

# House File 829 - Enrolled

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HOUSE FILE 829

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1 3 AN ACT  
1 4 RELATING TO THE DEVELOPMENT AND COMMERCIALIZATION OF  
1 5 BUSINESSES IN THE TARGETED INDUSTRY AREAS OF ADVANCED  
1 6 MANUFACTURING, BIOSCIENCE, AND INFORMATION TECHNOLOGY AND  
1 7 INCLUDING APPROPRIATIONS AND AN EFFECTIVE DATE PROVISION.  
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1 9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
1 10  
1 11 Section 1. NEW SECTION. 15.411 TARGETED INDUSTRIES  
1 12 DEVELOPMENT == FINANCIAL ASSISTANCE.  
1 13 1. As used in this section, unless the context otherwise  
1 14 requires:  
1 15 a. "Internship" means temporary employment of a student  
1 16 that focuses on providing the student with work experience in  
1 17 the student's field of study.  
1 18 b. "Targeted industries" means the industries of advanced  
1 19 manufacturing, biosciences, and information technology.  
1 20 2. The department shall, upon board approval, contract  
1 21 with a provider through a request for proposals process for  
1 22 services related to statewide commercialization development in  
1 23 the targeted industries. Services provided shall include all  
1 24 of the following:  
1 25 a. Assistance provided directly to businesses by  
1 26 experienced serial entrepreneurs for all of the following  
1 27 activities:  
1 28 (1) Business plan development.  
1 29 (2) Due diligence.  
1 30 (3) Market assessments.  
1 31 (4) Technology assessments.  
1 32 (5) Other planning activities.  
1 33 b. Operation and coordination of various available  
1 34 competitive seed and prototype development funds.  
1 35 c. Connecting businesses to private angel investors and  
2 1 the venture capital community.  
2 2 d. Assistance in obtaining access to an experienced pool  
2 3 of managers and operations talent that can staff, mentor, or  
2 4 advise start-up enterprises.  
2 5 e. Support and advice for accessing sources of early stage  
2 6 financing.  
2 7 3. The department shall establish and administer a program  
2 8 to provide financial and technical assistance to encourage  
2 9 prototype and concept development activities that have a clear  
2 10 potential to lead to commercially viable products or services  
2 11 within a reasonable period of time in the targeted industries.  
2 12 Financial assistance shall be awarded on a per project basis  
2 13 upon board approval. The amount of financial assistance  
2 14 available for a single project shall not exceed one hundred  
2 15 fifty thousand dollars. In order to receive financial  
2 16 assistance, an applicant must demonstrate the ability to  
2 17 secure one dollar of nonstate moneys for every two dollars  
2 18 received from the department.  
2 19 4. The department shall, upon board approval, establish  
2 20 and administer a program to provide financial assistance for  
2 21 projects designed to encourage collaboration between  
2 22 commercial users and developers of information technology in  
2 23 the state for the purpose of commercializing existing software  
2 24 and applications technologies. Financial assistance shall not  
2 25 exceed one hundred thousand dollars per project. In order to  
2 26 receive financial assistance, an applicant must demonstrate  
2 27 the ability to secure two dollars of nonstate moneys for every  
2 28 one dollar received from the department. Financial assistance  
2 29 shall be awarded to projects that will result in technologies  
2 30 being developed as commercial products for sale by Iowa  
2 31 companies rather than as custom applications for proprietary  
2 32 use by a participating firm.  
2 33 5. The department shall, upon board approval, establish  
2 34 and administer a program to provide financial assistance to  
2 35 businesses or departments of businesses engaged in the  
3 1 delivery of information technology services in the state for  
3 2 the purpose of upgrading the high-level technical skills of  
3 3 existing employees. The amount of financial assistance shall

3 4 not exceed twenty-five thousand dollars for any business site.  
3 5 In order to receive financial assistance, an applicant must  
3 6 demonstrate the ability to secure two dollars of nonstate  
3 7 moneys for every one dollar received from the department.  
3 8 6. The department shall, upon board approval, establish  
3 9 and administer a targeted industries internship program for  
3 10 students of Iowa community colleges, private colleges, or  
3 11 institutions of higher learning under the control of the state  
3 12 board of regents. The purpose of the program is to link Iowa  
3 13 students to small and medium sized firms in the targeted  
3 14 industries through internship opportunities. An employer may  
3 15 receive financial assistance in an amount of one dollar for  
3 16 every two dollars paid by the employer to an intern. The  
3 17 amount of financial assistance shall not exceed three thousand  
3 18 one hundred dollars for any single internship, or nine  
3 19 thousand three hundred dollars for any single employer. In  
3 20 order to be eligible to receive financial assistance under  
3 21 this subsection, the employer must have five hundred or fewer  
3 22 employees and must be engaged in a targeted industry. The  
3 23 department shall encourage youth who reside in economically  
3 24 distressed areas, youth adjudicated to have committed a  
3 25 delinquent act, and youth transitioning out of foster care to  
3 26 participate in the targeted industries internship program.  
3 27 7. The department of economic development shall work with  
3 28 the department of workforce development to create a statewide  
3 29 supplier capacity and product database to assist the  
3 30 department of economic development in linking suppliers to  
3 31 Iowa-based companies. The department of economic development  
3 32 may procure technical assistance for the creation of the  
3 33 database from a third party through a request for proposals  
3 34 process.  
3 35 8. The technology commercialization committee created  
4 1 pursuant to section 15.116 shall review all applications for  
4 2 financial assistance and requests for proposals pursuant to  
4 3 this section and make recommendations to the board.  
4 4 9. The board shall adopt rules pursuant to chapter 17A  
4 5 necessary for the administration of this section.  
4 6 Sec. 2. Section 15G.111, subsection 1, paragraph a, Code  
4 7 2007, is amended to read as follows:  
4 8 a. For the fiscal period beginning July 1, 2005, and  
4 9 ending June 30, 2015, there is appropriated each fiscal year  
4 10 from the grow Iowa values fund created in section 15G.108, the  
4 11 following amounts for the purposes designated:  
4 12 (1) For the fiscal year beginning July 1, 2005, and ending  
4 13 June 30, 2006, to the department of economic development  
4 14 thirty-five million dollars for programs administered by the  
4 15 department of economic development.  
4 16 (2) For each fiscal year of the fiscal period beginning  
4 17 July 1, 2006, and ending June 30, ~~2009~~ 2007, to the department  
4 18 of economic development thirty-three million dollars for  
4 19 programs administered by the department of economic  
4 20 development.  
4 21 (3) For each fiscal year of the fiscal period beginning  
4 22 July 1, 2007, and ending June 30, 2009, to the department of  
4 23 economic development thirty million dollars for programs  
4 24 administered by the department of economic development.  
4 25 ~~(3)~~ (4) For each fiscal year of the fiscal period  
4 26 beginning July 1, 2009, and ending June 30, 2015, to the  
4 27 department of economic development ~~thirty-five~~ thirty-two  
4 28 million dollars for programs administered by the department of  
4 29 economic development.  
4 30 Sec. 3. Section 15G.111, subsection 2, unnumbered  
4 31 paragraph 3, Code 2007, is amended by striking the unnumbered  
4 32 paragraph and inserting in lieu thereof the following:  
4 33 By September 30, 2007, the legislative services agency  
4 34 shall submit a written report to the fiscal committee of the  
4 35 legislative council and the standing committees on economic  
5 1 growth in the senate and the house of representatives  
5 2 regarding a review of expenditures by the state board of  
5 3 regents from appropriations under this subsection and 2006  
5 4 Iowa Acts, chapter 1179, section 14.  
5 5 Sec. 4. Section 15G.111, Code 2007, is amended by adding  
5 6 the following new subsection:  
5 7 NEW SUBSECTION. 7A. For the fiscal period beginning July  
5 8 1, 2007, and ending June 30, 2015, there is appropriated for  
5 9 each fiscal year from the grow Iowa values fund created in  
5 10 section 15G.108 to the department of economic development  
5 11 three million dollars for the purpose of providing the  
5 12 commercialization services described in section 15.411,  
5 13 subsections 2 and 3.  
5 14 Sec. 5. Section 262B.21, subsection 1, Code 2007, is

5 15 amended to read as follows:

5 16 1. For purposes of this section, and ~~sections 262B.22 and~~  
5 17 section 262B.23, "core platform areas" means the areas of  
5 18 advanced manufacturing, biosciences, information solutions,  
5 19 and financial services.

5 20 Sec. 6. Section 262B.22, Code 2007, is repealed.

5 21 Sec. 7. ALLOCATION OF CERTAIN MONEYS FROM LOAN REPAYMENTS  
5 22 AND OTHER RECAPTURES. For the fiscal year beginning July 1,  
5 23 2007, and ending June 30, 2008, the department of economic  
5 24 development may expend additional moneys that may become  
5 25 available from loan repayments or other recaptures of awards  
5 26 from federal economic stimulus funds for implementation of the  
5 27 recommendations provided in separate consultant reports on  
5 28 bioscience, advanced manufacturing, information technology,  
5 29 and entrepreneurship submitted to the department of economic  
5 30 development in the calendar years 2004, 2005, and 2006. The  
5 31 allocation of any additional available moneys shall be as  
5 32 follows:

5 33 1. For study and planning for the creation of a statewide  
5 34 lean manufacturing institute to provide executive level,  
5 35 in-depth training assistance to manufacturing companies in the  
6 1 state:

6 2 ..... \$ 100,000

6 3 2. For the study, planning, and creation of a statewide  
6 4 supplier capacity and product database:

6 5 ..... \$ 500,000

6 6 3. For the commercialization of orphaned technology as  
6 7 provided in section 15.411, subsection 4:

6 8 ..... \$ 500,000

6 9 4. For information technology job training as provided in  
6 10 section 15.411, subsection 5:

6 11 ..... \$ 500,000

6 12 5. For the targeted industries internship program provided  
6 13 in section 15.411, subsection 6:

6 14 ..... \$ 480,000

6 15 6. For the sponsorship of student competitions in the  
6 16 areas of advanced manufacturing, biosciences, information  
6 17 technology, and entrepreneurial development:

6 18 ..... \$ 130,000

6 19 7. For the sponsorship of connectivity events to bring  
6 20 together private industry and public sector researchers to  
6 21 facilitate technology transfer:

6 22 ..... \$ 160,000

6 23 8. For the purpose of recruitment from out-of-state,  
6 24 personnel to fulfill the executive-level management and  
6 25 operations needs of new and expanding companies in the  
6 26 targeted industries:

6 27 ..... \$ 280,000

6 28 9. For a statewide public awareness campaign aimed at  
6 29 educating Iowans about the job career opportunities available  
6 30 in the targeted industries including career academies:

6 31 ..... \$ 250,000

6 32 10. For deployment of equipment and training software that  
6 33 is current and competitive to Iowa's community colleges for  
6 34 use in training programs and courses related to the targeted  
6 35 industries:

7 1 ..... \$ 1,000,000

7 2 Sec. 8. MATH AND SCIENCE EDUCATION IMPROVEMENT GRANT PILOT  
7 3 PROJECT == APPROPRIATION.

7 4 1. a. The department of education shall establish and  
7 5 administer a math and science education improvement grant  
7 6 pilot project to provide a grant to an area education agency  
7 7 for purposes of providing a regional and cooperative program  
7 8 for one or more of the following purposes:

7 9 (1) Teacher training, professional development, and  
7 10 teacher-in-residence programs in the areas of math and  
7 11 science.

7 12 (2) Supplemental math, science, engineering, and other  
7 13 technology-oriented educational opportunities for students,  
7 14 including opportunities for low-income, female, and minority  
7 15 students.

7 16 (3) Internships and workplace learning opportunities in  
7 17 the areas of math and science.

7 18 (4) Expansion and alignment of curriculum in the areas of  
7 19 math and science.

7 20 b. Participation of one or more Iowa targeted businesses  
7 21 or business organizations is required in order for an area  
7 22 education agency to receive a grant.

7 23 c. Not more than two percent of the grant amount awarded  
7 24 shall be used for administrative costs.

7 25 d. The department, in consultation with business

7 26 organizations, shall award a grant and require a report from  
7 27 the recipient regarding uses of the grant and progress of  
7 28 projects.

7 29 e. The area education agency receiving the grant, in  
7 30 collaboration with the department, shall share the methods and  
7 31 results of its program with other area education agencies.

7 32 2. a. There is appropriated from the general fund of the  
7 33 state to the department of education for the fiscal year  
7 34 beginning July 1, 2006, and ending June 30, 2007, two hundred  
7 35 thousand dollars for purposes of this section.

8 1 b. Notwithstanding section 8.33, moneys appropriated in  
8 2 this section that remain unencumbered or unobligated at the  
8 3 close of the fiscal year shall not revert but shall remain  
8 4 available for expenditure for the purposes designated until  
8 5 the close of the succeeding fiscal year.

8 6 Sec. 9. LEGISLATIVE INTENT. It is the intent of the  
8 7 general assembly to recognize the strong role that innovation  
8 8 in the advanced manufacturing, biosciences, and information  
8 9 technology industries will play in the growth of this state's  
8 10 economy. To that end, the department of economic development,  
8 11 the department of workforce development, and the department of  
8 12 education shall work together for the purpose of addressing  
8 13 key issues that impact these industries by leveraging their  
8 14 different competencies and resources to work on the following  
8 15 areas:

- 8 16 1. Career awareness.
- 8 17 2. Data integration and assessment tools.
- 8 18 3. Identification of workforce competencies.
- 8 19 4. Retention of Iowans in the workforce and recruitment of  
8 20 new workers to Iowa.

8 21 Sec. 10. REPORTING REQUIREMENT. By January 15, 2008, the  
8 22 department of economic development shall file a written report  
8 23 with the general assembly and the governor detailing all  
8 24 expenditures of moneys appropriated and allocated to the  
8 25 department pursuant to this Act and 2007 Iowa Acts, House File  
8 26 911.

8 27 Sec. 11. EFFECTIVE DATE. Section 8 of this Act, being  
8 28 deemed of immediate importance, takes effect upon enactment.

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PATRICK J. MURPHY  
Speaker of the House

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JOHN P. KIBBIE  
President of the Senate

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9 5 I hereby certify that this bill originated in the House and  
9 6 is known as House File 829, Eighty-second General Assembly.

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MARK BRANDSGARD  
Chief Clerk of the House

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9 12 Approved \_\_\_\_\_, 2007

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CHESTER J. CULVER  
Governor

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