

Notwithstanding section 8.33, the unencumbered or unobligated moneys remaining at the end of any fiscal year from the appropriations made in subsections 1 and 2 shall not revert but shall be available for expenditure during subsequent fiscal years until expended for the purposes for which originally appropriated.

Approved March 20, 1997

**CHAPTER 201**

**APPROPRIATIONS — ECONOMIC DEVELOPMENT**

*H.F. 655*

**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 statutory changes, and providing an effective date.

*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, 1997, and ending June 30, 1998, 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:

.....	\$	1,461,470
.....	FTEs	23.75

- b. Film office

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

.....	\$	228,493
.....	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 \$100,000 to the university of northern Iowa for operation of industrial technology programs at the ag based industrial lubrication center:

.....	\$	3,916,397
.....	FTEs	17.76

The business development division may expend up to \$125,000 for a pilot project relating to labor availability recruitment in the areas of information technologists, engineering, and building trades. If a pilot project is implemented, the business development division shall submit a progress report to the general assembly no later than January 1, 1998.

The department shall develop minimum requirements for buildings and sites to be listed on the IMEDIA system.

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:

.....	\$	445,463
.....	FTEs	5.00

c. Federal procurement office

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

.....	\$	101,585
.....	FTEs	3.00

Notwithstanding section 8.33, moneys remaining unencumbered or unobligated on June 30, 1998, shall not revert and shall be available for expenditure during the fiscal year beginning July 1, 1998, 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:

.....	\$	6,796,466
.....	FTEs	10.50

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, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, for insurance economic development and international insurance economic development:

.....	\$	200,000
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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.

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 boards:

.....	\$	589,741
.....	FTEs	8.50

There is also appropriated from the rural community 2000 program revolving fund estab-

lished in section 15.287 to the community assistance program for the purposes of the community economic preparedness program:

..... \$ 50,000

b. Main street/rural main street program

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

..... \$ 418,931

..... 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, 1998, shall not revert to any fund but shall be available for expenditure for purposes of the contract during the fiscal year beginning July 1, 1998.

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:

..... \$ 720,055

..... FTEs 4.50

From moneys appropriated under this paragraph, the department shall distribute \$150,000 equally to Iowa's councils of governments for planning and technical assistance to assist local governments in developing community development strategies for addressing long-term and short-term community needs.

There is also 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:

..... \$ 529,000

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, 1998, shall not revert but shall be available for expenditure for purposes of the contract during the fiscal year beginning July 1, 1998.

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:

..... \$ 412,505

..... FTEs 18.75

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, 1998, 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, 1998.

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 allocating \$100,000 to develop markets in, investment opportunities with, and direct trade with greater China,

none of which is to be used for gubernatorial or legislative travel purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,317,360
.....	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.

b. Foreign trade offices

For salaries, support, maintenance, and miscellaneous purposes:

.....	\$	651,150
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c. 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
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Notwithstanding section 8.33, moneys appropriated by this lettered paragraph which remain unobligated or unexpended on June 30, 1998, 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.

d. Agricultural product advisory council

For support, maintenance, and miscellaneous purposes:

.....	\$	1,300
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e. 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:

.....	\$	112,500
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5. TOURISM DIVISION

a. Tourism operations

For salaries, support, maintenance, miscellaneous purposes, for not more than the following full-time equivalent positions, provided that the appropriation shall not be used for advertising placements for in-state and out-of-state tourism marketing:

.....	\$	772,037
.....	FTEs	18.52

b. Tourism advertising

For contracting exclusively for tourism advertising for in-state and out-of-state tourism marketing services, tourism promotion programs, electronic media, print media, and printed materials:

.....	\$	4,127,000
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The department shall not use the moneys appropriated in this lettered paragraph, 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, 1997, and ending June 30, 1998, to the department of economic development for the rural 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, 1997, and ending June 30, 1998, 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:

.....	\$	185,000
.....	FTEs	2.40

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, for the fiscal year beginning July 1, 1997, and ending June 30, 1998, to the workforce development fund created in section 15.343, the following amount, for the purposes of the workforce development fund:

.....	\$	5,531,028
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Sec. 5. APPRENTICESHIP PROGRAM. It is the intent of the general assembly that the department of economic development allocate \$600,000 for high technology apprenticeship programs for the fiscal year beginning July 1, 1997, under the procedures specified in section 15.343.

Sec. 6. Of all funds appropriated to or receipts credited to the job training fund created in section 260F.6, subsection 1, up to \$150,000 for the fiscal year beginning July 1, 1997, and ending June 30, 1998, and not more than 1.30 FTEs may be used for the administration of the Iowa jobs training Act.

Sec. 7. 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, 1997, and ending June 30, 1998, 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:

.....	\$	1,222,880
.....	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:

.....	\$	370,000
.....	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:

.....	\$	4,273,617
.....	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. 8. 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, 1997, and ending June 30, 1998, 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:

.....	\$	321,700
.....	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:

.....	\$	250,925
.....	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, 1997.

**Sec. 9. 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, 1997, and ending June 30, 1998, 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:

.....	\$	160,000
.....	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:

.....	\$	667,145
.....	FTEs	10.00

**Sec. 10. 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, 1997, and ending June 30, 1998, 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:

.....	\$	2,850,551
.....	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:

.....	\$	2,258,254
.....	FTEs	33.00

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:

.....	\$	120,534
.....	FTE	0.50

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

.....	\$	66,250
.....	FTE	1.00

5. For salaries, support, maintenance, and miscellaneous purposes for the mentoring project for family investment program participants, and for not more than the following full-time equivalent positions:

.....	\$	73,051
.....	FTEs	1.50

6. a. Youth workforce programs

For purposes of the conservation corps and for not more than the following full-time equivalent positions:

.....	\$	920,853
.....	FTEs	1.80

Notwithstanding section 8.33, moneys committed to grantees under contract that remain unexpended on June 30, 1998, of the fiscal year shall not revert to any fund but shall be available for expenditure for purposes of the contract during the fiscal year beginning July 1, 1998.

b. Workforce investment program

For a competitive grant program by the department for projects that increase Iowa's pool of available labor via training and support services with priority given to projects which serve displaced homemakers or welfare recipients, including salaries and support, and not more than the following full-time equivalent position:

.....	\$	479,831
.....	FTE	0.90

The department shall ensure that the workforce investment program is coordinated with services provided under the federal Job Training Partnership Act and that welfare recipients receive priority for services under both programs.

Notwithstanding section 8.33, moneys committed to grantees under contract that remain unexpended on June 30, 1998, shall not revert to any fund but shall be available for expenditure for purposes of the contract during the fiscal year beginning July 1, 1998.

c. Labor management coordinator

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

.....	\$	65,935
.....	FTE	1.00

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.

Sec. 11. 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, 1997, and ending June 30, 1998, 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. 12. 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, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, for the purposes designated:

DIVISION OF JOB SERVICE

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:

..... \$ 6,720,000

..... FTEs 144.12

The division\* 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.

Sec. 13. 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, 1997, and ending June 30, 1998, 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. 14. 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, 1997, and ending June 30, 1998, 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:

..... \$ 818,685

..... FTEs 12.80

Sec. 15. Moneys remaining in the division-approved training fund created in 1990 Iowa Acts, chapter 1261, section 5, subsection 2, paragraph "d", is appropriated to the department of workforce development to provide training and direct client services to promise jobs

\* Division of Industrial Services probably intended



recipients in the fiscal year beginning July 1, 1997. The division-approved training fund is closed out June 30, 1998.

Sec. 16. NEW SECTION. 15.350 SHELTER ASSISTANCE FUND.

A shelter assistance fund is created as a revolving fund in the state treasury under the control of the department consisting of any moneys appropriated by the general assembly and received under section 428A.8 for purposes of the construction, rehabilitation, expansion, or costs of operations of group home shelters for the homeless and domestic violence shelters. Of the moneys in the fund, not less than five hundred forty-six thousand dollars shall be spent annually on homeless shelter projects. Notwithstanding section 8.33, all moneys in the shelter assistance fund which remain unexpended or unobligated at the close of the fiscal year shall not revert to the general fund of the state but shall remain available for expenditure for subsequent fiscal years.

Sec. 17. Section 16.5, Code 1997, is amended by adding the following new subsection: NEW SUBSECTION. 17. Provide moneys to the shelter assistance fund created in section 15.350.

Sec. 18. Section 16.40, subsection 2, Code 1997, is amended by striking the subsection.

Sec. 19. Section 16.100, subsection 2, paragraph a, Code 1997, is amended by striking the subsection.\*

Sec. 20. Section 260F.2, subsection 11, Code 1997, is amended to read as follows:

11. "Project" means a training arrangement which is the subject of an agreement entered into between the community college and a business to provide program services. "Project" also means a department-sponsored training arrangement which is sponsored by the department and administered under sections 260F.6A and 260F.6B.

Sec. 21. NEW SECTION. 260F.6B HIGH TECHNOLOGY APPRENTICESHIP PROGRAM.

The community colleges and the department of economic development are authorized to fund high technology apprenticeship programs which comply with the requirements specified in section 260C.44 and which may include both new and statewide apprenticeship programs. Notwithstanding the provisions of section 260F.6, subsection 2, relating to maximum award amounts, moneys allocated to the community colleges with high technology apprenticeship programs shall be distributed to the community colleges based upon contact hours under the programs administered during the prior fiscal year as determined by the department of education. The department of economic development shall adopt rules governing this section's operation and participant eligibility.

Sec. 22. Section 428A.8, unnumbered paragraph 1, Code 1997, is amended to read as follows:

On or before the tenth day of each month the county recorder shall determine and pay to the treasurer of state eighty-two and three-fourths percent of the receipts from the real estate transfer tax collected during the preceding month and the treasurer of state shall deposit ninety-five percent of the receipts in the general fund of the state and transfer five percent of the receipts to the ~~Iowa finance authority for deposit in the housing improvement fund created in section 16.100~~ shelter assistance fund created in section 15.350.

Sec. 23. 1996 Iowa Acts, chapter 1218, section 55, subsection 3, is amended to read as follows:

3. The moneys appropriated in this section shall be used only for providing assistance in ~~the form of loan guarantees, irrevocable letters of credit, and accordance with section 15E.175, subsection 3, paragraph "b".~~ However, to be eligible for funding an indemnification for liability agreements agreement shall be entered into prior to October 15, 1996 June 30, 1998.

\* The word "paragraph" probably intended

Sec. 24. 1996 Iowa Acts, chapter 1219, section 92, is amended to read as follows:

SEC. 92. There is allocated from the unobligated funds remaining in the Wallace technology transfer foundation fund, after the allocation in section 78, subsection 2, paragraph "d", of this Act, on June 30, 1996, \$100,000 for deposit in the housing improvement fund created in section 16.100 for the purposes of the fund. Any funds remaining shall not revert to any fund, notwithstanding section 8.33. Unobligated funds remaining on June 30, 1997, shall revert to the ~~general fund of the state~~ strategic investment fund created in section 15.313.

Sec. 25. To the extent possible, the administrative rules for the high technology apprenticeship programs authorized in section 260F.6B shall be generally consistent with the current administrative rules in 261 IAC ch. 17, with the exception that the definition of "currently existing program" shall be stricken.

Sec. 26. All physical assets of the Wallace technology transfer foundation shall be transferred to the possession of the department of economic development on June 30, 1997.

Sec. 27. In providing moneys from the shelter assistance fund to homeless shelter programs, the department is requested to consider exploring the potential to allocate moneys to homeless shelter programs based in part on their ability to move their clients toward self-sufficiency.

Sec. 28. The department of economic development and the department of workforce development shall within the budget proposals for the fiscal year beginning July 1, 1999, detail the number of FTEs and contract employees included in the budget proposal. During the budget process for the fiscal year beginning July 1, 1999, 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. 29. On or before June 30, 1998, the board of directors of the Iowa seed capital corporation shall wind up the affairs of the corporation, including termination of staff, dissolution of the corporation, and transfer of remaining assets and liabilities to the Iowa capital investment board pursuant to H.F. 652, if enacted. In the event that the remaining assets and liabilities cannot be transferred to the Iowa capital investment board, the board of directors of the Iowa seed capital corporation shall provide for the orderly liquidation of all assets, settle existing liabilities, and transfer remaining moneys to the general fund of the state. The joint appropriations subcommittee on economic development supports the implementation of H.F. 652 relating to the increasing of venture capital in Iowa.\**

Sec. 30. HOUSING ASSISTANCE INTERIM STUDY. As housing in Iowa is a critical need, the legislative council is requested to establish an interim committee to provide the opportunity to learn about housing assistance organizations. By October 30, 1997, the study committee shall submit a report to the general assembly.

Sec. 31. HOUSING ASSISTANCE INFORMATION. By October 15, 1997, all housing assistance organizations in Iowa are requested to submit a report to the secretary of the senate and the chief clerk of the house of representatives based on such information as is needed for the interim study requested in section 30.

Sec. 32. 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, 1998.

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\* Item veto; see message at end of the Act

Sec. 33. 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. 34. EFFECTIVE DATE. Sections 23 and 24 of this Act, being deemed of immediate importance, take effect upon enactment.

*Approved April 22, 1997, except the item which I hereby disapprove and which is designated as Section 29 in its entirety. My reason for vetoing this item is delineated in the item veto message pertaining to this Act to the Speaker of the House of Representatives this same date, a copy of which is attached hereto.*

TERRY E. BRANSTAD, Governor

Dear Mr. Speaker:

I hereby transmit House File 655, 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 statutory changes, and providing an effective date.

House File 655 is, therefore, approved on this date with the following exception, which I hereby disapprove.

I am unable to approve section 29, in its entirety, which relates to the dissolution of the Iowa Seed Capital Corporation. This provision was intended to be enacted in conjunction with House File 652, which would establish a new structure for seed and venture capital programs in Iowa. Due to the uncertain outcome of the General Assembly's deliberations concerning House File 652, I am unable to approve this provision. If House File 652 fails to be enacted, the Iowa Seed Capital Corporation should remain in existence until the General Assembly again has the opportunity to consider the state's seed and venture capital policies in the 1998 session.

For the above reason, I hereby respectfully disapprove this item in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in House File 655 are hereby approved as of this date.

Sincerely,  
TERRY E. BRANSTAD, Governor