Sec. 33. NEW SECTION. 16.5A NONPROFIT CORPORATIONS.

Any nonprofit corporation created by or in association with the Iowa finance authority since January 1, 1989, shall file a report by January 15 of each year with the chairpersons and ranking members of the appropriate appropriations subcommittees of the general assembly. Any nonprofit corporation created by or in association with the authority since January 1, 1989, shall adopt a written conflict of interests policy.

Sec. 34. NEW SECTION. 16.5B HOUSING CORPORATION BOARD.

The board of directors of the Iowa housing corporation shall consist of seven voting members serving staggered three-year terms. One member of the board of directors shall be a representative of the home builders association of Iowa and one member of the board of directors shall be a representative

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of the Iowa bankers association.

Sec. 35. FEDERAL GRANTS. All federal grants to and the federal receipts of agencies appropriated funds under this Act, not otherwise appropriated, are appropriated for the purposes set forth in the federal grants or receipts unless otherwise provided by the general assembly.

Sec. 36. The Iowa finance authority and the Iowa housing corporation shall consider restrictions on any per diem provided to a member of the board of directors serving both the authority and the Iowa housing corporation on occasions when meetings of both entities are held on the same day and in the same city or metropolitan area.

Sec. 37. Notwithstanding section 96.9, subsection 4, paragraph "a", moneys credited to the state by the secretary of the treasury of the United States pursuant to section 903 of the Social Security Act shall be appropriated to the department of workforce development and shall be used by the department for the administration of the unemployment compensation program only. This appropriation shall not apply to any fiscal year after June 30, 2001.

Sec. 38. Notwithstanding any full-time equivalent position limitations in this Act to the contrary, the department of economic development may add 3.00 FTEs for the commission on volunteer services and 1.00 FTE for the housing assistance program. Two of the full-time equivalent positions added under this section for the commission on volunteer services relate to the transition of personnel services contractors to full-time equivalent positions. The merit system provisions of chapter 19A and the provisions of the state and union collective bargaining agreements shall not govern movement into these full-time positions until September 1, 1998. The provisions relating to the transition of personnel services contractors to full-time equivalent positions, chapter 19A, and collective bargaining agreements are void after September 1, 1998.

Sec. 39. Section 15E.86, Code 1997, is repealed.

Sec. 40. EFFECTIVE DATE. Sections 14, 15, 16, 17, 18, 19,

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20, 21, and 27 of this Act, being deemed of immediate importance, take effect upon enactment."

ON THE PART OF THE SENATE:

ON THE PART OF THE HOUSE:

ALLEN BORLAUG, Chairperson
PATRICK J. DELUHERY
PATRICIA HARPER
DERRYL McLAREN
NEAL SCHUERER

STEVEN CHURCHILL, Chairperson
DAVID MILLAGE
JAMES VAN FOSSEN

CCS-2296 FILED APRIL 21, 1998

ADOPTED

(P. 1425)

Adopted

P. 1896 4/21/98

Dorland
McLaren
Harper

SSB-2160
Appropriations

Succeeded By
SENATE/HOUSE FILE HF 2296
BY (PROPOSED JOINT APPROPRIATIONS
SUBCOMMITTEE ON ECONOMIC
DEVELOPMENT BILL)

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

A BILL FOR

1 An Act appropriating funds to the department of economic
2 development, certain board of regents institutions, the
3 department of workforce development, the public employment
4 relations board, making related statutory changes, and
5 providing an effective date provision.

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

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1 Section 1. DEPARTMENT OF ECONOMIC DEVELOPMENT. There is
2 appropriated from the general fund of the state and other
3 designated funds to the department of economic development for
4 the fiscal year beginning July 1, 1998, and ending June 30,
5 1999, the following amounts, or so much thereof as is
6 necessary, to be used for the purposes designated:

7 1. ADMINISTRATIVE SERVICES DIVISION

8 a. General administration

9 For salaries, support, maintenance, miscellaneous purposes,
10 and for providing that a business receiving moneys from the
11 department for the purpose of job creation shall make
12 available ten percent of the new jobs created for promise jobs
13 program participants who are qualified for the jobs created
14 and for not more than the following full-time equivalent
15 positions:

16	\$	1,497,074
17	FTEs	25.75

18 One of the full-time equivalent positions authorized in
19 this lettered paragraph relates to the transition of personnel
20 services contractors to full-time equivalent positions. The
21 merit system provisions of chapter 19A and the provisions of
22 the state and union collective bargaining agreements shall not
23 govern movement into these full-time equivalent positions
24 until September 1, 1998. These provisions relating to the
25 transition of personnel services contractors to full-time
26 equivalent positions, chapter 19A, and collective bargaining
27 agreements are void after September 1, 1998.

28 b. Film office

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

32	\$	253,632
33	FTEs	2.00

34 2. BUSINESS DEVELOPMENT DIVISION

35 a. Business development operations

1 For salaries, support, maintenance, miscellaneous purposes,
 2 for not more than the following full-time equivalent
 3 positions, for allocating \$495,000 to support activities in
 4 conjunction with the Iowa manufacturing technology center,
 5 \$150,000 to the graphic arts center, and for a strategic
 6 marketing effort for workforce development:

7 \$ 3,942,849
 8 FTEs 22.75

9 Four of the full-time equivalent positions authorized in
 10 this lettered paragraph relate to the transition of personnel
 11 services contractors to full-time equivalent positions. The
 12 merit system provisions of chapter 19A and the provisions of
 13 the state and union collective bargaining agreements shall not
 14 govern movement into these full-time equivalent positions
 15 until September 1, 1998. These provisions relating to the
 16 transition of personnel services contractors to full-time
 17 equivalent positions, chapter 19A, and collective bargaining
 18 agreements are void after September 1, 1998.

19 b. Small business programs

20 For salaries, support, maintenance, miscellaneous purposes,
 21 and for not more than the following full-time equivalent
 22 positions for the small business program, the small business
 23 advisory council, and targeted small business program:

24 \$ 452,252
 25 FTEs 5.00

26 c. Federal procurement office

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

30 \$ 106,124
 31 FTEs 3.00

32 Notwithstanding section 8.33, moneys remaining unencumbered
 33 or unobligated on June 30, 1999, shall not revert and shall be
 34 available for expenditure during the fiscal year beginning
 35 July 1, 1999, for the same purposes.

1 d. Strategic investment fund

2 For deposit in the strategic investment fund for salaries,
3 support, for not more than the following full-time equivalent
4 positions:

5 \$ 6,806,774
6 FTEs 12.50

7 Two of the full-time equivalent positions authorized in
8 this lettered paragraph relate to the transition of personnel
9 services contractors to full-time equivalent positions. The
10 merit system provisions of chapter 19A and the provisions of
11 the state and union collective bargaining agreements shall not
12 govern movement into these full-time equivalent positions
13 until September 1, 1998. These provisions relating to the
14 transition of personnel services contractors to full-time
15 equivalent positions, chapter 19A, and collective bargaining
16 agreements are void after September 1, 1998.

17 The department may allocate from the strategic investment
18 fund up to \$600,000 for the entrepreneurial ventures
19 assistance program. The department shall seek the advice,
20 consultation, and cooperation of the entrepreneurial centers
21 and the major benefactor of the centers in the implementation
22 of the entrepreneurial ventures assistance program.

23 The department may allocate from the strategic investment
24 fund up to \$100,000 for the microbusiness rural enterprise
25 assistance program under section 15.114.

26 The department shall provide an annual report on the
27 progress made by the department in making the community
28 economic betterment program a self-sustaining, revolving loan
29 program.

30 e. Insurance economic development

31 There is appropriated from moneys collected by the division
32 of insurance in excess of the anticipated gross revenues under
33 section 505.7, subsection 3, to the department for the fiscal
34 year beginning July 1, 1998, and ending June 30, 1999, the
35 following amount, or so much thereof as is necessary, for

1 insurance economic development and international insurance
 2 economic development:
 3 \$ 200,000

4 f. Value-added agriculture
 5 There is appropriated from the moneys available to support
 6 value-added agricultural products and processes, four percent,
 7 or so much thereof as is necessary, of the total moneys
 8 available to support value-added agricultural products and
 9 processes pursuant to section 423.24 each quarter for
 10 administration of the value-added agricultural products and
 11 processes financial assistance program as provided in section
 12 15E.111, including salaries, support, maintenance,
 13 miscellaneous purposes, and for not more than 2.00 FTEs.

14 The department shall collaborate with the university of
 15 northern Iowa on a strategic initiative to develop ag-based
 16 industrial lubrication technology and to create projects to
 17 deploy the technology in commercial applications.
 18 Notwithstanding the requirements of section 15E.111 and the
 19 administrative rules for value-added agricultural products and
 20 processes, the department shall allocate \$150,000 for this
 21 initiative.

22 3. COMMUNITY DEVELOPMENT DIVISION

23 a. Community assistance
 24 For salaries, support, maintenance, miscellaneous purposes,
 25 and for not more than the following full-time equivalent
 26 positions for administration of the community economic
 27 preparedness program, the Iowa community betterment program,
 28 and the city development board:

29 \$ 654,547
 30 FTEs 8.50

31 b. Main street/rural main street program
 32 For salaries and support for not more than the following
 33 full-time equivalent positions:

34 \$ 427,429
 35 FTEs 3.00

1 Notwithstanding section 8.33, moneys committed to grantees
2 under contract from the general fund of the state that remain
3 unexpended on June 30, 1999, shall not revert to any fund but
4 shall be available for expenditure for purposes of the
5 contract during the fiscal year beginning July 1, 1999.

6 c. Community development program

7 For salaries, support, maintenance, miscellaneous purposes,
8 for not more than the following full-time equivalent
9 positions, for rural resource coordination, rural community
10 leadership, rural innovations grant program, and the rural
11 enterprise fund:

12	\$	829,338
13	FTEs	7.50

14 Three of the full-time equivalent positions authorized in
15 this lettered paragraph relate to the transition of personnel
16 services contractors to full-time equivalent positions. The
17 merit system provisions of chapter 19A and the provisions of
18 the state and union collective bargaining agreements shall not
19 govern movement into these full-time equivalent positions
20 until September 1, 1998. These provisions relating to the
21 transition of personnel services contractors to full-time
22 equivalent positions, chapter 19A, and collective bargaining
23 agreements are void after September 1, 1998.

24 There is appropriated from the rural community 2000 program
25 revolving fund established in section 15.287 to provide to
26 Iowa's councils of governments funds for planning and
27 technical assistance to local governments:

28	\$	150,000
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29 There is appropriated from the rural community 2000 program
30 revolving fund established in section 15.287 to the rural
31 development program for the purposes of the program including
32 the rural enterprise fund and collaborative skills development
33 training:

34	\$	484,343
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35 Notwithstanding section 8.33, moneys committed to grantees

1 under contract from the general fund of the state or through
2 transfers from the Iowa community development loan fund or
3 from the rural community 2000 program revolving fund that
4 remain unexpended on June 30, 1999, shall not revert but shall
5 be available for expenditure for purposes of the contract
6 during the fiscal year beginning July 1, 1999.

7 d. Community development block grant and HOME

8 For administration and related federal housing and urban
9 development grant administration for salaries, support,
10 maintenance, miscellaneous purposes, and for not more than the
11 following full-time equivalent positions:

12	\$	422,719
13	FTEs	21.75

14 Three of the full-time equivalent positions authorized in
15 this lettered paragraph relate to the transition of personnel
16 services contractors to full-time equivalent positions. The
17 merit system provisions of chapter 19A and the provisions of
18 the state and union collective bargaining agreements shall not
19 govern movement into these full-time equivalent positions
20 until September 1, 1998. These provisions relating to the
21 transition of personnel services contractors to full-time
22 equivalent positions, chapter 19A, and collective bargaining
23 agreements are void after September 1, 1998.

24 e. Housing development fund

25 For providing technical assistance to communities of all
26 sizes and local financial institutions to help meet local
27 housing needs and to provide and transfer matching funds for
28 the HOME program:

29	\$	1,300,000
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30 Notwithstanding section 8.33, moneys committed to grantees
31 under contract from the housing development fund and moneys
32 transferred for matching funds for the HOME program that
33 remain unexpended or unobligated on June 30, 1999, shall not
34 revert to any fund but shall be available for obligation and
35 expenditure for purposes of those programs during the fiscal

1 year beginning July 1, 1999.

2 f. Shelter assistance program

3 For the purposes of the shelter assistance fund:

4 \$ 400,000

5 4. INTERNATIONAL DIVISION

6 a. International trade operations

7 For salaries, support, maintenance, miscellaneous purposes,

8 for support of foreign representation and trade offices, and

9 for not more than the following full-time equivalent

10 positions:

11 \$ 2,022,107

12 FTEs 10.00

13 From among the full-time equivalent positions authorized by
14 this lettered paragraph, one position shall concentrate on the
15 export sale of grain, one on the export sale of livestock, and
16 one on the export sale of value-added agricultural products.

17 b. Export trade assistance program

18 For export trade activities, including a program to
19 encourage and increase participation in trade shows and trade
20 missions by providing financial assistance to businesses for a
21 percentage of their costs of participating in trade shows and
22 trade missions, by providing for the lease/sublease of
23 showcase space in existing world trade centers, by providing
24 temporary office space for foreign buyers, international
25 prospects, and potential reverse investors, and by providing
26 other promotional and assistance activities, including
27 salaries and support:

28 \$ 425,000

29 Notwithstanding section 8.33, moneys appropriated by this
30 lettered paragraph which remain unobligated or unexpended on
31 June 30, 1999, shall not revert to the general fund of the
32 state but shall be transferred to and deposited in the
33 strategic investment fund created in section 15.313.

34 c. Agricultural product advisory council

35 For support, maintenance, and miscellaneous purposes:

2160

1 \$ 1,300

2 d. For transfer to the partner state program which the
3 department may use to contract with private groups or
4 organizations which are the most appropriate to administer
5 this program and the groups and organizations participating in
6 the program shall, to the fullest extent possible, provide the
7 funds to match the appropriation made in this paragraph of the
8 funds transferred:

9 \$ 125,000

10 5. TOURISM DIVISION

11 Tourism operations/advertising

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

15 \$ 5,040,732

16 FTEs 18.52

17 The department may expend up to \$130,000 to provide
18 assistance to private welcome centers in the state. The
19 department shall not provide assistance of more than \$10,000
20 to any one private welcome center. A private welcome center
21 seeking assistance shall submit a competitive application to
22 the department and may be eligible for receiving assistance if
23 the private welcome center complies with all of the following
24 criteria:

25 a. The private welcome center is at risk of a projected
26 operating deficit.

27 b. The private welcome center complies with operational
28 standards and requirements determined by the department.

29 c. The private welcome center submits a financial plan for
30 self-sufficiency to the department.

31 The department shall conduct a study of the public and
32 private welcome center system in the state. The department
33 shall make recommendations to the general assembly for the
34 future operation of the system including recommendations
35 concerning funding for private welcome center operations and

1 quality standards for public and private welcome centers.

2 The department shall not use the moneys appropriated in
3 this subsection, unless the department develops public-private
4 partnerships with Iowa businesses in the tourism industry,
5 Iowa tour groups, Iowa tourism organizations, and political
6 subdivisions in this state to assist in the development of
7 advertising efforts. The department shall, to the fullest
8 extent possible, develop cooperative efforts for advertising
9 with contributions from other sources.

10 Sec. 2. COMMUNITY DEVELOPMENT LOAN FUND. Notwithstanding
11 section 15E.120, subsections 5, 6, and 7, and section 15.287,
12 there is appropriated from the Iowa community development loan
13 fund all the moneys available during the fiscal year beginning
14 July 1, 1998, and ending June 30, 1999, to the department of
15 economic development for the community development program to
16 be used by the department for the purposes of the program.

17 Sec. 3. JOB TRAINING FUND. Notwithstanding section
18 15.251, subsection 2, there is appropriated from the job
19 training fund to the department of economic development for
20 the fiscal year beginning July 1, 1998, and ending June 30,
21 1999, the following amount, or so much thereof as is
22 necessary, to be used for the purposes designated:

23 For administration of chapter 260E, including salaries,
24 support, maintenance, miscellaneous purposes, and for not more
25 than the following full-time equivalent positions:

26	\$	210,000
27	FTEs	2.50

28 Appropriations to the department of economic development
29 for administration of chapter 260E and the department of
30 workforce development for the target alliance program shall be
31 funded on a proportional basis if receipts to the job training
32 fund are insufficient to fund both appropriations in their
33 entirety.

34 Sec. 4. WORKFORCE DEVELOPMENT FUND. There is appropriated
35 from the workforce development fund account created in section

2160

1 15.342A, to the workforce development fund created in section
2 15.343, for the fiscal year beginning July 1, 1998, and ending
3 June 30, 1999, the following amount, for the purposes of the
4 workforce development fund:

5 \$ 6,175,000

6 Sec. 5. Of all funds appropriated to or receipts credited
7 to the job training fund created in section 260F.6, subsection
8 1, up to \$175,000 for the fiscal year beginning July 1, 1998,
9 and ending June 30, 1999, and not more than 1.50 FTEs may be
10 used for the administration of the Iowa jobs training Act.

11 Sec. 6. IOWA STATE UNIVERSITY. There is appropriated from
12 the general fund of the state to the Iowa state university of
13 science and technology for the fiscal year beginning July 1,
14 1998, and ending June 30, 1999, the following amounts, or so
15 much thereof as is necessary, to be used for the purposes
16 designated:

17 1. For funding and maintaining in their current locations
18 the existing small business development centers, and for not
19 more than the following full-time equivalent positions:

20 \$ 1,235,880

21 FTEs 5.80

22 2. For the Iowa state university of science and technology
23 research park, including salaries, support, maintenance,
24 miscellaneous purposes, and for not more than the following
25 full-time equivalent positions:

26 \$ 376,500

27 FTEs 4.31

28 3. For funding the institute for physical research and
29 technology, provided that \$318,358 shall be allocated to the
30 industrial incentive program in accordance with the intent of
31 the general assembly, and for not more than the following
32 full-time equivalent positions:

33 \$ 4,379,458

34 FTEs 46.42

35 It is the intent of the general assembly that the incentive

1 program focus on Iowa industrial sectors and seek
 2 contributions and in-kind donations from businesses,
 3 industrial foundations, and trade associations and that moneys
 4 for the institute for physical research and technology
 5 industrial incentive program shall only be allocated for
 6 projects which are matched by private sector moneys for
 7 directed contract research or for nondirected research. The
 8 match required of small businesses as defined in section
 9 15.102, subsection 4, for directed contract research or for
 10 nondirected research shall be \$1 for each \$3 of state funds.
 11 The match required for other businesses for directed contract
 12 research or for nondirected research shall be \$1 for each \$1
 13 of state funds. The match required of industrial foundations
 14 or trade associations shall be \$1 for each \$1 of state funds.

15 Iowa state university of science and technology shall
 16 report annually to the joint appropriations subcommittee on
 17 economic development and legislative fiscal bureau the total
 18 amounts of private contributions, the proportion of
 19 contributions from small businesses and other businesses, and
 20 the proportion for directed contract research and nondirected
 21 research of benefit to Iowa businesses and industrial sectors.

22 Notwithstanding section 8.33, moneys appropriated for the
 23 fiscal year which remain unobligated and unexpended at the end
 24 of the fiscal year shall not revert but shall be available for
 25 expenditure the following fiscal year.

26 Sec. 7. UNIVERSITY OF IOWA. There is appropriated from
 27 the general fund of the state to the state university of Iowa
 28 for the fiscal year beginning July 1, 1998, and ending June
 29 30, 1999, the following amounts, or so much thereof as is
 30 necessary, to be used for the purposes designated:

31 1. For the university of Iowa research park, including
 32 salaries, support, maintenance, equipment, miscellaneous
 33 purposes, and for not more than the following full-time
 34 equivalent positions:

35 \$ 331,007

2160

1 FTEs 4.35

2 2. For funding the advanced drug development program at
3 the Oakdale research park and for not more than the following
4 full-time equivalent positions:

5 \$ 262,199

6 FTEs 2.85

7 The board of regents shall submit a report on the progress
8 of regents institutions in meeting the strategic plan for
9 technology transfer and economic development to the
10 chairpersons of the joint appropriations subcommittee on
11 economic development, the joint appropriations subcommittee on
12 education, the majority leader and minority leader of the
13 senate, the majority and minority leaders of the house of
14 representatives, the secretary of the senate, the chief clerk
15 of the house of representatives, and the legislative fiscal
16 bureau by December 1, 1998.

17 Sec. 8. UNIVERSITY OF NORTHERN IOWA. There is
18 appropriated from the general fund of the state to the
19 university of northern Iowa for the fiscal year beginning July
20 1, 1998, and ending June 30, 1999, the following amounts, or
21 so much thereof as is necessary, to be used for the purposes
22 designated:

23 1. For the metal casting institute, including salaries,
24 support, maintenance, miscellaneous purposes, and for not more
25 than the following full-time equivalent positions:

26 \$ 166,349

27 FTEs 2.75

28 2. For the institute of decision making, including
29 salaries, support, maintenance, miscellaneous purposes, and
30 for not more than the following full-time equivalent
31 positions:

32 \$ 688,308

33 FTEs 8.00

34 Sec. 9. DEPARTMENT OF WORKFORCE DEVELOPMENT. There is
35 appropriated from the general fund of the state, to the

1 department of workforce development for the fiscal year
2 beginning July 1, 1998, and ending June 30, 1999, the
3 following amounts, or so much thereof as is necessary, for the
4 purposes designated:

5 1. DIVISION OF LABOR SERVICES

6 For the division of labor services, including salaries,
7 support, maintenance, miscellaneous purposes, and for not more
8 than the following full-time equivalent positions:

9 \$ 2,902,693
10 FTEs 93.00

11 From the contractor registration fees, the division of
12 labor services shall reimburse the department of inspections
13 and appeals for all costs associated with hearings under
14 chapter 91C, relating to contractor registration.

15 2. DIVISION OF INDUSTRIAL SERVICES

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

19 \$ 2,390,927
20 FTEs 34.00

21 The division of industrial services shall continue charging
22 a \$65 filing fee for workers' compensation cases. The filing
23 fee shall be paid by the petitioner of a claim. However, the
24 fee can be taxed as a cost and paid by the losing party,
25 except in cases where it would impose an undue hardship or be
26 unjust under the circumstances.

27 3. For salaries, support, maintenance, miscellaneous
28 purposes, and for not more than the following full-time
29 equivalent position for the workforce development state and
30 regional boards:

31 \$ 106,929
32 FTE 1.00

33 4. For salaries, support, maintenance, miscellaneous
34 purposes for collection of labor market information, and for
35 not more than the following full-time equivalent position:

1	\$	65,354
2	FTE	1.00

3 5. WORKFORCE DEVELOPMENT AREA

4 For salaries, support, maintenance, and miscellaneous
 5 purposes for the development and maintenance of a workforce
 6 sufficient in size and skill to meet the occupational demands
 7 of each workforce development area, and for workforce
 8 development programs, including those provided for in sections
 9 84A.7, 84A.8, and 84A.9. Each region shall be required to
 10 provide an equal amount of matching funds from local sources:

11	\$	1,480,022
12	FTEs	4.20

13 The department shall expend \$923,180 on youth workforce
 14 programs. Youth conservation corps program moneys shall be
 15 allocated among the regions which have developed a youth
 16 conservation corps program by July 1, 1998.

17 Notwithstanding section 8.33, moneys committed to grantees
 18 under contract that remain unexpended on June 30, 1999, shall
 19 not revert to any fund but shall be available for expenditure
 20 for purposes of the contract during the fiscal year beginning
 21 July 1, 1999.

22 6. LABOR MANAGEMENT COORDINATOR

23 For salaries, support, maintenance, miscellaneous purposes,
 24 and for not more than the following full-time equivalent
 25 position:

26	\$	66,851
27	FTE	0.50

28 The Iowa workforce development board shall be responsible
 29 for the functions previously conducted by the state labor
 30 management cooperation council. The board, the department of
 31 workforce development, and the labor management coordinator
 32 shall cooperate to improve communications and facilitate
 33 dialogue between labor, management, and government on
 34 workforce development problems facing the state, to form in-
 35 plant labor management committees, and to provide technical

1 assistance to establish effective labor management policies in
2 the state.

3 7. WELFARE-TO-WORK MATCHING FUNDS

4 For matching funds for welfare-to-work grants authorized
5 through the United States department of labor to provide
6 additional services for the hardest to employ recipients of
7 family investment program benefits:

8 \$ 888,633

9 Notwithstanding section 8.33, moneys appropriated
10 in this subsection which remain unexpended or
11 unobligated on June 30, 1999, shall not revert to the
12 general fund of the state but shall remain available
13 for expenditure for the same purpose during the fiscal
14 year beginning July 1, 1999.

15 Sec. 10. JOB TRAINING FUND. Notwithstanding section
16 15.251, subsection 2, there is appropriated from the job
17 training fund to the department of workforce development for
18 the fiscal year beginning July 1, 1998, and ending June 30,
19 1999, the following amount, or so much thereof as is
20 necessary, to be used for the purpose designated:

21 For the target alliance program:

22 \$ 30,000

23 Sec. 11. ADMINISTRATIVE CONTRIBUTION SURCHARGE FUND.

24 There is appropriated from the administrative contribution
25 surcharge fund of the state to the department of workforce
26 development for the fiscal year beginning July 1, 1998, and
27 ending June 30, 1999, the following amount, or so much thereof
28 as is necessary, for the purposes designated:

29 Notwithstanding section 96.7, subsection 12, paragraph "c",
30 for salaries, support, maintenance, conducting labor
31 availability surveys, miscellaneous purposes, and for not more
32 than the following full-time equivalent positions:

33 \$ 7,100,000

34 FTES 125.42

35 Sec. 12. EMPLOYMENT SECURITY CONTINGENCY FUND. There is

2160

1 appropriated from the special employment security contingency
2 fund to the department of workforce development for the fiscal
3 year beginning July 1, 1998, and ending June 30, 1999, the
4 following amounts, or so much thereof as is necessary, for the
5 purposes designated:

6 1. DIVISION OF LABOR SERVICES

7 For salaries, support, maintenance, and miscellaneous
8 purposes:

9 \$ 296,000

10 2. DIVISION OF INDUSTRIAL SERVICES

11 For salaries, support, maintenance, and miscellaneous
12 purposes:

13 \$ 175,000

14 Any additional penalty and interest revenue may be used to
15 accomplish the mission of the department.

16 Sec. 13. PUBLIC EMPLOYMENT RELATIONS BOARD. There is

17 appropriated from the general fund of the state to the public
18 employment relations board for the fiscal year beginning July
19 1, 1998, and ending June 30, 1999, the following amount, or so
20 much thereof as is necessary, for the purposes designated:

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

24 \$ 857,844

25 FTEs 12.80

26 Sec. 14. TERMINATION OF THE IOWA SEED CAPITAL CORPORATION.

27 On or before June 30, 1998, the board of directors of the Iowa
28 seed capital corporation shall wind up the affairs of the
29 corporation, including the termination of staff, and
30 dissolution of the corporation. The board of directors of the
31 Iowa seed capital corporation shall transfer any remaining
32 moneys to the strategic investment fund established in section
33 15.313 for the purposes specified in this section. In the
34 event that the equity assets of the Iowa seed capital
35 corporation cannot be appropriately and effectively liquidated

1 before June 30, 1998, the board of directors of the Iowa seed
2 capital corporation shall turn its equity assets over to a
3 court appointed receiver pursuant to chapter 680. The
4 commissioner of insurance or the commissioner's designee shall
5 seek appointment as receiver of the assets for the purpose of
6 continuing an orderly liquidation of the assets. Liquidation
7 shall be completed by the commissioner or the commissioner's
8 designee within a reasonable time provided that appropriate
9 steps are taken to maximize the moneys transferred to the
10 state. The commissioner shall be reimbursed for the actual
11 costs associated with the liquidation of Iowa seed capital
12 corporation assets including, but not limited to, brokerage
13 fees and administrative charges.

14 Moneys transferred to the strategic investment fund on or
15 before June 30, 1998, and moneys transferred to the strategic
16 investment fund by the receiver following the liquidation of
17 assets shall be used by the department of economic development
18 for any of the following purposes relating to venture capital,
19 new business starts, and entrepreneurial development: the
20 entrepreneurial ventures assistance program, the small
21 business innovative research grant program, recognized
22 entrepreneurial venture development training programs,
23 projects defined as a new business opportunity, a new product
24 development, and a venture project under the community
25 economic betterment program, and other joint initiatives of
26 the department with the John Pappajohn entrepreneurial
27 centers.

28 Sec. 15. SHELTER ASSISTANCE FUND. In providing moneys
29 from the shelter assistance fund to homeless shelter programs,
30 the department of economic development shall explore the
31 potential of allocating moneys to homeless shelter programs
32 based in part on their ability to move their clients toward
33 self-sufficiency.

34 Sec. 16. The department of economic development and the
35 department of workforce development shall within the budget

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1 proposals for the fiscal year beginning July 1, 2000, detail
2 the number of FTEs and contract employees included in the
3 budget proposal. During the budget process for the fiscal
4 year beginning July 1, 2000, the joint economic development
5 appropriation subcommittee shall examine contract employees in
6 relationship to the budgets of the department of economic
7 development and the department of workforce development.

8 Sec. 17. BUDGET PROPOSALS. The department of economic
9 development and the department of workforce development shall
10 submit all budget proposals in the traditional format as well
11 as in the budgeting for results format for the fiscal year
12 beginning July 1, 1999.

13 Sec. 18. FEDERAL GRANTS. All federal grants to and the
14 federal receipts of agencies appropriated funds under this
15 Act, not otherwise appropriated, are appropriated for the
16 purposes set forth in the federal grants or receipts unless
17 otherwise provided by the general assembly.

18 Sec. 19. The Iowa finance authority and the Iowa housing
19 corporation shall consider restrictions on any per diem
20 provided to a member of the board of directors serving both
21 the authority and the Iowa housing corporation on occasions
22 when meetings of both entities are held on the same day and in
23 the same city or metropolitan area.

24 Sec. 20. Notwithstanding section 96.9, subsection 4,
25 paragraph "a", moneys credited to the state by the secretary
26 of the treasury of the United States pursuant to section 903
27 of the Social Security Act shall be appropriated to the
28 department of workforce development and shall be used by the
29 department for the administration of the unemployment
30 compensation program only. This appropriation shall not apply
31 to any fiscal year after June 30, 2001.

32 Sec. 21. Section 14 of this Act, being deemed of immediate
33 importance, takes effect upon enactment.

34

EXPLANATION

35 This bill makes appropriations and transfers from the

1 general fund of the state and other funds to the department of
2 economic development, Iowa state university, the university of
3 Iowa, the university of northern Iowa, the department of
4 workforce development, and the public employment relations
5 board for the 1998-1999 fiscal year.

6 The bill also provides that the department of economic
7 development and the department of workforce development shall
8 submit all budget proposals in the traditional format as well
9 as in the budgeting for results format for the fiscal year
10 beginning July 1, 1999.

11 The bill provides a procedure for the transfer and
12 liquidation of Iowa seed capital corporation moneys and assets
13 to the strategic investment fund. The bill allows for the
14 appointment of a receiver if the assets cannot be effectively
15 liquidated by June 30, 1998. Moneys transferred to the
16 strategic investment fund shall be used by the department of
17 economic development for venture capital, new business starts,
18 and entrepreneurial development purposes.

19 The bill provides that the department of economic
20 development shall explore the potential of allocating moneys
21 to homeless shelter programs based in part on their ability to
22 move their clients toward self-sufficiency.

23 The bill appropriates to the department of workforce
24 development moneys credited to the state by the secretary of
25 the treasury of the United States pursuant to the Social
26 Security Act. the moneys shall only be used for the
27 administration of the unemployment compensation program.

28 The bill provides an effective date for the transfer and
29 liquidation of the Iowa seed capital corporation.

30
31
32
33
34
35



TERRY E. BRANSTAD
GOVERNOR

OFFICE OF THE GOVERNOR

STATE CAPITOL
DES MOINES, IOWA 50319
515 281-5211

May 22, 1998

MAY 22 1998

The Honorable Paul Pate
Secretary of State
State Capitol Building
LOCAL

Dear Mr. Secretary:

I hereby transmit Senate File 2296, an act appropriating funds to the Department of Economic Development, certain Board of Regents institutions, the Department of Workforce Development, the Public Employment Relations Board, making related statutory changes, and providing an effective date provision.

Senate File 2296 is, therefore, approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the designated portion of Section 1, subsection 5, unnumbered paragraph 1. The State has assisted 16 local communities support tourism development in their areas by providing financial assistance to build welcome center facilities. These public/private partnerships were designed to assist local communities with the one-time costs of establishing a center. This item would put the state in a position of providing ongoing support for the day to day activities of privately operated welcome centers. Such action, without the authority to implement changes that would lead to self-sufficiency, is short sighted. I am supporting the study of the public and private welcome center system in the state as required in this section because I strongly support the development of the tourism industry in the State of Iowa. I am hopeful that recommendations from this study will strengthen the state welcome center system and provide the direction necessary to put all privately owned welcome centers on the course to self-sufficiency.

I am unable to approve the item designated as Section 31, in its entirety. Requiring departments to submit budget requests in multiple formats is costly and time consuming. Chapter 8 of the Code of Iowa establishes the framework for construction of the budget document that is submitted to the legislature.

For the above reasons, I hereby respectfully disapprove these items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 2296 are hereby approved as of this date.

Sincerely,

Terry E. Branstad
Governor

TEB/ps

cc Secretary of the Senate
Chief Clerk of the House

Item Attached

SENATE FILE 2296

AN ACT

APPROPRIATING FUNDS TO THE DEPARTMENT OF ECONOMIC DEVELOPMENT, CERTAIN BOARD OF REGENTS INSTITUTIONS, THE DEPARTMENT OF WORKFORCE DEVELOPMENT, THE PUBLIC EMPLOYMENT RELATIONS BOARD, MAKING RELATED STATUTORY CHANGES, AND PROVIDING AN EFFECTIVE DATE PROVISION.

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

Section 1. DEPARTMENT OF ECONOMIC DEVELOPMENT. There is appropriated from the general fund of the state and other designated funds to the department of economic development for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADMINISTRATIVE SERVICES DIVISION

a. General administration

For salaries, support, maintenance, miscellaneous purposes, and for providing that a business receiving moneys from the department for the purpose of job creation shall make available ten percent of the new jobs created for promise jobs program participants who are qualified for the jobs created and for not more than the following full-time equivalent positions:

..... \$ 1,494,231
..... FTEs 25.75

One of the full-time equivalent positions authorized in this lettered paragraph relates to the transition of personnel services contractors to full-time equivalent positions. The merit system provisions of chapter 19A and the provisions of the state and union collective bargaining agreements shall not govern movement into these full-time equivalent positions

until September 1, 1998. These provisions relating to the transition of personnel services contractors to full-time equivalent positions, chapter 19A, and collective bargaining agreements are void after September 1, 1998.

b. Film office

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

..... \$ 253,632
..... FTEs 2.00

2. BUSINESS DEVELOPMENT DIVISION

a. Business development operations

For salaries, support, maintenance, miscellaneous purposes, for not more than the following full-time equivalent positions, for allocating \$495,000 to support activities in conjunction with the Iowa manufacturing technology center, \$150,000 to the graphic arts center, and for a strategic marketing effort for workforce development:

..... \$ 3,940,232
..... FTEs 22.75

Four of the full-time equivalent positions authorized in this lettered paragraph relate to the transition of personnel services contractors to full-time equivalent positions. The merit system provisions of chapter 19A and the provisions of the state and union collective bargaining agreements shall not govern movement into these full-time equivalent positions until September 1, 1998. These provisions relating to the transition of personnel services contractors to full-time equivalent positions, chapter 19A, and collective bargaining agreements are void after September 1, 1998.

b. Small business programs

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions for the small business program, the small business advisory council, and targeted small business program:

..... \$ 450,622
 FTEs 5.00

c. Federal procurement office

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

..... \$ 103,967
 FTEs 3.00

Notwithstanding section 8.33, moneys remaining unencumbered or unobligated on June 30, 1999, shall not revert and shall be available for expenditure during the fiscal year beginning July 1, 1999, for the same purposes.

d. Strategic investment fund

For deposit in the strategic investment fund for salaries, support, for not more than the following full-time equivalent positions:

..... \$ 6,803,513
 FTEs 12.50

Two of the full-time equivalent positions authorized in this lettered paragraph relate to the transition of personnel services contractors to full-time equivalent positions. The merit system provisions of chapter 19A and the provisions of the state and union collective bargaining agreements shall not govern movement into these full-time equivalent positions until September 1, 1998. These provisions relating to the transition of personnel services contractors to full-time equivalent positions, chapter 19A, and collective bargaining agreements are void after September 1, 1998.

The department may allocate from the strategic investment fund up to \$600,000 for the entrepreneurial ventures assistance program. The department shall seek the advice, consultation, and cooperation of the entrepreneurial centers and the major benefactor of the centers in the implementation of the entrepreneurial ventures assistance program.

The department may allocate from the strategic investment fund up to \$100,000 for the microbusiness rural enterprise assistance program under section 15.114.

The department shall provide an annual report on the progress made by the department in making the community economic betterment program a self-sustaining, revolving loan program.

e. Insurance economic development

There is appropriated from moneys collected by the division of insurance in excess of the anticipated gross revenues under section 505.7, subsection 3, to the department for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amount, or so much thereof as is necessary, for insurance economic development and international insurance economic development:

..... \$ 200,000

f. Value-added agriculture

There is appropriated from the moneys available to support value-added agricultural products and processes, four percent, or so much thereof as is necessary, of the total moneys available to support value-added agricultural products and processes pursuant to section 423.24 each quarter for administration of the value-added agricultural products and processes financial assistance program as provided in section 15E.111, including salaries, support, maintenance, miscellaneous purposes, and for not more than 2.00 FTEs.

The department shall collaborate with the university of northern Iowa on a strategic initiative to develop ag-based industrial lubrication technology and to create projects to deploy the technology in commercial applications. Notwithstanding the requirements of section 15E.111 and the administrative rules for value-added agricultural products and processes, the department shall allocate \$150,000 for this initiative.

3. COMMUNITY DEVELOPMENT DIVISION

a. Community assistance

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions for administration of the community economic preparedness program, the Iowa community betterment program, and the city development board:

..... \$ 654,547
..... FTEs 8.50

b. Main street/rural main street program

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

..... \$ 425,219
..... FTEs 3.00

Notwithstanding section 8.33, moneys committed to grantees under contract from the general fund of the state that remain unexpended on June 30, 1999, shall not revert to any fund but shall be available for expenditure for purposes of the contract during the fiscal year beginning July 1, 1999.

c. Community development program

For salaries, support, maintenance, miscellaneous purposes, for not more than the following full-time equivalent positions, for rural resource coordination, rural community leadership, rural innovations grant program, and the rural enterprise fund:

..... \$ 827,215
..... FTEs 7.50

Three of the full-time equivalent positions authorized in this lettered paragraph relate to the transition of personnel services contractors to full-time equivalent positions. The merit system provisions of chapter 19A and the provisions of the state and union collective bargaining agreements shall not govern movement into these full-time equivalent positions until September 1, 1998. These provisions relating to the transition of personnel services contractors to full-time

equivalent positions, chapter 19A, and collective bargaining agreements are void after September 1, 1998.

There is appropriated from the rural community 2000 program revolving fund established in section 15.287 to provide to Iowa's councils of governments funds for planning and technical assistance to local governments:

..... \$ 150,000

There is appropriated from the rural community 2000 program revolving fund established in section 15.287 to the rural development program for the purposes of the program including the rural enterprise fund and collaborative skills development training:

..... \$ 484,343

Notwithstanding section 8.33, moneys committed to grantees under contract from the general fund of the state or through transfers from the Iowa community development loan fund or from the rural community 2000 program revolving fund that remain unexpended on June 30, 1999, shall not revert but shall be available for expenditure for purposes of the contract during the fiscal year beginning July 1, 1999.

d. Community development block grant and HOME

For administration and related federal housing and urban development grant administration for salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 418,737
..... FTEs 21.75

Three of the full-time equivalent positions authorized in this lettered paragraph relate to the transition of personnel services contractors to full-time equivalent positions. The merit system provisions of chapter 19A and the provisions of the state and union collective bargaining agreements shall not govern movement into these full-time equivalent positions until September 1, 1998. These provisions relating to the

transition of personnel services contractors to full-time equivalent positions, chapter 19A, and collective bargaining agreements are void after September 1, 1998.

e. Housing development fund

For providing technical assistance to communities of all sizes and local financial institutions to help meet local housing needs and to provide and transfer matching funds for the HOME program:

..... \$ 1,300,000

Notwithstanding section 8.33, moneys committed to grantees under contract from the housing development fund and moneys transferred for matching funds for the HOME program that remain unexpended or unobligated on June 30, 1999, shall not revert to any fund but shall be available for obligation and expenditure for purposes of those programs during the fiscal year beginning July 1, 1999.

f. Shelter assistance program

For the purposes of the shelter assistance fund:

..... \$ 400,000

4. INTERNATIONAL DIVISION

a. International trade operations

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

..... \$ 2,010,073

..... FTEs 10.00

From among the full-time equivalent positions authorized by this lettered paragraph, one position shall concentrate on the export sale of grain, one on the export sale of livestock, and one on the export sale of value-added agricultural products.

The department shall file a report every six months with the general assembly in a manner consistent with section 7A.11 and with the chairpersons and ranking members of the joint

appropriations subcommittee on economic development which gives an update of all activities regarding trade promotion in the Chinese market.

b. Export trade assistance program

For export trade activities, including a program to encourage and increase participation in trade shows and trade missions by providing financial assistance to businesses for a percentage of their costs of participating in trade shows and trade missions, by providing for the lease/sublease of showcase space in existing world trade centers, by providing temporary office space for foreign buyers, international prospects, and potential reverse investors, and by providing other promotional and assistance activities, including salaries and support:

..... \$ 425,000

Notwithstanding section 8.33, moneys appropriated by this lettered paragraph which remain unobligated or unexpended on June 30, 1999, shall not revert to the general fund of the state but shall be transferred to and deposited in the strategic investment fund created in section 15.313.

c. Agricultural product advisory council

For support, maintenance, and miscellaneous purposes:

..... \$ 1,300

d. For transfer to the partner state program which the department may use to contract with private groups or organizations which are the most appropriate to administer this program and the groups and organizations participating in the program shall, to the fullest extent possible, provide the funds to match the appropriation made in this paragraph of the funds transferred:

..... \$ 125,000

5. TOURISM DIVISION

Tourism operations/advertising

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

.....	\$ 5,038,912
..... FTEs	18.52

The department may expend up to \$130,000 to provide assistance to private welcome centers in the state. The department shall not provide assistance of more than \$10,000 to any one private welcome center. A private welcome center seeking assistance shall submit a competitive application to the department and may be eligible for receiving assistance if the private welcome center complies with all of the following criteria:

Det'd

- a. The private welcome center is at risk of a projected operating deficit.
- b. The private welcome center complies with operational standards and requirements determined by the department.
- c. The private welcome center submits a financial plan for self-sufficiency to the department.

The department shall conduct a study of the public and private welcome center system in the state. The department shall make recommendations to the general assembly for the future operation of the system including recommendations concerning funding for private welcome center operations and quality standards for public and private welcome centers.

The department shall not use the moneys appropriated in this subsection, unless the department develops public-private partnerships with Iowa businesses in the tourism industry, Iowa tour groups, Iowa tourism organizations, and political subdivisions in this state to assist in the development of advertising efforts. The department shall, to the fullest extent possible, develop cooperative efforts for advertising with contributions from other sources.

Sec. 2. COMMUNITY DEVELOPMENT LOAN FUND. Notwithstanding section 15E.120, subsections 5, 6, and 7, and section 15.287, there is appropriated from the Iowa community development loan fund all the moneys available during the fiscal year beginning July 1, 1998, and ending June 30, 1999, to the department of economic development for the community development program to be used by the department for the purposes of the program.

Sec. 3. JOB TRAINING FUND. Notwithstanding section 15.251, subsection 2, there is appropriated from the job training fund to the department of economic development for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For administration of chapter 260E, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$ 210,000
..... FTEs	2.50

Appropriations to the department of economic development for administration of chapter 260E and the department of workforce development for the target alliance program shall be funded on a proportional basis if receipts to the job training fund are insufficient to fund both appropriations in their entirety.

Sec. 4. WORKFORCE DEVELOPMENT FUND. There is appropriated from the workforce development fund account created in section 15.342A, to the workforce development fund created in section 15.343, for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amount, for the purposes of the workforce development fund:

.....	\$ 6,850,000
-------	--------------

Sec. 5. Of all funds appropriated to or receipts credited to the job training fund created in section 260F.6, subsection 1, up to \$175,000 for the fiscal year beginning July 1, 1998,

and ending June 30, 1999, and not more than 1.50 FTEs may be used for the administration of the Iowa jobs training Act.

Sec. 6. IOWA STATE UNIVERSITY. There is appropriated from the general fund of the state to the Iowa state university of science and technology for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For funding and maintaining in their current locations the existing small business development centers, and for not more than the following full-time equivalent positions:

..... \$ 1,235,880
..... FTEs 5.80

2. For the Iowa state university of science and technology research park, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 376,500
..... FTEs 4.31

3. For funding the institute for physical research and technology, provided that \$318,358 shall be allocated to the industrial incentive program in accordance with the intent of the general assembly, and for not more than the following full-time equivalent positions:

..... \$ 4,379,458
..... FTEs 46.42

It is the intent of the general assembly that the incentive program focus on Iowa industrial sectors and seek contributions and in-kind donations from businesses, industrial foundations, and trade associations and that moneys for the institute for physical research and technology industrial incentive program shall only be allocated for projects which are matched by private sector moneys for directed contract research or for nondirected research. The

match required of small businesses as defined in section 15.102, subsection 4, for directed contract research or for nondirected research shall be \$1 for each \$3 of state funds. The match required for other businesses for directed contract research or for nondirected research shall be \$1 for each \$1 of state funds. The match required of industrial foundations or trade associations shall be \$1 for each \$1 of state funds.

Iowa state university of science and technology shall report annually to the joint appropriations subcommittee on economic development and legislative fiscal bureau the total amounts of private contributions, the proportion of contributions from small businesses and other businesses, and the proportion for directed contract research and nondirected research of benefit to Iowa businesses and industrial sectors.

Notwithstanding section 8.33, moneys appropriated for the fiscal year which remain unobligated and unexpended at the end of the fiscal year shall not revert but shall be available for expenditure the following fiscal year.

Sec. 7. UNIVERSITY OF IOWA. There is appropriated from the general fund of the state to the state university of Iowa for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For the university of Iowa research park, including salaries, support, maintenance, equipment, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 331,007
..... FTEs 4.35

2. For funding the advanced drug development program at the Oakdale research park and for not more than the following full-time equivalent positions:

..... \$ 262,199
..... FTEs 2.85

The board of regents shall submit a report on the progress of regents institutions in meeting the strategic plan for technology transfer and economic development to the chairpersons of the joint appropriations subcommittee on economic development, the joint appropriations subcommittee on education, the majority leader and minority leader of the senate, the majority and minority leaders of the house of representatives, the secretary of the senate, the chief clerk of the house of representatives, and the legislative fiscal bureau by December 1, 1998.

Sec. 8. UNIVERSITY OF NORTHERN IOWA. There is appropriated from the general fund of the state to the university of northern Iowa for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For the metal casting institute, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:
..... \$ 166,349
..... FTEs 2.75

2. For the institute of decision making, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:
..... \$ 688,308
..... FTEs 8.00

Sec. 9. DEPARTMENT OF WORKFORCE DEVELOPMENT. There is appropriated from the general fund of the state, to the department of workforce development for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amounts, or so much thereof as is necessary, for the purposes designated:

1. DIVISION OF LABOR SERVICES

For the division of labor services, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:
..... \$ 2,902,693
..... FTEs 93.00

From the contractor registration fees, the division of labor services shall reimburse the department of inspections and appeals for all costs associated with hearings under chapter 91C, relating to contractor registration.

2. DIVISION OF INDUSTRIAL SERVICES

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:
..... \$ 2,390,927
..... FTEs 34.00

The division of industrial services shall continue charging a \$65 filing fee for workers' compensation cases. The filing fee shall be paid by the petitioner of a claim. However, the fee can be taxed as a cost and paid by the losing party, except in cases where it would impose an undue hardship or be unjust under the circumstances.

3. For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent position for the workforce development state and regional boards:
..... \$ 106,929
..... FTE 1.00

4. For salaries, support, maintenance, miscellaneous purposes for collection of labor market information, and for not more than the following full-time equivalent position:
..... \$ 65,354
..... FTE 1.00

5. WORKFORCE DEVELOPMENT AREA

For salaries, support, maintenance, and miscellaneous purposes for the development and maintenance of a workforce sufficient in size and skill to meet the occupational demands of each workforce development area, and for workforce development programs, including those provided for in sections 84A.7, 84A.8, and 84A.9. Each region shall be required to provide an equal amount of matching funds from local sources:

..... \$ 1,480,022
 FTEs 4.20

The department shall expend \$923,180 on youth workforce programs. Youth conservation corps program moneys shall be allocated among the regions which have developed a youth conservation corps program.

Notwithstanding section 8.33, moneys committed to grantees under contract that remain unexpended on June 30, 1999, shall not revert to any fund but shall be available for expenditure for purposes of the contract during the fiscal year beginning July 1, 1999.

6. LABOR MANAGEMENT COORDINATOR

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

..... \$ 66,851
 FTE 0.50

The Iowa workforce development board shall be responsible for the functions previously conducted by the state labor management cooperation council. The board, the department of workforce development, and the labor management coordinator shall cooperate to improve communications and facilitate dialogue between labor, management, and government on workforce development problems facing the state, to form in-plant labor management committees, and to provide technical assistance to establish effective labor management policies in the state.

7. WELFARE-TO-WORK MATCHING FUNDS

For matching funds for welfare-to-work grants authorized through the United States department of labor to provide additional services for the hardest to employ recipients of family investment program benefits:

..... \$ 888,633

Notwithstanding section 8.33, moneys appropriated in this subsection which remain unexpended or unobligated on June 30, 1999, shall not revert to the general fund of the state but shall remain available for expenditure for the same purpose during the fiscal year beginning July 1, 1999.

Sec. 10. JOB TRAINING FUND. Notwithstanding section 15.251, subsection 2, there is appropriated from the job training fund to the department of workforce development for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the target alliance program:

..... \$ 30,000

Sec. 11. ADMINISTRATIVE CONTRIBUTION SURCHARGE FUND.

There is appropriated from the administrative contribution surcharge fund of the state to the department of workforce development for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amount, or so much thereof as is necessary, for the purposes designated:

Notwithstanding section 96.7, subsection 12, paragraph "c", for salaries, support, maintenance, conducting labor availability surveys, miscellaneous purposes, and for not more than the following full-time equivalent positions:
 \$ 7,100,000
 FTEs 125.42

Sec. 12. EMPLOYMENT SECURITY CONTINGENCY FUND. There is appropriated from the special employment security contingency fund to the department of workforce development for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the

following amounts, or so much thereof as is necessary, for the purposes designated:

1. DIVISION OF LABOR SERVICES

For salaries, support, maintenance, and miscellaneous purposes:

..... \$ 296,000

2. DIVISION OF INDUSTRIAL SERVICES

For salaries, support, maintenance, and miscellaneous purposes:

..... \$ 175,000

Any additional penalty and interest revenue may be used to accomplish the mission of the department.

Sec. 13. PUBLIC EMPLOYMENT RELATIONS BOARD. There is appropriated from the general fund of the state to the public employment relations board for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amount, or so much thereof as is necessary, for the purposes designated:

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

..... \$ 857,844
..... FTEs 12.80

Sec. 14. WORKFORCE RECRUITMENT INITIATIVE.

1. FINDINGS. The general assembly finds that growing levels of employment coupled with historically low levels of unemployment are evidence of increasing scarcity of skilled workers. Limited access to a skilled workforce is preventing Iowa companies from increasing employment and production, and is a barrier to sustained and stable economic growth.

Further, the general assembly finds that in order to increase the size of the workforce, a partnership of private sector employers, communities and public sector organizations should be formed to develop and implement a workforce recruitment initiative. The initiative is intended to include

strategies for recruiting new workers that will meet the workforce needs of Iowa employers who are unable to fill high quality jobs.

2. ESTABLISHMENT. The general assembly finds an immediate need for the establishment of a workforce recruitment initiative with projects intended to retain and recruit new skilled and unskilled employees to fill the needs of both communities and businesses. The department of economic development and the department of workforce development shall enter into a cooperative memorandum of understanding to accomplish purposes of this initiative. The memorandum shall include, but not be limited to, provisions for the sharing and utilization of job matching databases and technology to accomplish the purposes of the initiative and for an allocation out of moneys appropriated to the department of economic development for purposes of the workforce recruitment initiative for payment of employee salaries related to the workforce recruitment initiative.

3. STATE AGENCY COOPERATION. The department of economic development and the department of workforce development shall seek and obtain the cooperation of any state agency and local economic development organization actively involved in workforce development initiatives which could provide employee recruitment and marketing assistance to accomplish the workforce recruitment initiative.

4. FTEs. For purposes of the workforce recruitment initiative, the department of workforce development shall increase the number of full-time equivalent positions authorized for the department during the fiscal year beginning July 1, 1998, by 2.00 FTEs through moneys authorized for expenditure in this Act and allocated pursuant to the cooperative memorandum of understanding entered into with the department of economic development as provided in section 2.

5. APPROPRIATION. There is appropriated from the general fund of the state to the department of economic development for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For workforce recruitment initiative purposes including technical support and maintenance of databases and an internet web site, for a joint proposal of the department of economic development and the department of workforce development relating to the workforce recruitment initiative which shall include provisions for private sector contributions, and including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	300,000
.....	FTEs	3.00

Notwithstanding section 8.33, moneys appropriated in this subsection which remain unexpended or unobligated on June 30, 1999, shall not revert to the general fund of the state but shall remain available for expenditure in the fiscal year beginning July 1, 1999, for the purposes designated.

6. STRATEGIC INVESTMENT FUND ALLOCATION. There is allocated from the strategic investment fund to the department of economic development for the fiscal year beginning July 1, 1998, and ending June 30, 1999, \$150,000 to be used for the purchase of equipment, software, laptop computers, and other necessary technological equipment.

7. BUSINESS DEVELOPMENT DIVISION. The business development division of the department of economic development may expend from moneys appropriated to the department and allocated to the business development division, for business development operations, up to \$400,000 for increasing the labor availability and recruitment efforts in the state in all occupational areas and as deemed necessary.

Sec. 15. NEW SECTION. 15.361 TITLE.

This part shall be known and may be cited as the "Certified School to Career Program".

Sec. 16. NEW SECTION. 15.362 DEFINITIONS.

As used in this part, unless the context otherwise requires:

1. "Certified school to career program" or "certified program" means a sequenced and articulated secondary and postsecondary program registered as an apprenticeship program under 29 C.F.R. subtit. A, pt. 29, which is conducted pursuant to an agreement as provided in section 15.364 or a program approved by the state board of education, in conjunction with the department of economic development, as meeting the standards enumerated in section 15.363, that integrates a secondary school curriculum with private sector job training which places students in job internships, and which is designed to continue into postsecondary education and that will result in teaching new skills and adding value to the wage-earning potential of participants and increase their long-term employability in the state and which is conducted pursuant to an agreement as provided in section 15.364.

2. "Participant" means an individual between the ages of sixteen and twenty-four who is enrolled in a public or private secondary or postsecondary school and who initiated participation in a certified school to career program as part of secondary school education.

3. "Payroll expenditures" means the base wages actually paid by an employer to a participant plus the amount held in trust to be applied toward the participant's postsecondary education.

4. "Sponsor" means any person, association, committee, or organization operating a school to career program and in whose name the program is or will be registered or approved.

Sec. 17. NEW SECTION. 15.363 CERTIFICATION STANDARDS.

The state board of education, in consultation with the department of economic development, shall adopt rules pursuant to chapter 17A to guide the board and department in determining whether a potential school to career program should be approved.

A school to career program which is approved by the state board of education in conjunction with the department of economic development shall comply with all of the following standards:

1. The program is conducted pursuant to an organized, written plan embodying the terms and conditions of employment, job training, classroom instruction, and supervision of one or more participants, subscribed to by a sponsor who has undertaken to carry out the school to career program.
2. The program complies with all state and federal laws pertaining to the workplace.
3. The employer agrees to assign an employee to serve as a mentor for a participant. The mentor's occupation shall be in the same career pathway as the career interests of the participant.
4. The program involves an eligible postsecondary institution as defined in section 261C.3.
5. Other standards adopted by rule by the state board of education after consultation with the department of economic development.

Sec. 18. NEW SECTION. 15.364 CERTIFIED PROGRAM AGREEMENT.

The certified program shall be conducted pursuant to a signed written agreement between each participant and the employer which contains at least the following provisions:

1. The names and signatures of the participant and the sponsor or employer and the signature of a parent or guardian if the participant is a minor.

2. A description of the career field in which the participant is to be trained, and the beginning date and duration of the training.

3. The employer's agreement to provide paid employment, at a base wage, for the participant during the summer months after the participant's junior and senior years in high school and after the participant's first year of postsecondary education.

4. The participant and employer shall agree upon set minimum academic standards which must be maintained through the participant's secondary and postsecondary education.

5. This base wage paid to the participant shall not be less than the minimum wage prescribed by Iowa law or the federal Fair Labor Standards Act, whichever is applicable.

6. That in addition to the base wage paid to the participant, the employer shall pay an additional sum to be held in trust to be applied toward the participant's postsecondary education required for completion of the certified program. The additional amount must be not less than an amount determined by the department of economic development to be sufficient to provide payment of tuition expenses toward completion of not more than two academic years of the required postsecondary education component of the certified program at an Iowa community college or an Iowa public or private college or university. This amount shall be held in trust for the benefit of the participant pursuant to rules adopted by the department of economic development. Payment into an ERISA-approved fund for the benefit of the participant shall satisfy this requirement. The specific fund shall be specified in the agreement.

7. The participant's agreement to work for the employer for at least two years following the completion of the participant's postsecondary education required by the certified program. However, the agreement may provide for

additional education and work commitments beyond the two years.

8. If the participant does not complete the two-year employment obligation, the participant's agreement to repay to the employer the amount paid by the employer toward the participant's postsecondary education expenses pursuant to subsection 6.

9. a. That if a participant does not complete the certified program contemplated by the agreement after entering a postsecondary education program, any unexpended funds being held in trust for the participant's postsecondary education shall be paid back to the employer. In addition the participant must repay to the employer amounts paid from the trust which were expended on the participant's behalf for postsecondary education.

b. That if a participant does not complete the certified program contemplated by the agreement prior to entering a postsecondary education program, one-half of the moneys being held in trust for the participant's postsecondary education shall be paid to a postsecondary education institution as defined in section 261C.3 of the participant's choice to pay tuition or expenses of the participant. The other one-half of the trust moneys shall be paid back to the employer. Any moneys to be transferred for the benefit of the participant which are not transferred within five years for purposes of education at the designated postsecondary institution, shall be paid back to the employer.

Sec. 19. NEW SECTION. 15.365 PAYROLL EXPENDITURE REFUND.

1. An employer who employs a participant in a certified school to career program may claim a refund of twenty percent of the employer's payroll expenditures for each participant in the certified program. The refund is limited to the first four hundred hours of payroll expenditures per participant for each calendar year the participant is in the certified program, not to exceed three years per participant.

2. To receive a refund under subsection 1 for a calendar year, the employer shall file the claim by July 1 of the following calendar year. The claim shall be filed on forms provided by the department of economic development and the employer shall provide such information regarding the employer's participation in a certified school to career program as the department may require. Forms should be designed such that claims for refunds for more than one participant may be made on a single form.

3. For each fiscal year of the fiscal period beginning July 1, 1999, and ending June 30, 2004, there is appropriated up to five hundred thousand dollars annually from the general fund of the state to the department of economic development to pay refunds under this section. If the amount appropriated in a fiscal year is insufficient to pay all refund claims for the calendar year in full, each claimant shall receive a proportion of the claimant's refund claim equal to the ratio of the amount appropriated to the total amount of refund claims. Any unpaid portion of a claim shall not be paid from a subsequent fiscal year appropriation.

4. The department of economic development shall consult with the department of revenue and finance for purposes of this section. The department of economic development shall adopt rules as deemed necessary to carry out the purposes of the certified school to career program.

Sec. 20. NEW SECTION. 15.366 CUSTOMER TRACKING SYSTEM.

All participants and sponsors participating in a certified school to career program shall be included in the customer tracking system implemented by the department of workforce development pursuant to section 84A.5.

Sec. 21. NEW SECTION. 15.367 REPEAL.

This part of chapter 15 is repealed June 30, 2004. However, any contracts in existence on June 30, 2004, shall continue to be valid and each party to such contract is

obligated to perform as required under such contract. However, no employer is entitled to any payroll expenditure refund for payroll expenditures incurred after December 31, 2002.

Sec. 22. NEW SECTION. 15A.8 LOANS PAYABLE FROM NEW JOBS CREDIT FROM WITHHOLDING.

1. As an additional means to provide moneys for the payment of the costs of a new jobs training project or multiple projects under chapter 260E and this chapter, a community college may make an advance or loan, including an interfund transfer or a loan from moneys on hand and legally available, to be paid from the same sources and secured in the same manner as certificates described in sections 15A.7 and 260E.6.

2. Revenues from a job training agreement received prior to the completion by a business of its repayment obligation for a project and not pledged to certificates, loans, or advances, and not necessary for the payment of principal and interest maturing on such certificates, loans, or advances, may be applied by the community college to the reduction of any other outstanding certificates, loans, or advances.

Sec. 23. Section 15E.83, Code 1997, is amended to read as follows:

15E.83 SEED CAPITAL CORPORATION.

1. The Iowa seed capital corporation shall be incorporated under chapter 504A. ~~The purpose of the corporation shall be to provide seed capital to start-up and emerging growth companies in Iowa that are bringing new products and processes to the marketplace, and it shall be the goal of the corporation to financially support the establishment and growth of start-up and emerging growth companies that can contribute to the economic diversity of the state and provide general and specific economic benefits to the state. The corporation shall only provide seed capital or financial~~

~~assistance to Iowa businesses. The corporation shall not be regarded as a state agency, except for purposes of chapters 17A and 69, and a member of the board is not considered a state employee, except for purposes of chapter 669. An individual employed by the corporation is a state employee for purposes of the Iowa public employees' retirement system, state health and dental plans, and other state employee benefit plans and chapter 669. Chapters 8, 18, 19A, and 20 and other provisions of law that relate to requirements or restrictions dealing with state personnel or state funds do not apply to the corporation and any employees of the board or corporation except to the extent provided in this division. Chapters 21 and 22 shall apply to activities of the corporation and to employees of the board or corporation except to the extent provided in this division.~~

2. The corporation shall be governed by a board of seven directors who shall serve a term of four years. ~~Of the seven directors, four shall be persons experienced in business finance and employed at a bank or other financial institution, be a certified public accountant, be an attorney, or be a licensed stockbroker. Each director shall serve at the pleasure of the governor and shall be appointed by the governor, subject to confirmation by the senate pursuant to section 21.32. A director is eligible for reappointment. A vacancy on the board of directors shall be filled in the same manner as an original appointment.~~

~~3. The board of directors shall annually elect one member as chairperson and one member as secretary. The board may elect other officers of the corporation as necessary. Members shall be reimbursed for necessary expenses incurred in the performance of duties from funds appropriated to the corporation.~~

4. Each director of the corporation shall take an oath of office and the record of each oath shall be filed in the office of the secretary of state.

5 4. The corporation shall receive information and cooperate with other agencies of the state and the political subdivisions of the state.

Sec. 24. Section 15E.85, Code 1997, is amended to read as follows:

15E.85 BOARD OF DIRECTORS.

The powers of the corporation are vested in and shall be exercised by the board of directors. ~~Four members of the board constitute a quorum and an affirmative vote of at least four of the members present at a meeting is necessary before an action may be taken by the board.~~ An action taken by the board shall be authorized by resolution at a regular or special meeting and takes effect immediately unless the resolution specifies otherwise. Notice of a meeting shall be given orally or in writing not less than forty-eight hours prior to the meeting.

Sec. 25. Section 15E.87, Code 1997, is amended to read as follows:

15E.87 CORPORATE PURPOSE -- POWERS.

The purpose of the corporation is to stimulate and encourage the development of new products within Iowa by the infusion of financial aid for invention and innovation in situations in which financial aid would not otherwise be reasonably available from commercial sources. For this purpose the corporation has the following powers:

1. To have perpetual succession as a corporate body and to adopt bylaws, policies, and procedures for the regulation of its affairs and conduct of its business consistent with the purposes of this division.

~~2. To enter into venture agreements with persons doing business in Iowa upon conditions and terms which are consistent with the purposes of this division for the advancement of financial aid to the persons. The financial aid advanced shall be for the development of specific~~

~~products, procedures, and techniques which are to be developed and produced in this state. The corporation shall condition the agreements upon contractual assurances that the benefits of increasing or maintaining employment and tax revenues shall remain in Iowa.~~

~~3. To receive and accept aid or contributions from a source of money, property, labor, or other things of value to be used to carry out the purposes of this division including gifts or grants from a department or agency of the United States or any state.~~

~~4. To issue notes and bonds as provided under this division.~~

5 2. To hold patents, copyrights, trademarks, or other evidences of protection or exclusivity issued under the laws of this state or the United States to any products.

6 3. To employ assistants, agents, and other employees and to engage consultants, attorneys, and appraisers as necessary or desirable to carry out the purposes of the corporation.

7 4. To make and enter into contracts and agreements necessary or incidental to its performance of the duties and the powers granted to the corporation.

8 5. To sue and be sued, plead, and adopt a seal.

9 6. With the approval of the treasurer of state, to invest funds which are not needed for immediate use or disbursement, including funds held in reserve, in obligations issued or guaranteed by the state or the United States.

10 7. To procure insurance against a loss in connection with its property and other assets.

11 8. To the extent permitted under a corporation contract with other persons, to consent to a termination, modification, forgiveness, or other change in the terms of a contractual right, payment, royalty, contract, or agreement.

12 9. To take necessary action to render bonds issued under this division more marketable.

Sec. 26. Section 422.16A, Code Supplement 1997, is amended to read as follows:

422.16A JOB TRAINING WITHHOLDING -- CERTIFICATION AND TRANSFER.

Upon the completion by a business of its repayment obligation for a training project funded under chapter 260E, including a job training project funded under ~~chapter 260B~~ and section 15A.8 or repaid in whole or in part by the supplemental new jobs credit from withholding under section 15A.7 or section 15.331, the sponsoring community college shall report to the department of economic development the amount of withholding paid by the business to the community college during the final twelve months of withholding payments. The department of economic development shall notify the department of revenue and finance of that amount. The department shall credit to the workforce development fund account established in section 15.342A twenty-five percent of that amount each quarter for a period of ten years. If the amount of withholding from the business or employer is insufficient, the department shall prorate the quarterly amount credited to the workforce development fund account. The maximum amount from all employers which shall be transferred to the workforce development fund account in any year is ten million dollars.

Sec. 27. **LIQUIDATION OF THE IOWA SEED CAPITAL CORPORATION.** Notwithstanding sections 15E.81 through 15E.94, sections 15E.181 through 15E.184, and 1997 Iowa Acts, chapter 143, sections 5 and 6, it is the intent of the general assembly that the Iowa seed capital corporation shall be liquidated or sold in an orderly manner. On May 31, 1998, the terms of the board members of the Iowa seed capital corporation shall terminate, the Iowa seed capital corporation shall be renamed the ISCC liquidation corporation, and a three-person board shall be constituted to complete the orderly liquidation or

sale of the assets of the ISCC liquidation corporation. The ISCC liquidation corporation board shall consist of the commissioner of insurance or the commissioner's designee, the superintendent of banking or the superintendent's designee, and the treasurer of state or the treasurer's designee. The members of the ISCC liquidation corporation board and any staff providing assistance to the board shall not be liable for their acts or omissions in connection with the liquidation or sale of the corporation. The ISCC liquidation corporation board shall close the corporation offices at 200 East Grand, Des Moines, Iowa, by June 30, 1998, terminate the officers and staff of the corporation by June 30, 1998, and shall not hire a new permanent or temporary staff to operate this corporation.

The staff of the treasurer of state shall provide administrative support to the ISCC liquidation corporation board and the corporation shall reimburse the treasurer of state for the reasonable costs of providing administrative support. The attorney general shall be consulted and shall provide legal support throughout the liquidation and sale process and the corporation shall reimburse the attorney general for the reasonable costs of providing any such consultation and legal support.

The ISCC liquidation corporation board's goals in supervising the liquidation or sale of the corporation are to maximize the net revenue to the state and minimize the impact to the companies involved. The board shall not make any new investments during the liquidation period, except for those necessary to protect and maintain its current holdings.

The ISCC liquidation corporation board is authorized to contract for the services, including brokers, other financial advisors or consultants, or legal advisors, necessary to complete the orderly liquidation or sale of the ISCC liquidation corporation.

The ISCC liquidation corporation board may determine the potential administrative, legal, and contractual service costs for the liquidation or sale of the corporation and may maintain a prudent reserve fund from liquid assets of the corporation for such purposes. Upon the unanimous vote of the ISCC liquidation corporation board the remainder of the liquid assets shall be transferred to the strategic investment fund established in section 15.313.

Following the complete liquidation and dissolution of the corporation or the sale of the corporation, all remaining moneys shall be transferred to the strategic investment fund. Upon transfer of the remaining moneys to the strategic investment fund, the ISCC liquidation corporation board shall be dissolved.

Sec. 28. SHELTER ASSISTANCE FUND. In providing moneys from the shelter assistance fund to homeless shelter programs, the department of economic development shall explore the potential of allocating moneys to homeless shelter programs based in part on their ability to move their clients toward self-sufficiency.

Sec. 29. The department of economic development and the department of workforce development shall within the budget proposals for the fiscal year beginning July 1, 2000, detail the number of FTEs and contract employees included in the budget proposal. During the budget process for the fiscal year beginning July 1, 2000, the joint economic development appropriation subcommittee shall examine contract employees in relationship to the budgets of the department of economic development and the department of workforce development.

Sec. 30. The department of economic development shall submit a report to the general assembly as provided in section 7A.11 by January 1, 1999, which includes all of the following:

1. A survey of all business, industry, and agriculture-related international trade activities in this state. The

survey shall include the types of businesses and the products involved in international trade and the estimated costs and revenues resulting from such trade.

2. A list of specific targets and targeted opportunities for business, industry, and agriculture related to international trade activities in this state. These targets shall include the types of businesses and the products that are currently involved in international trade, as well as the types of businesses and the products that could potentially become involved in international trade in the future.

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Sec. 31. BUDGET PROPOSALS. The department of economic development and the department of workforce development shall submit all budget proposals in the traditional format as well as in the budgeting for results format for the fiscal year beginning July 1, 1999.

Sec. 32. By December 31 of each year, the ISCC liquidation corporation shall submit an annual report to the chairpersons and the ranking members of the joint appropriations subcommittee on economic development. The report shall include an update on the financial condition of the corporation relating to the status of any moneys, assets, or contracts currently being held by the corporation or transferred by the corporation during the prior year.

Sec. 33. NEW SECTION. 16.5A NONPROFIT CORPORATIONS.

Any nonprofit corporation created by or in association with the Iowa finance authority since January 1, 1989, shall file a report by January 15 of each year with the chairpersons and ranking members of the appropriate appropriations subcommittees of the general assembly. Any nonprofit corporation created by or in association with the authority since January 1, 1989, shall adopt a written conflict of interests policy.

Sec. 34. NEW SECTION. 16.5B HOUSING CORPORATION BOARD.

The board of directors of the Iowa housing corporation shall consist of seven voting members serving staggered three-year terms. One member of the board of directors shall be a representative of the home builders association of Iowa and one member of the board of directors shall be a representative of the Iowa bankers association.

Sec. 35. FEDERAL GRANTS. All federal grants to and the federal receipts of agencies appropriated funds under this Act, not otherwise appropriated, are appropriated for the purposes set forth in the federal grants or receipts unless otherwise provided by the general assembly.

Sec. 36. The Iowa finance authority and the Iowa housing corporation shall consider restrictions on any per diem provided to a member of the board of directors serving both the authority and the Iowa housing corporation on occasions when meetings of both entities are held on the same day and in the same city or metropolitan area.

Sec. 37. Notwithstanding section 96.9, subsection 4, paragraph "a", moneys credited to the state by the secretary of the treasury of the United States pursuant to section 903 of the Social Security Act shall be appropriated to the department of workforce development and shall be used by the department for the administration of the unemployment compensation program only. This appropriation shall not apply to any fiscal year after June 30, 2001.

Sec. 38. Notwithstanding any full-time equivalent position limitations in this Act to the contrary, the department of economic development may add 3.00 FTEs for the commission on volunteer services and 1.00 FTE for the housing assistance program. Two of the full-time equivalent positions added under this section for the commission on volunteer services relate to the transition of personnel services contractors to full-time equivalent positions. The merit system provisions of chapter 19A and the provisions of the state and union

collective bargaining agreements shall not govern movement into these full-time positions until September 1, 1998. The provisions relating to the transition of personnel services contractors to full-time equivalent positions, chapter 19A, and collective bargaining agreements are void after September 1, 1998.

Sec. 39. Section 15E.86, Code 1997, is repealed.

Sec. 40. EFFECTIVE DATE. Sections 14, 15, 16, 17, 18, 19, 20, 21, and 27 of this Act, being deemed of immediate importance, take effect upon enactment.

MARY E. KRAMER
President of the Senate

RON J. CORBETT
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2296, Seventy-seventh General Assembly.

MARY PAT GUNDERSON
Secretary of the Senate

Stem Watson
Approved 5/22, 1998

TERRY E. BRANSTAD
Governor