



CHESTER J. CULVER
GOVERNOR

OFFICE OF THE GOVERNOR

PATTY JUDGE
LT. GOVERNOR

April 27, 2007

The Honorable Michael Mauro
Secretary of State
State Capitol Building
LOCAL

Dear Mr. Secretary:

I hereby transmit:

House File 829, an Act relating to the development and commercialization of businesses in the targeted industry areas of advanced manufacturing, bioscience, and information technology and including appropriations and an effective date provision.

The above House File is hereby approved this date.

Sincerely,

A handwritten signature in black ink, appearing to read "Chester J. Culver", written in a cursive style.

Chester J. Culver
Governor

CJC:bdj

cc: Secretary of the Senate
Chief Clerk of the House





HOUSE FILE 829

AN ACT

RELATING TO THE DEVELOPMENT AND COMMERCIALIZATION OF
BUSINESSES IN THE TARGETED INDUSTRY AREAS OF ADVANCED
MANUFACTURING, BIOSCIENCE, AND INFORMATION TECHNOLOGY AND
INCLUDING APPROPRIATIONS AND AN EFFECTIVE DATE PROVISION.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. NEW SECTION. 15.411 TARGETED INDUSTRIES
DEVELOPMENT -- FINANCIAL ASSISTANCE.

1. As used in this section, unless the context otherwise
requires:

a. "Internship" means temporary employment of a student
that focuses on providing the student with work experience in
the student's field of study.

b. "Targeted industries" means the industries of advanced
manufacturing, biosciences, and information technology.

2. The department shall, upon board approval, contract
with a provider through a request for proposals process for
services related to statewide commercialization development in
the targeted industries. Services provided shall include all
of the following:

a. Assistance provided directly to businesses by
experienced serial entrepreneurs for all of the following
activities:

- (1) Business plan development.
- (2) Due diligence.
- (3) Market assessments.
- (4) Technology assessments.
- (5) Other planning activities.

b. Operation and coordination of various available competitive seed and prototype development funds.

c. Connecting businesses to private angel investors and the venture capital community.

d. Assistance in obtaining access to an experienced pool of managers and operations talent that can staff, mentor, or advise start-up enterprises.

e. Support and advice for accessing sources of early stage financing.

3. The department shall establish and administer a program to provide financial and technical assistance to encourage prototype and concept development activities that have a clear potential to lead to commercially viable products or services within a reasonable period of time in the targeted industries. Financial assistance shall be awarded on a per project basis upon board approval. The amount of financial assistance available for a single project shall not exceed one hundred fifty thousand dollars. In order to receive financial assistance, an applicant must demonstrate the ability to secure one dollar of nonstate moneys for every two dollars received from the department.

4. The department shall, upon board approval, establish and administer a program to provide financial assistance for projects designed to encourage collaboration between commercial users and developers of information technology in the state for the purpose of commercializing existing software and applications technologies. Financial assistance shall not exceed one hundred thousand dollars per project. In order to receive financial assistance, an applicant must demonstrate the ability to secure two dollars of nonstate moneys for every one dollar received from the department. Financial assistance shall be awarded to projects that will result in technologies being developed as commercial products for sale by Iowa companies rather than as custom applications for proprietary use by a participating firm.

5. The department shall, upon board approval, establish and administer a program to provide financial assistance to businesses or departments of businesses engaged in the delivery of information technology services in the state for the purpose of upgrading the high-level technical skills of

existing employees. The amount of financial assistance shall not exceed twenty-five thousand dollars for any business site. In order to receive financial assistance, an applicant must demonstrate the ability to secure two dollars of nonstate moneys for every one dollar received from the department.

6. The department shall, upon board approval, establish and administer a targeted industries internship program for students of Iowa community colleges, private colleges, or institutions of higher learning under the control of the state board of regents. The purpose of the program is to link Iowa students to small and medium sized firms in the targeted industries through internship opportunities. An employer may receive financial assistance in an amount of one dollar for every two dollars paid by the employer to an intern. The amount of financial assistance shall not exceed three thousand one hundred dollars for any single internship, or nine thousand three hundred dollars for any single employer. In order to be eligible to receive financial assistance under this subsection, the employer must have five hundred or fewer employees and must be engaged in a targeted industry. The department shall encourage youth who reside in economically distressed areas, youth adjudicated to have committed a delinquent act, and youth transitioning out of foster care to participate in the targeted industries internship program.

7. The department of economic development shall work with the department of workforce development to create a statewide supplier capacity and product database to assist the department of economic development in linking suppliers to Iowa-based companies. The department of economic development may procure technical assistance for the creation of the database from a third party through a request for proposals process.

8. The technology commercialization committee created pursuant to section 15.116 shall review all applications for financial assistance and requests for proposals pursuant to this section and make recommendations to the board.

9. The board shall adopt rules pursuant to chapter 17A necessary for the administration of this section.

Sec. 2. Section 15G.111, subsection 1, paragraph a, Code 2007, is amended to read as follows:

a. For the fiscal period beginning July 1, 2005, and ending June 30, 2015, there is appropriated each fiscal year from the grow Iowa values fund created in section 15G.108, the following amounts for the purposes designated:

(1) For the fiscal year beginning July 1, 2005, and ending June 30, 2006, to the department of economic development thirty-five million dollars for programs administered by the department of economic development.

(2) For each fiscal year of the fiscal period beginning July 1, 2006, and ending June 30, ~~2009~~ 2007, to the department of economic development thirty-three million dollars for programs administered by the department of economic development.

(3) For each fiscal year of the fiscal period beginning July 1, 2007, and ending June 30, 2009, to the department of economic development thirty million dollars for programs administered by the department of economic development.

~~(3)~~ (4) For each fiscal year of the fiscal period beginning July 1, 2009, and ending June 30, 2015, to the department of economic development ~~thirty-five~~ thirty-two million dollars for programs administered by the department of economic development.

Sec. 3. Section 15G.111, subsection 2, unnumbered paragraph 3, Code 2007, is amended by striking the unnumbered paragraph and inserting in lieu thereof the following:

By September 30, 2007, the legislative services agency shall submit a written report to the fiscal committee of the legislative council and the standing committees on economic growth in the senate and the house of representatives regarding a review of expenditures by the state board of regents from appropriations under this subsection and 2006 Iowa Acts, chapter 1179, section 14.

Sec. 4. Section 15G.111, Code 2007, is amended by adding the following new subsection:

NEW SUBSECTION. 7A. For the fiscal period beginning July 1, 2007, and ending June 30, 2015, there is appropriated for each fiscal year from the grow Iowa values fund created in section 15G.108 to the department of economic development three million dollars for the purpose of providing the commercialization services described in section 15.411, subsections 2 and 3.

Sec. 5. Section 262B.21, subsection 1, Code 2007, is amended to read as follows:

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

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

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

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

..... \$ 100,000

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

..... \$ 500,000

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

..... \$ 500,000

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

..... \$ 500,000

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

..... \$ 480,000

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

..... \$ 130,000

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

..... \$ 160,000

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

..... \$ 280,000

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

..... \$ 250,000

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

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

Sec. 8. MATH AND SCIENCE EDUCATION IMPROVEMENT GRANT PILOT PROJECT -- APPROPRIATION.

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

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

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

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

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

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

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

d. The department, in consultation with business organizations, shall award a grant and require a report from the recipient regarding uses of the grant and progress of projects.

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

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

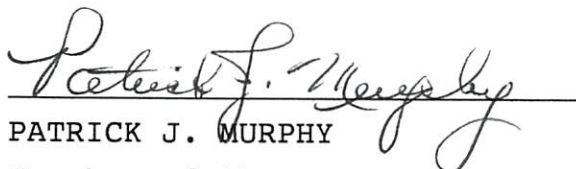
b. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.


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

1. Career awareness.
2. Data integration and assessment tools.
3. Identification of workforce competencies.
4. Retention of Iowans in the workforce and recruitment of new workers to Iowa.


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

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



PATRICK J. MURPHY
Speaker of the House


JOHN P. KIBBIE
President of the Senate

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


MARK BRANDSGARD
Chief Clerk of the House

Approved April 27th, 2007


CHESTER J. CULVER
Governor