

ECONOMIC DEVELOPMENT, IOWA DEPARTMENT OF[261]

Adopted and Filed Emergency After Notice

Pursuant to the authority of Iowa Code sections 15.104 and 15.106, the Iowa Department of Economic Development hereby adopts new Chapter 110, “Lean Manufacturing Institute Program,” Chapter 111, “Supplier Capacity and Product Database Program,” and Chapter 112, “Management Talent Recruitment Program,” Iowa Administrative Code.

The new rules implement programs authorized by 2007 Iowa Acts, chapter 122, sections 7(1), 7(2), and 7(8). The rules describe the purpose of the programs; the application submittal, review, and approval procedures; and the contract administration provisions.

Notice of Intended Action was published in the Iowa Administrative Bulletin on July 16, 2008, as **ARC 6940B**.

A public hearing was held on August 8, 2008, to receive comments about the proposed amendments. The following comments were received:

- Steven T. Carter, President, Iowa State University Research Park Corporation, Ames, Iowa, suggested adding “management talent wages and salaries” to subrule 112.4(2) as an eligible use of funds. The impact of this change would be to allow the funds to be used to pay direct wages and salaries. The Department recognizes this as an appropriate use of the funds and the subrule has been changed accordingly. Subrule 112.4(2) now reads as follows:

“**112.4(2)** Funds shall be used for the identification of potential management talent, participation in human resource-business opportunity matching events, marketing materials, preparation of organized information (e.g., database, Internet applications, networks, talent profiles), and management talent wages, salaries, and relocation expenses. Funds shall not be used for human resource recruitment, search, or placement service expenses or to purchase equipment.”

- Carter also suggested that in reviewing and scoring the applications, the selection criteria stipulated in subrule 119.9(6) (i.e., management team, management expertise, and background including education, training, work experience, and other factors) should be the focus of the application and should provide a majority of the points awarded. The impact of this change would be to fund applications that demonstrate clear and convincing management expertise. The Department concurs with this suggestion and will develop the application to award more points using the criteria listed in subrule 119.9(6).

- Ronald A. Cox, Director, Center for Industrial Research and Service, Iowa State University, Ames, Iowa, provided a correction for the official name of the U.S. Department of Commerce/NIST manufacturing extension partnership in Iowa (MEP). The Department has revised subrules 110.6(2) and 111.6(2) to correct the official name of a desired eligible applicant.

- Michele Walker, Future Health, Inc., Carroll, Iowa, suggested an alternative definition for “early-stage company” to mean a company that is “three or four years from the date of the first dollar of sales revenue” rather than “a company with three or fewer years of operating experience” as defined in the proposed rule. The impact of this change would be to increase applications from “lifestyle” or “hobby” businesses that may be in existence but that do not have sales and job creation as a primary motivation. The Department did not change the definition in the adopted rules. The proposed definition of an “early-stage company” is consistent with how that definition is used in established Department financial assistance programs; furthermore, the date of formation of a company is easy to verify, whereas tracking the first date of sales revenue may not be verifiable and is subject to interpretation.

The Iowa Economic Development Board adopted these amendments on September 18, 2008.

The Department finds, pursuant to Iowa Code section 17A.5(2)“b”(2), that the normal effective date of the amendments, 35 days after publication, should be waived and the amendments be made effective on September 18, 2008. The Department requests emergency implementation of these amendments because they confer a benefit on the public. The earlier effective date will make funds accessible for the quality projects which are currently under development by eligible applicants for the Lean Manufacturing Institute Program, Supplier Capacity and Product Database Program, and Management

Talent Recruitment Program. With the amendments implemented, projects could be funded at an earlier time frame, encouraging critical collaborations in the targeted industries.

These amendments became effective on September 18, 2008.

These amendments are intended to implement 2007 Iowa Acts, chapter 122, sections 7(1), 7(2) and 7(8).

EDITOR'S NOTE: Pursuant to recommendation of the Administrative Rules Review Committee published in the Iowa Administrative Bulletin, September 10, 1986, the text of these amendments [Chs 110 to 112] is being omitted. With the exception of the changes noted above, these amendments are identical to those published under Notice as **ARC 6940B**, IAB 7/16/08.

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[For replacement pages for IAC, see IAC Supplement 10/8/08.]