

ECONOMIC DEVELOPMENT, IOWA DEPARTMENT OF[261]

Adopted and Filed

Pursuant to the authority of Iowa Code sections 15.104 and 15.106, the Iowa Department of Economic Development adopts new Chapter 114, “Iowa Innovation Council,” Iowa Administrative Code.

These rules implement a new Iowa Innovation Council authorized by 2010 Iowa Acts, House File 2076. The rules describe the purpose of the Council, voting member selection and approval procedures, Council operations, Council deliverables, and Department administration provisions.

Notice of Intended Action for these rules was published in the June 16, 2010, Iowa Administrative Bulletin as **ARC 8851B** to allow for public comment. The rules were also Adopted and Filed Emergency and published in the Iowa Administrative Bulletin as **ARC 8850B** on the same date.

The Department held a public hearing on July 6, 2010; no persons attended. The Department received written comments from the Iowa Biotech Association, the Iowa Wind Energy Association, a private citizen, and an Administrative Rules Review Committee member. Comments included an appreciation of the Iowa Innovation Council, requests for assurance that the smaller executive committee was not able to act on behalf of the larger Council, and clarification whether alternative and renewable energy and health care would be considered among the targeted industries identified in the rules.

The Department made the following changes to the rules published under Notice as **ARC 8851B** and Adopted and Filed Emergency as **ARC 8850B**:

- Clarified the role of the chief technology officer in rule 261—114.3(83GA, HF2076);
- Added a definition of “council” in rule 261—114.3(83GA, HF2076);
- Described alternative and renewable energy as components of the definition of “targeted industry” in rule 261—114.3(83GA, HF2076);
- Reordered the chapter by moving rule 261—114.5(83GA, HF2076) to rule 261—114.7(83GA, HF2076) and rule 261—114.11(83GA, HF2076) to rule 261—114.6(83GA, HF2076) and renumbering the subsequent rules accordingly;
- Made minor modifications to the membership requirements for the Council in rule 261—114.5(83GA, HF2076);
- Made minor citation corrections in rule 261—114.6(83GA, HF2076);
- Modified subrule 114.7(1) to account for the fact that the Council is appointed, and not selected, by the Board and to task the executive committee with providing recommendations about the make-up of the Council;
- Clarified in subrule 114.7(2) that the executive committee does not have the authority to act on behalf of the Council;
- Clarified that the Council will recommend to the Board who to appoint to the Council; and
- Changed many uses of the word “will” to “shall” throughout the chapter.

The Iowa Economic Development Board adopted these rules on August 19, 2010.

These rules are intended to implement 2010 Iowa Acts, House File 2076.

These rules will become effective on October 13, 2010, at which time the Adopted and Filed Emergency rules are hereby rescinded.

The following amendment is adopted.

Adopt the following **new** 261—Chapter 114:

CHAPTER 114
IOWA INNOVATION COUNCIL

261—114.1(83GA, HF2076) Authority. The authority for establishing rules governing the Iowa innovation council under this chapter is provided in 2010 Iowa Acts, House File 2076, section 4.

261—114.2(83GA, HF2076) Purpose. The purpose of the Iowa innovation council is to advise the department on the development and implementation of public policies that enhance innovation and entrepreneurship in the targeted industries.

261—114.3(83GA, HF2076) Definitions.

“*Board*” means the Iowa economic development board established in Iowa Code section 15.103.

“*Chief technology officer*” means the person appointed pursuant to Iowa Code section 15.117 as amended by 2010 Iowa Acts, House File 2076. The chief technology officer serves as chairperson of the council pursuant to 2010 Iowa Acts, House File 2076, section 4.

“*Committee*” means the technology commercialization committee created by the board pursuant to Iowa Code section 15.116.

“*Council*” means the Iowa innovation council established by 2010 Iowa Acts, House File 2076, section 4.

“*Department*” means the Iowa department of economic development.

“*Director*” means the director of the department or the director’s designee.

“*Targeted industry*” means the industries of advanced manufacturing, bioscience, and information technology. Alternative and renewable energy is considered a sector within the advanced manufacturing and bioscience industries.

“*Vice chairperson*” means the voting member elected to serve as the council vice chairperson for a one-year term.

261—114.4(83GA, HF2076) Iowa innovation council funding. The department shall provide assistance to the council with staff and administrative support. The department may expend moneys allocated to the innovation and commercialization fund in order to provide such support. The council shall not have the authority to expend moneys or resources or to execute contracts. The department may accept grant funds on behalf of the council, but the council shall not provide any form of financial assistance awards. Authority for and approval of all financial expenditures and contracts for the council shall be granted solely by the director on behalf of the department.

261—114.5(83GA, HF2076) Council membership.

114.5(1) The council shall consist of the following members:

a. Twenty voting members selected by the board to serve staggered, two-year terms beginning and ending as provided in Iowa Code section 69.19. Members to be selected shall include the following representatives:

- (1) Seven shall be representatives from businesses in the targeted industries; and
- (2) Thirteen shall be individuals who serve on the technology commercialization committee, or other committees of the board, and who have expertise with the targeted industries.
- (3) Ten of the 20 members selected pursuant to subparagraphs (1) and (2) of paragraph “*a*” shall be executives actively engaged in the management of a business in a targeted industry.

b. Nine voting members as set forth below:

- (1) One member, selected by the governor, who also serves on the Iowa capital investment board created in Iowa Code section 15E.63.
- (2) The director of the department, or the director’s designee.
- (3) The chief technology officer appointed pursuant to Iowa Code section 15.117 as amended by 2010 Iowa Acts, House File 2076, who shall serve as chairperson of the council.
- (4) The person designated as the chief information officer pursuant to Iowa Code section 8A.104, subsection 12, or, if no person has been so designated, the director of the department of administrative services, or the director’s designee.
- (5) The president of the state university of Iowa, or the president’s designee.
- (6) The president of Iowa state university of science and technology, or the president’s designee.
- (7) The president of the university of northern Iowa, or the president’s designee.

(8) Two community college presidents from geographically diverse areas of the state, selected by the Iowa association of community college trustees.

c. Four members of the general assembly serving two-year terms in a nonvoting, ex officio capacity, with two from the senate and two from the house of representatives and not more than one member from each chamber being from the same political party. The two senators shall be designated one member each by the president of the senate after consultation with the majority leader of the senate, and by the minority leader of the senate. The two representatives shall be designated one member each by the speaker of the house of representatives after consultation with the majority leader of the house of representatives, and by the minority leader of the house of representatives.

114.5(2) To be eligible to serve as a designee, a person must have sufficient authority to make decisions on behalf of the organization being represented. A designee shall not permit a substitute to attend council meetings on the designee's behalf.

261—114.6(83GA, HF2076) Responsibilities and deliverables.

114.6(1) The purpose of the council is to advise the department on the development and implementation of public policies that enhance innovation and entrepreneurship in the targeted industries. Such advice may include evaluating Iowa's competitive position in the global economy; reviewing the technology typically utilized in the state's manufacturing sector; assessing the state's overall scientific research capacity; keeping abreast of the latest scientific research and technological breakthroughs and offering guidance as to their impact on public policy; recommending strategies that foster innovation, increase new business formation, and otherwise promote economic growth in the targeted industries; and offering guidance about future developments in the targeted industries.

114.6(2) The council shall do the following:

a. Prepare a report of the expenditures of moneys appropriated and allocated to the department for certain programs authorized pursuant to 2009 Iowa Code Supplement sections 15.411 as amended by 2010 Iowa Acts, House File 2076, and 15.412 relating to the development and commercialization of businesses in the targeted industries.

b. Prepare a summary of the activities of the technology commercialization committee and the Iowa innovation council.

c. Create a comprehensive strategic plan for implementing specific strategies that foster innovation, increase new business formation, and promote economic growth.

d. Review existing programs that relate to the targeted industries and suggest changes to improve efficiency and effectiveness.

e. Conduct industry research and prepare reports for the general assembly, the governor, the department, and other policy-making bodies within state government.

f. Act as a forum where issues affecting the research community, the targeted industries, and policy makers can be discussed and addressed.

261—114.7(83GA, HF2076) Executive committee. In order to effectively carry out the responsibilities of the council, an executive committee within the council shall be formed.

114.7(1) Membership. The executive committee shall include the chief technology officer, vice chairperson of the council, the director of the department, and four board-appointed members of the council who also serve on the technology commercialization committee in order to:

a. Solicit individuals to become council members;

b. Review vacancies and resignations;

c. Review all nominees and application materials and recommend nominees to the council to recommend to the board for appointment;

d. Nominate one of the voting members to serve as vice chairperson;

e. Approve the formation of work groups, appoint work group members and leaders, review activities of the work groups, and report to the council to ensure the coordination of activity of work groups;

f. Record the official proceedings for the council;

- g. Act on behalf of the council between council meetings, as directed by the council;
- h. Issue reports on behalf of the council, as directed by the council;
- i. Meet with the chief technology officer to discuss the overall management of the business of the council; and
- j. Review potential conflicts of interest on the part of any member of the council.

114.7(2) Quorum; authority. A majority of the members of the executive committee constitutes a quorum. A majority vote of the quorum is required to approve actions of the executive committee. The executive committee shall not have the authority to bind the council to its decisions or recommendations but merely the authority to recommend action to the council or to take action as directed by the council.

261—114.8(83GA, HF2076) Application and review process for board-appointed council members. The council shall review application materials for board-appointed nominees identified by the executive committee and shall recommend to the board for appointment those nominees who the council believes will add value to and further the purposes of the council.

261—114.9(83GA, HF2076) Voting. A majority of the members of the council constitutes a quorum. A majority vote of the quorum is required to approve actions of the council, including recommendations.

261—114.10(83GA, HF2076) Meetings and commitment of time. The chief technology officer shall be responsible for convening meetings of the council and is expected to convene at least four regular meetings of the council, within any period of 12 consecutive calendar months, beginning on July 1 or January 1, including at least one annual meeting. The annual meeting of the council shall be convened in January at a convenient location in Des Moines. The chief technology officer shall not convene a meeting of the council unless the director of the department, or the director's designee, is present at the meeting.

261—114.11(83GA, HF2076) Nonattendance.

114.11(1) Any member serving on the council shall be deemed to have submitted a resignation to the council if either of the following events occurs.

- a. The member does not attend two or more consecutive regular meetings of the council.
- b. The member attends less than one-half of the regular council meetings within any period of 12 calendar months beginning on July 1 or January 1.

114.11(2) The requirements of this rule shall supersede the attendance requirements described in Iowa Code section 69.15 only to the extent that statutory construction pursuant to Iowa Code chapter 4 allows.

261—114.12(83GA, HF2076) Council work groups.

114.12(1) The council shall establish work groups, both standing and temporary, to assist in the execution of responsibilities of the council and to expand the intellectual capacity of the council. Work groups shall be directed by a work group leader. Work groups shall encourage diversity of talent, the size and geographic location of businesses in the targeted industries, and invite a wider assembly of corporate and university executives, scientists, financial executives, venture investors, and experienced entrepreneurs from across the state.

114.12(2) To be eligible to serve as a work group leader, a nominee must be one of the eligible voting members of the council. The executive committee shall review and approve the formation of proposed work groups and approve proposed work group members and leaders. The chief technology officer and vice chairperson shall serve as ex officio members of all work groups established by the council.

261—114.13(83GA, HF2076) Reporting. The executive committee shall review, comment, and formally submit any and all reports on behalf of the council. The chief technology officer is designated by the board as the signing officer for certain documents. The chief technology officer is authorized to sign correspondence, applications, reports, or other non-financial documents produced by the council. The chief technology officer shall serve as a key spokesperson for the council and be responsible for

coordinating the communication of information requested by the department in sufficient detail to permit the department to prepare the report required pursuant to 2010 Iowa Acts, House File 2076, section 2, and any other reports deemed necessary by the department, the board, the general assembly or the governor's office.

These rules are intended to implement 2010 Iowa Acts, House File 2076.

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 9/8/10.