

ECONOMIC DEVELOPMENT AUTHORITY[261]

Notice of Intended Action

**Proposing rule making related to rural innovation grant program
and providing an opportunity for public comment**

The Economic Development Authority hereby proposes to adopt new Chapter 221, “Rural Innovation Grant Program,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is proposed under the authority provided in Iowa Code section 15.106A.

State or Federal Law Implemented

This rule making implements, in whole or in part, 2019 Iowa Acts, Senate File 608.

Purpose and Summary

Pursuant to 2019 Iowa Acts, Senate File 608, the Authority is directed to establish a Rural Innovation Grant Program to support creative, nontraditional ideas that focus on current issues and challenges faced by rural communities associated with the themes of community investment, growth, and connection. These proposed rules provide for the administration of the program.

Fiscal Impact

This rule making has no fiscal impact to the State of Iowa beyond the funds allocated by 2019 Iowa Acts, Senate File 608.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Authority for a waiver of the discretionary provisions, if any, pursuant to 261—Chapter 199.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rule making. Written or oral comments in response to this rule making must be received by the Authority no later than 4:30 p.m. on December 10, 2019. Comments should be directed to:

Jennifer Klein
Economic Development Authority
200 East Grand Avenue
Des Moines, Iowa 50309
Phone: 515.348.6144
Email: jennifer.klein@iowaeda.com

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)“b,” an oral presentation regarding this rule making may be demanded by 25 interested persons, a governmental

subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rule-making action is proposed:

Adopt the following **new** 261—Chapter 221:

CHAPTER 221
RURAL INNOVATION GRANT PROGRAM

261—221.1(88GA,SF608) Purpose. Pursuant to 2019 Iowa Acts, Senate File 608, the authority is directed to establish a rural innovation grant program to support creative, nontraditional ideas that focus on current issues and challenges faced by rural communities associated with the themes of community investment, growth, and connection.

261—221.2(88GA,SF608) Definitions. For purposes of this chapter, unless the context otherwise requires:

“Agreement” means a contract for financial assistance under the program describing the terms on which financial assistance is to be provided.

“Applicant” means an Iowa business, college, university, city, county, council of governments organization established by Iowa Code chapter 28H, K-12 educational institution, or private nonprofit agency or foundation applying for financial assistance under the program. A business will be considered an Iowa business if the business is incorporated in the state of Iowa or authorized to do business in the state of Iowa.

“Authority” means the economic development authority created in Iowa Code section 15.105.

“Director” means the director of the authority.

“Financial assistance” means a grant made by the authority to an applicant approved for funding under the program.

“Program” means the procedures, agreement, terms, and assistance established and provided pursuant to this chapter.

“Project” means a program or activity undertaken in and for the benefit of a community in Iowa with a population of 20,000 or fewer and not contiguous to a city with a population of 40,000 or greater.

261—221.3(88GA,SF608) Program description.

221.3(1) Amount, form, and timing of assistance. The program provides financial assistance to applicants to support creative, nontraditional ideas that focus on current challenges facing rural communities. The amount of assistance awarded will be determined by the authority based on the total amount of funds available to the authority for the program and based on the project details. Each award shall not be less than \$1,000.

221.3(2) Application.

a. Forms. All applications and other filings related to the program shall be on such forms and in accordance with such instructions as may be established by the authority. Information about the program, the application, and application instructions may be obtained by contacting the authority or by visiting the authority's website: Iowa Economic Development Authority, Community Development Division, 200 East Grand Avenue, Des Moines, Iowa 50309, (515)328-3000, iowaeconomicdevelopment.com.

b. Application period. Each fiscal year during which funding is available, applications for financial assistance will only be accepted during the established application period, or periods, as identified by the authority on its website.

c. Frequency of application. An eligible applicant may only be named as the primary entity on one application per application period. However, an applicant who has applied as the primary entity for an application may also be named as a partner on additional applications submitted.

d. Complete application required. An application shall not be considered submitted for review until the application is completed and all required supporting documentation and information are provided.

221.3(3) Approval of assistance. Authority staff will review applications for financial assistance under the program, and a grant committee will score and recommend applications to the director in accordance with subrule 221.4(2). A project that does not receive funding may reapply.

221.3(4) Agreement required. The authority shall enter into an agreement with each applicant for the receipt of a grant under this chapter. The agreement must state the terms on which the financial assistance is to be provided. The authority may negotiate the terms of the agreement. The applicant shall execute the agreement before funds are disbursed under the program.

221.3(5) Form of financial assistance. The authority will provide financial assistance in the form of a grant to the applicant. The amount of the grant and any other terms shall be included in the agreement required pursuant to this chapter.

221.3(6) Use of funds.

a. An applicant shall use funds only for reimbursement of the costs directly related to the project. The authority may require documentation or other information establishing the actual costs incurred for a project. Failure to use the funds for reimbursement of the costs directly related to a project shall be grounds for default under the agreement required pursuant to this chapter.

b. For purposes of this subrule, “costs directly related” does not include ineligible expenses such as international travel, domestic travel outside the state of Iowa, insurance, training or professional development courses, and any other expenses specified as ineligible in the agreement required pursuant to this chapter.

261—221.4(88GA,SF608) Program eligibility, application scoring, and funding decisions.

221.4(1) Program eligibility. An applicant must meet the following eligibility criteria to qualify for financial assistance under this program:

a. The applicant must meet the definition of “applicant” in rule 261—221.2(88GA,SF608).

b. If the applicant is not a local government entity, the applicant must demonstrate support from the local government entity as evidenced by a letter of support.

c. The applicant must serve a city that has a population of 20,000 or fewer and that is not contiguous to a city with a population of 40,000 or greater.

d. The applicant must demonstrate the capacity for administering a grant.

e. The applicant must provide a cash match of at least 50 cents for every dollar awarded as a grant under this program.

f. The applicant must demonstrate that the project does not consist of ongoing expenses for existing projects or programs.

221.4(2) Application scoring criteria. All completed applications will be reviewed and scored. Each application will be scored using criteria set forth by the authority, which may include the following:

a. Alignment with program purpose. The application should demonstrate that the project aligns with the program purpose by developing a nontraditional, concrete solution to increase rural community vibrancy.

b. Solution-oriented. The application should demonstrate that the project will address rural challenges through exceptional and creative solutions.

c. Replicability. The application should demonstrate a clear opportunity for successful replication in rural communities across the state.

d. Roles defined. The application should identify and describe the roles of all partners involved in the project.

e. Project goals and timeline. The application should demonstrate clearly defined, measurable goals and a timeline for execution of the project.

f. Project budget and financing. The application should include a complete budget that provides clear justification for all costs. The application should also demonstrate secured financing and that the cash match requirement has been met.

221.4(3) Funding decisions. Funding decisions will be made using the following process:

a. Staff review. Each application will be reviewed by staff for eligibility and completeness. Complete applications meeting all eligibility requirements will be sent to a grant committee.

b. Grant committee review and recommendation. Following staff review, a grant committee will review and score applications using the criteria set forth by the authority pursuant to subrule 221.4(2) and will make funding recommendations. The committee may utilize an outside technical panel if the committee determines additional expertise is necessary to review and score the application. The application and score will be referred to the director with a recommendation as to whether to fund the project and, if funding is recommended, a recommendation as to the amount of the grant.

c. Director's decision. The director will make the final funding decision on each application, taking into consideration the amount of available funding and the grant committee's recommendation. The director may approve, deny, or defer funding for any application.

d. Notification. Each applicant will be notified in writing of the funding decision within 15 days of the director's decision.

261—221.5(88GA,SF608) Agreement required.

221.5(1) Each applicant that is approved for financial assistance under the program shall enter into an agreement with the authority for the provision of such financial assistance. The agreement will establish the terms on which financial assistance is to be provided and may include any other terms reasonably necessary for the efficient administration of the program.

221.5(2) The authority and the applicant may amend the agreement at any time upon the mutual agreement of both the authority and the applicant.

221.5(3) The agreement may require an applicant that has been approved for financial assistance under the program to submit information reasonably required by the authority to make reports to the authority's board, the governor's office, or the general assembly.

These rules are intended to implement 2019 Iowa Acts, Senate File 608.