

FILED MAR 25 '03

SENATE FILE

433

BY COMMITTEE ON APPROPRIATIONS

Referred to H-Appropriations 3/27/03
(SUCCESSOR TO SSB 1179)

Passed Senate, Date Passed 3/26/03 Passed House, Date Passed 4/9/03
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved 5/30/03

Motion to reconsider filed 4/17/03 - Lambert

A BILL FOR

1 An Act relating to and making appropriations to the department of
2 economic development, certain board of regents institutions,
3 department of workforce development, and the public employment
4 relations board and related matters.

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

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SF 433

1 Section 1. GOALS AND ACCOUNTABILITY.

2 1. The goals for the department of economic development
3 shall be to expand and stimulate the state economy, increase
4 the wealth of Iowans, and increase the population of the
5 state.

6 2. To achieve the goals in subsection 1, the department of
7 economic development shall do all of the following:

8 a. Concentrate its efforts on programs and activities that
9 result in commercially viable products and services.

10 b. Adopt practices and services consistent with free
11 market, private sector philosophies.

12 c. Ensure economic growth and development throughout the
13 state.

14 3. The department of economic development shall
15 demonstrate accountability by using performance measures
16 appropriate to show the attainment of the goals in subsection
17 1 for the state and by measuring the effectiveness and results
18 of the department's programs and activities. The performance
19 measures and associated benchmarks shall be developed or
20 identified in cooperation with the legislative fiscal bureau
21 and approved by the joint appropriations subcommittee on
22 economic development. The data demonstrating accountability
23 collected by the department shall be made readily available
24 and maintained in computer-readable format.

25 Sec. 2. DEPARTMENT OF ECONOMIC DEVELOPMENT. There is
26 appropriated from the general fund of the state to the
27 department of economic development for the fiscal year
28 beginning July 1, 2003, and ending June 30, 2004, the
29 following amounts, or so much thereof as is necessary, to be
30 used for the purposes designated:

31 1. ADMINISTRATIVE SERVICES DIVISION

32 a. General administration

33 For salaries, support, maintenance, miscellaneous purposes,
34 programs, for the transfer to the Iowa state commission grant
35 program, and for not more than the following full-time

1 equivalent positions:

2 \$ 1,479,746

3 FTEs 28.75

4 b. The department shall work with businesses and
5 communities to continually improve the economic development
6 climate along with the economic well-being and quality of life
7 for Iowans. The administrative services division shall
8 coordinate with other state agencies ensuring that all state
9 departments are attentive to the needs of an entrepreneurial
10 culture.

11 2. BUSINESS DEVELOPMENT DIVISION

12 a. Business development operations

13 For business development operations and programs,
14 international trade, export assistance, workforce recruitment,
15 the partner state program, for transfer to the strategic
16 investment fund, for transfer to the value-added agricultural
17 products and processes financial assistance fund, salaries,
18 support, maintenance, miscellaneous purposes, and for not more
19 than the following full-time equivalent positions:

20 \$ 6,068,491

21 FTEs 57.00

22 b. The department shall establish a strong and aggressive
23 marketing image to showcase Iowa's workforce, existing
24 industry, and potential. A priority shall be placed on
25 recruiting new businesses, business expansion, and retaining
26 existing Iowa businesses. Emphasis shall also be placed on
27 entrepreneurial development through helping to secure capital
28 for entrepreneurs, and developing networks and a business
29 climate conducive to entrepreneurs and small business.

30 c. Notwithstanding section 8.33, moneys appropriated in
31 this subsection that remain unencumbered or unobligated at the
32 close of the fiscal year shall not revert but shall remain
33 available for expenditure for the purposes designated until
34 the close of the succeeding fiscal year.

35 3. COMMUNITY AND RURAL DEVELOPMENT DIVISION

1 a. Community development programs

2 For salaries, support, maintenance, miscellaneous purposes,
3 community economic development programs, tourism operations,
4 community assistance, the film office, the mainstreet and
5 rural mainstreet programs, the school-to-career program, the
6 community development block grant, and housing and shelter-
7 related programs and for not more than the following full-time
8 equivalent positions:

9	\$	5,750,196
10	FTEs	61.75

11 b. The department shall encourage development of
12 communities and quality of life to foster economic growth. The
13 department shall prepare communities for future growth and
14 development through development, expansion, and modernization
15 of infrastructure.

16 c. The department shall develop public-private
17 partnerships with Iowa businesses in the tourism industry,
18 Iowa tour groups, Iowa tourism organizations, and political
19 subdivisions in this state to assist in the development of
20 advertising efforts. The department shall, to the fullest
21 extent possible, develop cooperative efforts for advertising
22 with contributions from other sources.

23 d. Notwithstanding section 8.33, moneys that remain
24 unexpended at the end of the fiscal year shall not revert to
25 any fund but shall remain available for expenditure for the
26 designated purposes during the succeeding fiscal year.

27 4. For allocating moneys for the world food prize:
28 \$ 285,000

29 Sec. 3. VISION IOWA PROGRAM -- FTE AUTHORIZATION. For
30 purposes of administrative duties associated with the vision
31 Iowa program, the department of economic development is
32 authorized an additional 3.00 full-time equivalent positions
33 above those otherwise authorized in this Act.

34 Sec. 4. RURAL COMMUNITY 2000 PROGRAM. There is
35 appropriated from loan repayments on loans under the former

1 rural community 2000 program, sections 15.281 through 15.288,
2 Code 2001, to the department of economic development for the
3 fiscal year beginning July 1, 2003, and ending June 30, 2004,
4 the following amounts, or so much thereof as is necessary, to
5 be used for the purposes designated: ¶

6 1. For providing financial assistance to Iowa's councils
7 of governments that provide technical and planning assistance
8 to local governments:

9 \$ 150,000

10 2. For the rural development program for the purposes of
11 the program including the rural enterprise fund and
12 collaborative skills development training:

13 \$ 150,000

14 Sec. 5. INSURANCE ECONOMIC DEVELOPMENT. There is
15 appropriated from moneys collected by the division of
16 insurance in excess of the anticipated gross revenues under
17 section 505.7, subsection 3, to the department of economic
18 development for the fiscal year beginning July 1, 2003, and
19 ending June 30, 2004, the following amount, or so much thereof
20 as is necessary, for insurance economic development and
21 international insurance economic development:

22 \$ 100,000

23 Sec. 6. COMMUNITY DEVELOPMENT LOAN FUND. Notwithstanding
24 section 15E.120, subsections 5 and 6, there is appropriated
25 from the Iowa community development loan fund all the moneys
26 available during the fiscal year beginning July 1, 2003, and
27 ending June 30, 2004, to the department of economic
28 development for the community development program to be used
29 by the department for the purposes of the program.

30 Sec. 7. WORKFORCE DEVELOPMENT FUND. There is appropriated
31 from the workforce development fund account created in section
32 15.342A, to the workforce development fund created in section
33 15.343, for the fiscal year beginning July 1, 2003, and ending
34 June 30, 2004, the following amount, for the purposes of the
35 workforce development fund, and for not more than the

1 following full-time equivalent positions:

2	\$	4,000,000
3	FTEs	4.00

4 Sec. 8. WORKFORCE DEVELOPMENT ADMINISTRATION. From funds
 5 appropriated or transferred to or receipts credited to the
 6 workforce development fund created in section 15.343, up to
 7 \$400,000 for the fiscal year beginning July 1, 2003, and
 8 ending June 30, 2004, may be used for the administration of
 9 workforce development activities including salaries, support,
 10 maintenance, and miscellaneous purposes and for not more than
 11 4.00 full-time equivalent positions.

12 Sec. 9. JOB TRAINING FUND. Notwithstanding section
 13 15.251, all remaining moneys in the job training fund on July
 14 1, 2003, and any moneys appropriated or credited to the fund
 15 during the fiscal year beginning July 1, 2003, shall be
 16 transferred to the workforce development fund established
 17 pursuant to section 15.343.

18 Sec. 10. IOWA STATE UNIVERSITY.

19 1. There is appropriated from the general fund of the
 20 state to the Iowa state university of science and technology
 21 for the fiscal year beginning July 1, 2003, and ending June
 22 30, 2004, the following amount, or so much thereof as is
 23 necessary, to be used for small business development centers,
 24 the science and technology research park, the institute for
 25 physical research, and for not more than the following full-
 26 time equivalent positions:

27	\$	2,424,161
28	FTEs	56.53

29 2. Iowa state university of science and technology shall
 30 do all of the following:

31 a. Direct expenditures for research toward projects that
 32 will provide economic stimulus for Iowa.

33 b. Emphasize that a business and an individual that
 34 creates a business and receives benefits from a program
 35 funded, in part, through moneys appropriated in this section

1 have a commercially viable product or service.

2 c. Provide emphasis to providing services to Iowa-based
3 companies.

4 3. It is the intent of the general assembly that the
5 industrial incentive program focus on Iowa industrial sectors
6 and seek contributions and in-kind donations from businesses,
7 industrial foundations, and trade associations and that moneys
8 for the institute for physical research and technology
9 industrial incentive program shall only be allocated for
10 projects which are matched by private sector moneys for
11 directed contract research or for nondirected research. The
12 match required of small businesses as defined in section
13 15.102, subsection 4, for directed contract research or for
14 nondirected research shall be \$1 for each \$3 of state funds.
15 The match required for other businesses for directed contract
16 research or for nondirected research shall be \$1 for each \$1
17 of state funds. The match required of industrial foundations
18 or trade associations shall be \$1 for each \$1 of state funds.

19 Iowa state university of science and technology shall
20 report annually to the joint appropriations subcommittee on
21 economic development and the legislative fiscal bureau the
22 total amount of private contributions, the proportion of
23 contributions from small businesses and other businesses, and
24 the proportion for directed contract research and nondirected
25 research of benefit to Iowa businesses and industrial sectors.

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

31 Sec. 11. UNIVERSITY OF IOWA.

32 1. There is appropriated from the general fund of the
33 state to the state university of Iowa for the fiscal year
34 beginning July 1, 2003, and ending June 30, 2004, the
35 following amount, or so much thereof as is necessary, to be

1 used for the university of Iowa research park and for the
2 advanced drug development program at the Oakdale research
3 park, including salaries, support, maintenance, equipment,
4 miscellaneous purposes, and for not more than the following
5 full-time equivalent positions:

6 \$ 253,338
7 FTEs 6.00

8 2. The university of Iowa shall do all of the following:

9 a. Direct expenditures for research toward projects that
10 will provide economic stimulus for Iowa.

11 b. Emphasize that a business and an individual that
12 creates a business and receives benefits from a program
13 funded, in part, through moneys appropriated in this section
14 have a commercially viable product or service.

15 c. Provide emphasis to providing services to Iowa-based
16 companies.

17 3. The board of regents shall submit a report on the
18 progress of regents institutions in meeting the strategic plan
19 for technology transfer and economic development to the
20 secretary of the senate, the chief clerk of the house of
21 representatives, and the legislative fiscal bureau by January
22 15, 2004.

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

28 Sec. 12. UNIVERSITY OF NORTHERN IOWA.

29 1. There is appropriated from the general fund of the
30 state to the university of northern Iowa for the fiscal year
31 beginning July 1, 2003, and ending June 30, 2004, the
32 following amount, or so much thereof as is necessary, to be
33 used for the metal casting institute, and for the institute of
34 decision making, including salaries, support, maintenance,
35 miscellaneous purposes, and for not more than the following

1 full-time equivalent positions:

2	\$	370,555
3	FTEs	4.75

4 2. The university of northern Iowa shall do all of the
5 following:

6 a. Direct expenditures for research toward projects that
7 will provide economic stimulus for Iowa.

8 b. Emphasize that a business and an individual that
9 creates a business and receives benefits from a program
10 funded, in part, through moneys appropriated in this section
11 have a commercially viable product or service.

12 c. Provide emphasis to providing services to Iowa-based
13 companies.

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

19 Sec. 13. DEPARTMENT OF WORKFORCE DEVELOPMENT.

20 1. There is appropriated from the general fund of the
21 state, to the department of workforce development for the
22 fiscal year beginning July 1, 2003, and ending June 30, 2004,
23 the following amount, or so much thereof as is necessary, for
24 the division of labor services, the division of workers'
25 compensation, the workforce development state and regional
26 boards, the new employment opportunity fund, salaries,
27 support, maintenance, miscellaneous purposes, and for not more
28 than the following full-time equivalent positions:

29	\$	4,792,391
30	FTEs	94.87

31 2. From the contractor registration fees, the division of
32 labor services shall reimburse the department of inspections
33 and appeals for all costs associated with hearings under
34 chapter 91C, relating to contractor registration.

35 3. The division of workers' compensation shall continue

1 charging a \$65 filing fee for workers' compensation cases.
2 The filing fee shall be paid by the petitioner of a claim.
3 However, the fee can be taxed as a cost and paid by the losing
4 party, except in cases where it would impose an undue hardship
5 or be unjust under the circumstances.

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

11 Sec. 14. ADMINISTRATIVE CONTRIBUTION SURCHARGE FUND.

12 Notwithstanding section 96.7, subsection 12, paragraph "c",
13 there is appropriated from the administrative contribution
14 surcharge fund of the state to the department of workforce
15 development for the fiscal year beginning July 1, 2003, and
16 ending June 30, 2004, any moneys remaining in the
17 administrative contribution surcharge fund on June 30, 2003,
18 and the entire amount collected during the fiscal year
19 beginning July 1, 2003, and ending June 30, 2004, or so much
20 thereof as is necessary, for salaries, support, maintenance,
21 conducting labor market surveys, miscellaneous purposes, and
22 for workforce development regional advisory board member
23 expenses.

24 Sec. 15. EMPLOYMENT SECURITY CONTINGENCY FUND. There is
25 appropriated from the special employment security contingency
26 fund to the department of workforce development for the fiscal
27 year beginning July 1, 2003, and ending June 30, 2004, the
28 following amounts, or so much thereof as is necessary, for the
29 purposes designated:

30 1. DIVISION OF WORKERS' COMPENSATION

31 For salaries, support, maintenance, and miscellaneous
32 purposes:

33 \$ 471,000

34 2. IMMIGRATION SERVICE CENTERS

35 For salaries, support, maintenance, and miscellaneous

1 purposes for the pilot immigration service centers:

2 \$ 160,000

3 The department of workforce development shall maintain
4 pilot immigration service centers that offer one-stop services
5 to deal with the multiple issues related to immigration and
6 employment. The pilot centers shall be designed to support
7 workers, businesses, and communities with information,
8 referrals, job placement assistance, translation, language
9 training, resettlement, as well as technical and legal
10 assistance on such issues as forms and documentation. Through
11 the coordination of local, state, and federal service
12 providers, and through the development of partnerships with
13 public, private, and nonprofit entities with established
14 records of international service, these pilot centers shall
15 seek to provide a seamless service delivery system for new
16 Iowans.

17 Any additional penalty and interest revenue may be used to
18 accomplish the mission of the department upon notification of
19 the use to the chairpersons and ranking members of the joint
20 appropriations subcommittee on economic development, the
21 department of management, and the legislative fiscal bureau.
22 However, the department shall not allocate any additional
23 penalty and interest revenue prior to January 30, 2004.

24 Sec. 16. PUBLIC EMPLOYMENT RELATIONS BOARD. There is
25 appropriated from the general fund of the state to the public
26 employment relations board for the fiscal year beginning July
27 1, 2003, and ending June 30, 2004, the following amount, or so
28 much thereof as is necessary, for the purposes designated:

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

32 \$ 869,156

33 FTEs 10.00

34 Sec. 17. VALUE-ADDED AGRICULTURAL PRODUCTS AND PROCESSES
35 FINANCIAL ASSISTANCE FUND MONEYS. The office of renewable

1 fuels and coproducts may apply to the department of economic
2 development for moneys in the value-added agricultural
3 products and processes financial assistance fund for deposit
4 in the renewable fuels and coproducts fund created in section
5 159A.7.

6 Sec. 18. IOWA FINANCE AUTHORITY AUDIT. The auditor of
7 state is requested to review the audit of the Iowa finance
8 authority performed by the auditor hired by the authority.
9 The auditor of state is also requested to conduct a
10 performance audit of the authority to determine the
11 effectiveness of the authority and the programs of the
12 authority.

13 Sec. 19. APPLICATION FOR DEPARTMENT OF ECONOMIC
14 DEVELOPMENT MONEYS. For the fiscal year beginning July 1,
15 2003, any entity that was specifically identified in 2001 Iowa
16 Acts, chapter 188, to receive funding from the department of
17 economic development, excluding any entity identified to
18 receive a direct appropriation beginning July 1, 2003, may
19 apply to the department for assistance through the appropriate
20 program. The department shall provide application criteria
21 necessary to implement this section.

22 Sec. 20. EXPENDITURE AND ALLOCATION REPORTS. The
23 department of economic development, the department of
24 workforce development, and the regents institutions receiving
25 an appropriation pursuant to this Act shall file a written
26 report on a quarterly basis with the chairpersons and ranking
27 members of the joint appropriations subcommittee on economic
28 development and the legislative fiscal bureau regarding all
29 expenditures of moneys appropriated pursuant to this Act
30 during the quarter, allocations of moneys appropriated
31 pursuant to this Act during the quarter, and full-time
32 equivalent positions allocated during the quarter.

33 Sec. 21. SHELTER ASSISTANCE FUND. In providing moneys
34 from the shelter assistance fund to homeless shelter programs
35 in the fiscal year beginning July 1, 2003, and ending June 30,

1 2004, the department of economic development shall explore the
2 potential of allocating moneys to homeless shelter programs
3 based in part on their ability to move their clients toward
4 self-sufficiency.

5 Sec. 22. FEDERAL GRANTS. All federal grants to and the
6 federal receipts of agencies appropriated funds under this
7 division of this Act, not otherwise appropriated, are
8 appropriated for the purposes set forth in the federal grants
9 or receipts unless otherwise provided by the general assembly.

10 Sec. 23. UNEMPLOYMENT COMPENSATION PROGRAM.

11 Notwithstanding section 96.9, subsection 4, paragraph "a",
12 moneys credited to the state by the secretary of the treasury
13 of the United States pursuant to section 903 of the Social
14 Security Act shall be appropriated to the department of
15 workforce development and shall be used by the department for
16 the administration of the unemployment compensation program
17 only. This appropriation shall not apply to any fiscal year
18 beginning after December 31, 2003.

19 Sec. 24. PAYROLL EXPENDITURE REFUNDS. In lieu of the
20 appropriation made in section 15.365, subsection 3, there is
21 appropriated for the fiscal year beginning July 1, 2003, and
22 ending June 30, 2004, \$28,498, or so much thereof as is
23 necessary, from the general fund of the state to the
24 department of economic development to pay refunds as provided
25 under section 15.365.

26 EXPLANATION

27 This bill makes appropriations and transfers from the
28 general fund of the state to the department of economic
29 development, the university of Iowa, the university of
30 northern Iowa, Iowa state university, the department of
31 workforce development, and the public employment relations
32 board for the 2003-2004 fiscal year.

33 The bill provides that the goals for the department of
34 economic development shall be to expand and stimulate the
35 state economy, increase the wealth of Iowans, and increase the

1 population of the state. The bill provides that the
2 department of economic development shall demonstrate
3 accountability by using performance measures appropriate to
4 show the attainment of the goals for the state and by
5 measuring the effectiveness and results of the department's
6 programs and activities.

7 The bill appropriates from loan repayments on loans under
8 the former rural community 2000 program to the department of
9 economic development moneys for providing financial assistance
10 to Iowa's councils of governments that provide technical and
11 planning assistance to local governments and for the rural
12 development program for the purposes of the program including
13 the rural enterprise fund and collaborative skills development
14 training.

15 The bill appropriates moneys collected by the division of
16 insurance in excess of the anticipated gross revenues to the
17 department of economic development for purposes of insurance
18 economic development and international insurance economic
19 development.

20 The bill appropriates moneys from the Iowa community
21 development loan fund to the department of economic
22 development for purposes of the community development program.

23 The bill appropriates moneys from the workforce development
24 fund account to the workforce development fund.

25 The bill provides that moneys appropriated or transferred
26 to or receipts credited to the workforce development fund may
27 be used for administration of workforce development
28 activities.

29 The bill provides that all moneys remaining in the job
30 training fund on July 1, 2003, and any moneys appropriated or
31 credited to the fund during the fiscal year beginning July 1,
32 2003, shall be transferred to the workforce development fund.

33 The bill appropriates moneys from the administrative
34 contribution surcharge fund to the department of workforce
35 development for salaries, support, maintenance, conducting

1 labor market surveys, miscellaneous purposes, and for
2 workforce development regional advisory board member expenses.

3 The bill appropriates moneys from the special employment
4 security contingency fund to the department of workforce
5 development for the division of workers' compensation and
6 immigration service centers.

7 The bill allows the office of renewable fuels and
8 coproducts to apply to the department of economic development
9 for moneys in the value-added agricultural products and
10 processes financial assistance fund for deposit in the
11 renewable fuels and coproducts fund.

12 The bill provides that the auditor of state is requested to
13 review the audit of the Iowa finance authority performed by
14 the auditor hired by the authority. The bill provides that
15 the auditor of state is also requested to conduct a
16 performance audit of the authority to determine the
17 effectiveness of the authority and the programs of the
18 authority.

19 The bill provides that, for the fiscal year beginning July
20 1, 2003, any entity that was specifically identified in 2001
21 Iowa Acts, chapter 188, to receive funding from the department
22 of economic development, excluding any entity identified to
23 receive a direct appropriation beginning July 1, 2003, may
24 apply to the department for assistance through the appropriate
25 program.

26 The bill provides that the department of economic
27 development, the department of workforce development, and the
28 regents institutions receiving an appropriation pursuant to
29 this bill shall file a written report on a quarterly basis
30 with the chairpersons and ranking members of the joint
31 appropriations subcommittee on economic development and the
32 legislative fiscal bureau regarding all expenditures of moneys
33 appropriated pursuant to this bill during the quarter,
34 allocations of moneys appropriated pursuant to this bill
35 during the quarter, and full-time equivalent positions

1 allocated during the quarter.

2 The bill provides that, in providing moneys from the
3 shelter assistance fund to homeless shelter programs, the
4 department of economic development shall explore the potential
5 of allocating moneys to programs based in part on their
6 ability to move their clients toward self-sufficiency.

7 The bill provides that all federal grants to and the
8 federal receipts of agencies appropriated funds under this
9 bill, not otherwise appropriated, are appropriated for the
10 purposes set forth in the federal grants or receipts unless
11 otherwise provided.

12 The bill appropriates moneys from moneys credited to the
13 state by the secretary of the treasury of the United States
14 pursuant to the Social Security Act to the department of
15 workforce development for the administration of the
16 unemployment compensation program only.

17 The bill reduces the standing limited appropriation for the
18 school-to-career program employer refunds.

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SENATE FILE 433

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H-1235

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1 Amend Senate File 433, as passed by the Senate, as
2 follows:

23

3 1. Page 3, line 9, by striking the figure
4 "5,750,196", and inserting the following:

24

5 "5,850,196".

25

6 2. Page 3, by inserting after line 26 the
7 following:

26

8 "e. Of the moneys appropriated under this
9 subsection, \$100,000 shall be deposited in the Iowa
10 Lewis and Clark bicentennial fund created in section
11 15.223."

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By WENDT of Woodbury
WHITEAD of Woodbury
STRUYK of Pottawattamie

H-1235 FILED APRIL 2, 2003

Withdrawn 4/9/03

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SENATE FILE 433

H-1264

1 Amend Senate File 433, as passed by the Senate, as
2 follows:

3 1. Page 3, by inserting after line 26 the
4 following:

5 "e. The department of economic development and the
6 department of cultural affairs shall work
7 cooperatively with national heritage areas located in
8 Iowa and designated by the United States Congress to
9 develop and implement a plan for purposes of enhancing
10 tourism in Iowa. By February 1, 2004, the department
11 of economic development and the department of cultural
12 affairs shall submit the plan to the standing
13 committees on economic growth in the senate and the
14 house of representatives."

By THOMAS of Clayton

H-1264 FILED APRIL 3, 2003

Withdrawn 4/9/03

SENATE FILE 433

H-1290

1 Amend Senate File 433, as passed by the Senate, as
2 follows:

3 1. Page 5, by inserting after line 28 the
4 following:

5 "1A. Of the moneys appropriated in subsection 1,
6 Iowa state university shall allocate at least \$550,000
7 for purposes of funding small business development
8 centers. Small business development centers shall be
9 located equally throughout the different regions of
10 the state. Iowa state university may allocate moneys
11 appropriated in subsection 1 to the various small
12 business development centers in any manner necessary
13 to achieve the purposes of this subsection."

14 2. By renumbering as necessary.

By BOGGESS of Page	STRUYK of Pottawattami
HANSEN of Pottawattamie	REASONER of Union
HOFFMAN of Crawford	JONES of Mills
DOLECHECK of Ringgold	ROBERTS of Carroll
WILDERDYKE of Harrison	

H-1290 FILED APRIL 8, 2003

Adopted 4/9/03

SENATE FILE 433

H-1273

1 Amend Senate File 433, as passed by the Senate, as
2 follows:

3 1. Page 10, by inserting after line 33 the
4 following:

5 "Sec. _____. UNEMPLOYMENT TRUST FUND. There is
6 appropriated from moneys transferred to the state on
7 March 13, 2002, pursuant to section 903(d) of the
8 federal Social Security Act, as amended, to the
9 department of workforce development, the following
10 amount, to be deposited, under the direction of the
11 department of workforce development, in the
12 unemployment trust fund for the payment of
13 unemployment benefits for the first year of the
14 unemployment compensation reserve fund, and temporary
15 suspension of the base period wage requirement of one
16 and one-quarter times the base period quarter with the
17 highest wages:

18 \$ 40,000,000

19 Sec. _____. UNEMPLOYMENT TAX AND CLAIM SYSTEM.
20 There is appropriated from moneys transferred to the
21 state on March 13, 2002, pursuant to section 903(d) of
22 the federal Social Security Act, as amended, to the
23 department of workforce development, the following
24 amount, for purposes of automation and technology for
25 the unemployment tax and claim system:

26 \$ 20,000,000

27 Sec. _____. ENHANCED SERVICES TO CLAIMANTS. There
28 is appropriated from moneys transferred to the state
29 on March 13, 2002, pursuant to section 903(d) of the
30 federal Social Security Act, as amended, to the
31 department of workforce development, the following
32 amount, for purposes of infrastructure improvements
33 and the administrative and technology costs associated
34 with enhanced services to unemployment benefit
35 claimants for workforce and labor exchange services:

36 \$ 20,700,000"

37 2. Page 12, by inserting after line 25 the
38 following:

39 "Sec. _____. Section 96.4, subsection 4, unnumbered
40 paragraph 1, Code 2003, is amended to read as follows:

41 The individual has been paid wages for insured work
42 during the individual's base period in an amount at
43 least one and one-quarter times the wages paid to the
44 individual during that quarter of the individual's
45 base period in which the individual's wages were
46 highest except for unemployment benefit claims with an
47 effective date of July 7, 2003, through June 30, 2007;
48 provided that the individual has been paid wages for
49 insured work totaling at least three and five-tenths
50 percent of the statewide average annual wage for

H-1273

1 insured work, computed for the preceding calendar year
2 if the individual's benefit year begins on or after
3 the first full week in July and computed for the
4 second preceding calendar year if the individual's
5 benefit year begins before the first full week in
6 July, in that calendar quarter in the individual's
7 base period in which the individual's wages were
8 highest, and the individual has been paid wages for
9 insured work totaling at least one-half of the amount
10 of wages required under this subsection in the
11 calendar quarter of the base period in which the
12 individual's wages were highest, in a calendar quarter
13 in the individual's base period other than the
14 calendar quarter in which the individual's wages were
15 highest. The calendar quarter wage requirements shall
16 be rounded to the nearest multiple of ten dollars."

17 3. Page 12, by inserting after line 25 the
18 following:

19 "Sec. 501. Section 96.7, subsection 12, paragraph
20 a, Code 2003, is amended to read as follows:

21 a. An employer other than a governmental entity or
22 a nonprofit organization, subject to this chapter,
23 shall pay an administrative contribution surcharge
24 equal in amount to one-tenth of one percent of federal
25 taxable wages, as defined in section 96.19, subsection
26 37, paragraph "b", subject to the surcharge formula to
27 be developed by the department under this paragraph.
28 The department shall develop a surcharge formula that
29 provides a target revenue level of no greater than six
30 million five hundred twenty-five thousand dollars
31 annually. The department shall reduce the
32 administrative contribution surcharge established for
33 any calendar year proportionate to any federal
34 government funding that provides an increased
35 allocation of moneys for workforce development
36 offices, under the federal employment services
37 financing reform legislation. Any administrative
38 contribution surcharge revenue that is collected in
39 any calendar year ~~2002~~ in excess of six million five
40 hundred twenty-five thousand dollars shall be deducted
41 from the amount to be collected in the subsequent
42 calendar year ~~2003~~ before the department establishes
43 the administrative contribution surcharge. The
44 department shall recompute the amount as a percentage
45 of taxable wages, as defined in section 96.19,
46 subsection 37, and shall add the percentage surcharge
47 to the employer's contribution rate determined under
48 this section. The percentage surcharge shall be
49 capped at a maximum of seven dollars per employee.
50 The department shall adopt rules prescribing the

1 manner in which the surcharge will be collected.
2 Interest shall accrue on all unpaid surcharges under
3 this subsection at the same rate as on regular
4 contributions and shall be collectible in the same
5 manner. Interest accrued and collected under this
6 paragraph and interest earned and credited to the fund
7 under paragraph "b" shall be used by the department
8 only for the purposes set forth in paragraph "c".

9 Sec. 502. Section 96.7, subsection 12, paragraph
10 d, Code 2003, is amended to read as follows:

11 d. This subsection is repealed July 1, ~~2003~~ 2008,
12 and the repeal is applicable to contribution rates for
13 calendar year ~~2004~~ 2009 and subsequent calendar
14 years."

15 4. Page 12, by inserting after line 25 the
16 following:

17 "Sec. _____. Section 96.9, Code 2003, is amended by
18 adding the following new subsection:

19 NEW SUBSECTION. 8. UNEMPLOYMENT COMPENSATION
20 RESERVE FUND.

21 a. A special fund to be known as the unemployment
22 compensation reserve fund is created in the state
23 treasury. The reserve fund is separate and distinct
24 from the unemployment compensation fund. All moneys
25 collected as reserve contributions, as defined in
26 paragraph "b", shall be deposited in the reserve fund.
27 The moneys in the reserve fund may be used for the
28 payment of unemployment benefits and shall remain
29 available for expenditures in accordance with the
30 provisions of this subsection. The treasurer of state
31 shall be the custodian of the reserve fund and shall
32 disburse the moneys in the reserve fund in accordance
33 with this subsection and the directions of the
34 director of the department of workforce development.

35 b. If the balance in the reserve fund on July 1 of
36 the preceding calendar year for calendar year 2004 and
37 each year thereafter is less than one hundred million
38 dollars, a percentage of contributions, as determined
39 by the director, shall be deemed to be reserve
40 contributions for the following calendar year. If the
41 percentage of contributions, termed the reserve
42 contribution tax rate, is not zero percent as
43 determined pursuant to this subsection, the combined
44 tax rate of contributions to the unemployment
45 compensation fund and to the unemployment compensation
46 reserve fund shall be divided so that a maximum of
47 ninety percent of the combined tax rate equals the
48 unemployment contribution tax rate and ten percent of
49 the combined tax rate equals the reserve contribution
50 tax rate except for employers who are assigned a

1 combined tax rate of five and four-tenths or greater.
 2 For those employers, the reserve contribution tax rate
 3 shall equal zero and their combined tax rate shall
 4 equal their unemployment contribution rate. When the
 5 reserve contribution tax rate is determined to be zero
 6 percent, the unemployment contribution rate for all
 7 employers shall equal one hundred percent of the
 8 combined tax rate. The reserve contributions
 9 collected in any calendar year shall not exceed twenty
 10 million dollars. The provisions for collection of
 11 contributions under section 96.14 are applicable to
 12 the collection of reserve contributions. Reserve
 13 contributions shall not be deducted in whole or in
 14 part by any employer from the wages of individuals in
 15 its employ. All moneys collected as reserve
 16 contributions shall not become part of the
 17 unemployment compensation fund but shall be deposited
 18 in the reserve fund created in this subsection.

19 c. Moneys in the reserve fund shall only be used
 20 to pay unemployment benefits to the extent moneys in
 21 the unemployment compensation fund are insufficient to
 22 pay benefits during a calendar quarter.

23 d. The interest earned on the moneys in the
 24 reserve fund shall be deposited in and credited to the
 25 reserve fund.

26 e. Moneys from interest earned on the unemployment
 27 compensation reserve fund shall be used by the
 28 department only upon appropriation by the general
 29 assembly and only for purposes contained in section
 30 96.7, subsection 12, for department of workforce
 31 development rural satellite offices, and for
 32 administrative costs to collect the reserve
 33 contributions."

34 5. Page 12, by inserting after line 25 the
 35 following:

36 "Sec. 503. 2001 Iowa Acts, First Extraordinary
 37 Session, chapter 2, section 2, unnumbered paragraph 4,
 38 is amended to read as follows:

39 The department shall submit a report of its annual
 40 departmental offices review to the governor and
 41 general assembly by December 21, 2001, by December 21,
 42 2002, and by December 21, ~~2003~~ of each subsequent
 43 calendar year through December 21, 2008.

44 Sec. ____ . EFFECTIVE DATE. Sections 501, 502, and
 45 503 of this Act, being deemed of immediate importance,
 46 take effect upon enactment."

47 6. Title page, by striking line 4 and inserting
 48 the following: "relations board, making related
 49 statutory changes, and providing an effective date."

50 7. By renumbering as necessary.

By MURPHY of Dubuque
 FORD of Polk
 THOMAS of Clayton

HOGG of Linn
 GASKILL of Wapello

SENATE FILE 433

H-1276

1 Amend Senate File 433, as passed by the Senate, as
2 follows:

3 1. Page 5, by inserting after line 28 the
4 following:

5 "1A. a. Sixteen small business development
6 centers shall be in operation during the fiscal year
7 beginning July 1, 2003.

8 b. The location of the small business development
9 centers and the amount each center shall be allocated
10 from the moneys appropriated in subsection 1 shall be
11 as follows:

12 (1) The Des Moines area community college center
13 at Audubon shall be allocated \$11,708.

14 (2) The Drake university center shall be allocated
15 \$128,976.

16 (3) The eastern Iowa community college center
17 shall be allocated \$75,235.

18 (4) The Indian hills community college center
19 shall be allocated \$58,737.

20 (5) The Iowa central community college center
21 shall be allocated \$51,071.

22 (6) The Iowa lakes community college center shall
23 be allocated \$54,349.

24 (7) The Iowa state university center shall be
25 allocated \$106,408.

26 (8) The Iowa western community college center
27 shall be allocated \$48,000.

28 (9) The Kirkwood community college center shall be
29 allocated \$51,071.

30 (10) The Dubuque area chamber of commerce shall be
31 allocated \$56,422.

32 (11) The north Iowa area community college center
33 shall be allocated \$54,974.

34 (12) The southeastern community college center
35 shall be allocated \$32,000.

36 (13) The southwestern community college center
37 shall be allocated \$51,071.

38 (14) The university of Iowa center shall be
39 allocated \$92,896.

40 (15) The university of northern Iowa center shall
41 be allocated \$90,348.

42 (16) The western Iowa technical community college
43 center shall be allocated \$51,925.

44 1B. a. There is appropriated from the general
45 fund of the state to the Iowa state university of
46 science and technology for the fiscal year beginning
47 July 1, 2003, and ending June 30, 2004, the following
48 amount, or so much thereof as is necessary, to be used
49 as matching moneys for small business development
50 centers:

H-1276

\$ 250,000

1 \$

2 b. The moneys appropriated under this subsection

3 shall be deposited in a separate and distinct account

4 by Iowa state university of science and technology.

5 c. A small business development center may receive

6 \$1 of matching moneys from the moneys appropriated

7 under this subsection for every \$2 in cash that the

8 center receives from local governmental entities and

9 private sources. A center shall receive matching

10 moneys in an amount equal to not more than one-half of

11 the difference of the allocation the center received

12 from Iowa state university for the fiscal year

13 beginning July 1, 2001, less the allocation provided

14 in subsection 1A, paragraph "b".

15 d. On or before December 31, 2003, a small

16 business development center shall demonstrate to Iowa

17 state university, in a manner required by the

18 university, the amount of cash received from local

19 governmental entities and private sources which

20 qualify for matching moneys. By January 7, 2004, Iowa

21 state university shall, if the total amount of

22 matching moneys to be distributed is less than

23 \$250,000, distribute matching moneys to the eligible

24 centers. If the total amount of matching moneys

25 applied for by the centers is more than \$250,000, Iowa

26 state university shall distribute the matching moneys

27 to the eligible centers on a pro rata basis based on

28 allocations provided in subsection 1A, paragraph "b",

29 not to exceed the maximum amount for a center as

30 determined pursuant to paragraph "c" of this

31 subsection.

32 e. By January 12, 2004, Iowa state university

33 shall submit a written report to the general assembly

34 regarding the total amount of matching moneys

35 distributed listed by small business development

36 center."

2. By renumbering as necessary.

By STRUYK of Pottawattamie

Withdrawn 4/9/03

SENATE FILE 433

H-1292

1 Amend Senate File 433, as passed by the Senate, as
2 follows:

3 1. Page 10, by inserting after line 33 the
4 following:

5 "Sec. ____ . SMALL BUSINESS DEVELOPMENT CENTERS
6 APPROPRIATION.

7 1. There is appropriated from the fund enacted by
8 the general assembly during the 2003 legislative
9 session and funded with bond sale proceeds of more
10 than five hundred million dollars to Iowa state
11 university of science and technology for the fiscal
12 year beginning July 1, 2003, and ending June 30, 2004,
13 the following amount, or so much thereof as is
14 necessary, to be used for the purposes designated:

15 For sixteen small business development centers:
16 \$ 250,000

17 2. Of the moneys appropriated in subsection 1,
18 \$150,000 shall be allocated for purposes of opening
19 three small business development centers previously in
20 operation during the fiscal year beginning July 1,
21 2001. Any moneys allocated under this subsection and
22 not used for the purposes provided under this
23 subsection may be allocated and used for the purposes
24 provided in subsection 3. If an entity operating a
25 small business development center refuses moneys to
26 reopen a center, Iowa state university may identify a
27 different entity to open a center in the same region
28 of the state.

29 3. a. Of the moneys appropriated in subsection 1,
30 \$100,000 shall be deposited in a separate and distinct
31 account by Iowa state university.

32 b. A small business development center may receive
33 \$1 of matching moneys from the moneys allocated under
34 this subsection for every \$2 in cash that the center
35 receives from local governmental entities and private
36 sources. A center shall receive matching moneys in an
37 amount equal to not more than twenty-five percent of
38 the difference of the allocation of state and federal
39 moneys the center received from Iowa state university
40 for the fiscal year beginning July 1, 2001, less the
41 state and federal moneys received by the center for
42 the fiscal year beginning July 1, 2003.

43 c. On or before December 31, 2003, a small
44 business development center shall demonstrate to Iowa
45 state university, in a manner required by the
46 university, the amount of cash received from local
47 governmental entities and private sources which
48 qualify for matching moneys. By January 7, 2004, Iowa
49 state university shall, if the total amount of
50 matching moneys to be distributed is equal to or less

H-1292

H-1292

Page 2

1 than \$100,000, distribute matching moneys to the
2 eligible centers. If the total amount of matching
3 moneys applied for by the centers is more than
4 \$100,000, Iowa state university shall distribute the
5 matching moneys to the eligible centers on a pro rata
6 basis based on the amount of federal and state moneys
7 received by each center for the fiscal year beginning
8 July 1, 2003, not to exceed the maximum amount for a
9 center as determined pursuant to paragraph "b" of this
10 subsection.

11 e. By January 12, 2004, Iowa state university
12 shall submit a written report to the general assembly
13 regarding the total amount of matching moneys
14 distributed listed by small business development
15 center."

16 2. By renumbering as necessary.

By STRUYK of Pottawattamie

H-1292 FILED APRIL 8, 2003

Withdrawn 4/9/03

SENATE FILE 433

H-1299

1 Amend the amendment, H-1273, to Senate File 433, as
2 passed by the Senate, as follows:

3 1. Page 3, line 11, by striking the figure
4 "2008", and inserting the following: "2006".

5 2. Page 3, line 13, by striking the figure
6 "2009", and inserting the following: "2007".

7 3. Page 3, line 46, by striking the word
8 "maximum" and inserting the following: "minimum".

9 4. Page 3, line 47, by striking the word
10 "ninety", and inserting the following: "eighty".

11 5. Page 3, line 48, by striking the word "ten",
12 and inserting the following: "twenty".

13 6. Page 4, line 9, by striking the word "twenty",
14 and inserting the following: "thirty-three".

15 7. Page 4, line 10, by inserting after the word
16 "million" the following: "four hundred thousand".

17 8. Page 4, line 43, by striking the figure
18 "2008", and inserting the following: "2006".

By MURPHY of Dubuque

H-1299 FILED APRIL 9, 2003

ADOPTED *4/9/03*

SENATE FILE 433

H-1296

1 Amend the amendment, H-1290, to Senate File 433 as
2 passed by the Senate as follows:

3 1. Page 1, by inserting after line 2 the
4 following:

5 "____. Page 5, by striking line 27 and inserting
6 the following:

7 "..... \$ 2,500,064"

By GREIMANN of Story MERTZ of Kossuth
HEDDENS of Story DAVITT of Warren
LENSING of Johnson

H-1296 FILED APRIL 9, 2003

LOST 4/9/03

SENATE FILE 433

H-1303

1 Amend the amendment, H-1264, to Senate File 433, as
2 passed by the Senate, as follows:

3 1. Page 1, by inserting after line 14 the
4 following:

5 "____. Page 12, by inserting after line 25 the
6 following:

7 "Sec. ____ . NEW SECTION. 15.115 ACCOUNTABILITY.

8 1. If the department of economic development
9 determines that a recipient of financial assistance in
10 the form of a tax credit under a program administered
11 by the department of economic development has not met
12 performance measures and benchmarks developed by the
13 department, the department of economic development
14 shall notify the department of revenue and finance.
15 Upon notification, the department of revenue and
16 finance shall initiate an investigation of the failure
17 of the recipient to achieve the performance measures
18 and benchmarks. If the department of revenue and
19 finance determines that the performance and benchmarks
20 were not met by the recipient, the department of
21 revenue and finance shall initiate proceedings to
22 recover state taxes received by the recipient.

23 2. Any state taxes recovered by the department of
24 revenue and finance shall be deposited in the state
25 tax recovery fund. The state tax recovery fund shall
26 be established in the state treasury under the control
27 of the department of revenue and finance. Moneys in
28 the fund are appropriated to the department of revenue
29 and finance for purposes of initiating investigations
30 and recovery proceedings under this section. On June
31 30 of each fiscal year, any unobligated moneys
32 remaining in the fund shall be deposited in a fund
33 enacted by the general assembly during the 2003
34 legislative session and funded with bond sale proceeds
35 totaling more than five hundred million dollars."

36 2. By renumbering as necessary.

By SHOULTZ of Black Hawk
JOCHUM of Dubuque

H-1303 FILED APRIL 9, 2003

OUT OF ORDER 4/9/03

HOUSE AMENDMENT TO
SENATE FILE 433

S-3183

1 Amend Senate File 433, as passed by the Senate, as
2 follows:
3 1. Page 5, by inserting after line 28 the
4 following:
5 "1A. Of the moneys appropriated in subsection 1,
6 Iowa state university shall allocate at least \$550,000
7 for purposes of funding small business development
8 centers. Small business development centers shall be
9 located equally throughout the different regions of
10 the state. Iowa state university may allocate moneys
11 appropriated in subsection 1 to the various small
12 business development centers in any manner necessary
13 to achieve the purposes of this subsection."
14 2. By renumbering as necessary.

RECEIVED FROM THE HOUSE

S-3183 FILED APRIL 10, 2003

Senate concurred 4/17/03

SENATE FILE 433

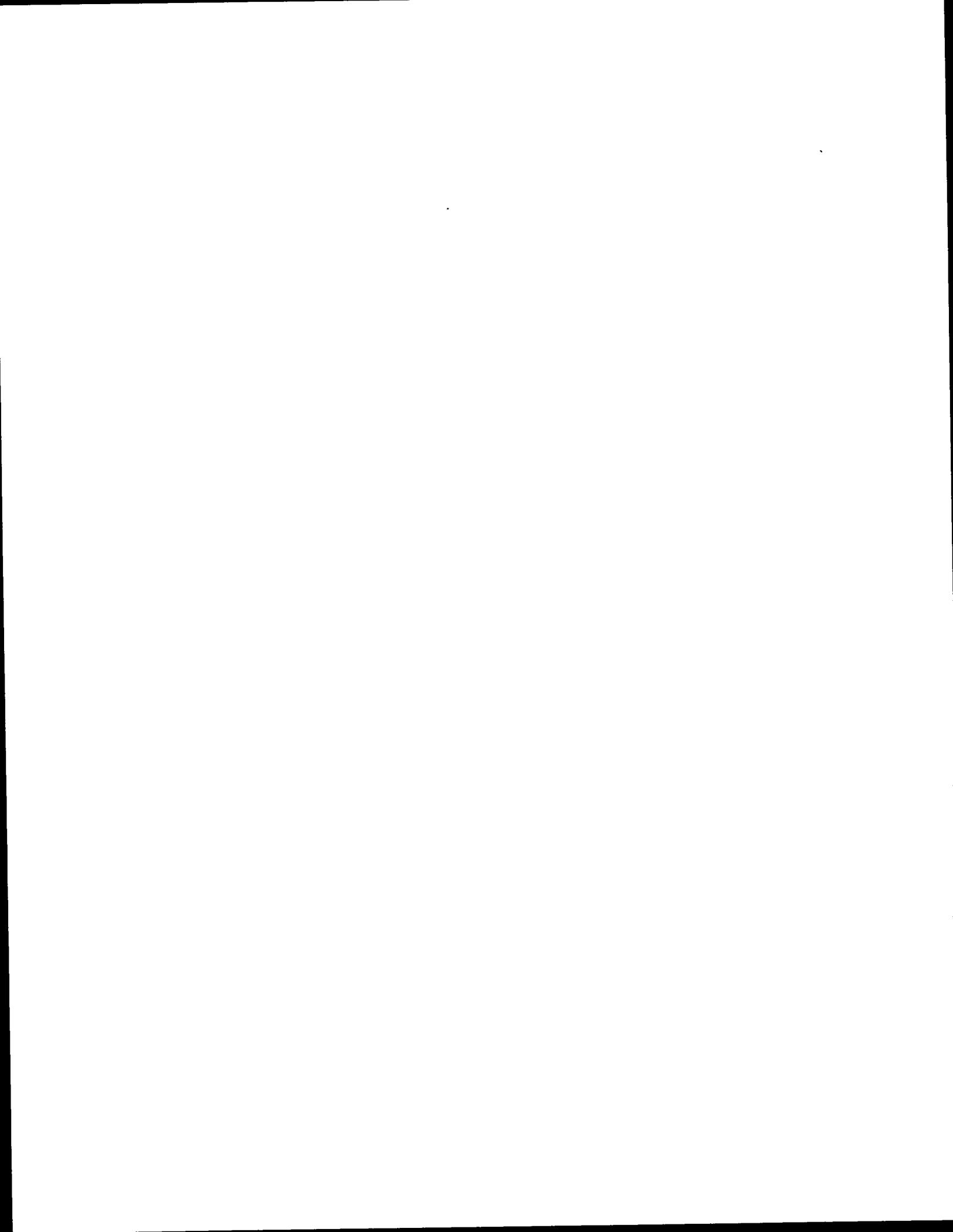
S-3241

1 Amend the House amendment, S-3183, to Senate File
2 433 as passed by the Senate as follows:
3 1. Page 1, by inserting after line 2 the
4 following:
5 "..... Page 5, by striking line 27 and inserting
6 the following:
7 "..... \$ 2,500,064"

By HERMAN C. QUIRMBACH

S-3241 FILED APRIL 16, 2003

Lost 4/17/03



McKinley
Lambert
Potter

Appropriations

SSB 1179
Succeeded By
SF HF 433

SENATE/HOUSE FILE
BY (PROPOSED COMMITTEE ON
APPROPRIATIONS BILL BY THE
JOINT APPROPRIATIONS
SUBCOMMITTEE ON ECONOMIC
DEVELOPMENT)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to and making appropriations to the department of
2 economic development, certain board of regents institutions,
3 department of workforce development, and the public employment
4 relations board and related matters.

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

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1 Section 1. GOALS AND ACCOUNTABILITY.

2 1. The goals for the department of economic development
3 shall be to expand and stimulate the state economy, increase
4 the wealth of Iowans, and increase the population of the
5 state.

6 2. To achieve the goals in subsection 1, the department of
7 economic development shall do all of the following:

8 a. Concentrate its efforts on programs and activities that
9 result in commercially viable products and services.

10 b. Adopt practices and services consistent with free
11 market, private sector philosophies.

12 c. Ensure economic growth and development throughout the
13 state.

14 3. The department of economic development shall
15 demonstrate accountability by using performance measures
16 appropriate to show the attainment of the goals in subsection
17 1 for the state and by measuring the effectiveness and results
18 of the department's programs and activities. The performance
19 measures and associated benchmarks shall be developed or
20 identified in cooperation with the legislative fiscal bureau
21 and approved by the joint appropriations subcommittee on
22 economic development. The data demonstrating accountability
23 collected by the department shall be made readily available
24 and maintained in computer-readable format.

25 Sec. 2. DEPARTMENT OF ECONOMIC DEVELOPMENT. There is
26 appropriated from the general fund of the state to the
27 department of economic development for the fiscal year
28 beginning July 1, 2003, and ending June 30, 2004, the
29 following amounts, or so much thereof as is necessary, to be
30 used for the purposes designated:

31 1. ADMINISTRATIVE SERVICES DIVISION

32 a. General administration

33 For salaries, support, maintenance, miscellaneous purposes,
34 programs, for the transfer to the Iowa state commission grant
35 program, and for not more than the following full-time

1 equivalent positions:

2 \$ 1,479,746

3 FTEs 28.75

4 b. The department shall work with businesses and
5 communities to continually improve the economic development
6 climate along with the economic well-being and quality of life
7 for Iowans. The administrative services division shall
8 coordinate with other state agencies ensuring that all state
9 departments are attentive to the needs of an entrepreneurial
10 culture.

11 2. BUSINESS DEVELOPMENT DIVISION

12 a. Business development operations

13 For business development operations and programs,
14 international trade, export assistance, workforce recruitment,
15 the partner state program, for transfer to the strategic
16 investment fund, for transfer to the value-added agricultural
17 products and processes financial assistance fund, salaries,
18 support, maintenance, miscellaneous purposes, and for not more
19 than the following full-time equivalent positions:

20 \$ 6,068,491

21 FTEs 57.00

22 b. The department shall establish a strong and aggressive
23 marketing image to showcase Iowa's workforce, existing
24 industry, and potential. A priority shall be placed on
25 recruiting new businesses, business expansion, and retaining
26 existing Iowa businesses. Emphasis shall also be placed on
27 entrepreneurial development through helping to secure capital
28 for entrepreneurs, and developing networks and a business
29 climate conducive to entrepreneurs and small business.

30 c. Notwithstanding section 8.33, moneys appropriated in
31 this subsection that remain unencumbered or unobligated at the
32 close of the fiscal year shall not revert but shall remain
33 available for expenditure for the purposes designated until
34 the close of the succeeding fiscal year.

35 3. COMMUNITY AND RURAL DEVELOPMENT DIVISION

1 a. Community development programs

2 For salaries, support, maintenance, miscellaneous purposes,
3 community economic development programs, tourism operations,
4 community assistance, the film office, the mainstreet and
5 rural mainstreet programs, the school-to-career program, the
6 community development block grant, and housing and shelter-
7 related programs and for not more than the following full-time
8 equivalent positions:

9 \$ 5,778,694
10 FTEs 61.75

11 b. The department shall encourage development of
12 communities and quality of life to foster economic growth. The
13 department shall prepare communities for future growth and
14 development through development, expansion, and modernization
15 of infrastructure.

16 c. The department shall develop public-private
17 partnerships with Iowa businesses in the tourism industry,
18 Iowa tour groups, Iowa tourism organizations, and political
19 subdivisions in this state to assist in the development of
20 advertising efforts. The department shall, to the fullest
21 extent possible, develop cooperative efforts for advertising
22 with contributions from other sources.

23 d. Notwithstanding section 8.33, moneys that remain
24 unexpended at the end of the fiscal year shall not revert to
25 any fund but shall remain available for expenditure for the
26 designated purposes during the succeeding fiscal year.

27 4. For allocating moneys for the world food prize:
28 \$ 285,000

29 Sec. 3. VISION IOWA PROGRAM -- FTE AUTHORIZATION. For
30 purposes of administrative duties associated with the vision
31 Iowa program, the department of economic development is
32 authorized an additional 3.00 full-time equivalent positions
33 above those otherwise authorized in this Act.

34 Sec. 4. RURAL COMMUNITY 2000 PROGRAM. There is
35 appropriated from loan repayments on loans under the former

1 rural community 2000 program, sections 15.281 through 15.288,
2 Code 2001, to the department of economic development for the
3 fiscal year beginning July 1, 2003, and ending June 30, 2004,
4 the following amounts, or so much thereof as is necessary, to
5 be used for the purposes designated:

6 1. For providing financial assistance to Iowa's councils
7 of governments that provide technical and planning assistance
8 to local governments:

9 \$ 150,000

10 2. For the rural development program for the purposes of
11 the program including the rural enterprise fund and
12 collaborative skills development training:

13 \$ 150,000

14 Sec. 5. INSURANCE ECONOMIC DEVELOPMENT. There is
15 appropriated from moneys collected by the division of
16 insurance in excess of the anticipated gross revenues under
17 section 505.7, subsection 3, to the department of economic
18 development for the fiscal year beginning July 1, 2003, and
19 ending June 30, 2004, the following amount, or so much thereof
20 as is necessary, for insurance economic development and
21 international insurance economic development:

22 \$ 100,000

23 Sec. 6. COMMUNITY DEVELOPMENT LOAN FUND. Notwithstanding
24 section 15E.120, subsections 5 and 6, there is appropriated
25 from the Iowa community development loan fund all the moneys
26 available during the fiscal year beginning July 1, 2003, and
27 ending June 30, 2004, to the department of economic
28 development for the community development program to be used
29 by the department for the purposes of the program.

30 Sec. 7. WORKFORCE DEVELOPMENT FUND. There is appropriated
31 from the workforce development fund account created in section
32 15.342A, to the workforce development fund created in section
33 15.343, for the fiscal year beginning July 1, 2003, and ending
34 June 30, 2004, the following amount, for the purposes of the
35 workforce development fund, and for not more than the

1 following full-time equivalent positions:

2 \$ 4,000,000
3 FTEs 4.00

4 Sec. 8. WORKFORCE DEVELOPMENT ADMINISTRATION. From funds
5 appropriated or transferred to or receipts credited to the
6 workforce development fund created in section 15.343, up to
7 \$400,000 for the fiscal year beginning July 1, 2003, and
8 ending June 30, 2004, may be used for the administration of
9 workforce development activities including salaries, support,
10 maintenance, and miscellaneous purposes and for not more than
11 4.00 full-time equivalent positions.

12 Sec. 9. JOB TRAINING FUND. Notwithstanding section
13 15.251, all remaining moneys in the job training fund on July
14 1, 2003, and any moneys appropriated or credited to the fund
15 during the fiscal year beginning July 1, 2003, shall be
16 transferred to the workforce development fund established
17 pursuant to section 15.343.

18 Sec. 10. IOWA STATE UNIVERSITY.

19 1. There is appropriated from the general fund of the
20 state to the Iowa state university of science and technology
21 for the fiscal year beginning July 1, 2003, and ending June
22 30, 2004, the following amount, or so much thereof as is
23 necessary, to be used for small business development centers,
24 the science and technology research park, the institute for
25 physical research, and for not more than the following full-
26 time equivalent positions:

27 \$ 2,424,161
28 FTEs 56.53

29 2. Iowa state university of science and technology shall
30 do all of the following:

31 a. Direct expenditures for research toward projects that
32 will provide economic stimulus for Iowa.

33 b. Emphasize that a business and an individual that
34 creates a business and receives benefits from a program
35 funded, in part, through moneys appropriated in this section

1 have a commercially viable product or service.

2 c. Provide emphasis to providing services to Iowa-based
3 companies.

4 3. It is the intent of the general assembly that the
5 industrial incentive program focus on Iowa industrial sectors
6 and seek contributions and in-kind donations from businesses,
7 industrial foundations, and trade associations and that moneys
8 for the institute for physical research and technology
9 industrial incentive program shall only be allocated for
10 projects which are matched by private sector moneys for
11 directed contract research or for nondirected research. The
12 match required of small businesses as defined in section
13 15.102, subsection 4, for directed contract research or for
14 nondirected research shall be \$1 for each \$3 of state funds.
15 The match required for other businesses for directed contract
16 research or for nondirected research shall be \$1 for each \$1
17 of state funds. The match required of industrial foundations
18 or trade associations shall be \$1 for each \$1 of state funds.

19 Iowa state university of science and technology shall
20 report annually to the joint appropriations subcommittee on
21 economic development and the legislative fiscal bureau the
22 total amount of private contributions, the proportion of
23 contributions from small businesses and other businesses, and
24 the proportion for directed contract research and nondirected
25 research of benefit to Iowa businesses and industrial sectors.

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

31 Sec. 11. UNIVERSITY OF IOWA.

32 1. There is appropriated from the general fund of the
33 state to the state university of Iowa for the fiscal year
34 beginning July 1, 2003, and ending June 30, 2004, the
35 following amount, or so much thereof as is necessary, to be

1 used for the university of Iowa research park and for the
2 advanced drug development program at the Oakdale research
3 park, including salaries, support, maintenance, equipment,
4 miscellaneous purposes, and for not more than the following
5 full-time equivalent positions:

6	\$	253,338
7	FTEs	6.00

8 2. The university of Iowa shall do all of the following:

9 a. Direct expenditures for research toward projects that
10 will provide economic stimulus for Iowa.

11 b. Emphasize that a business and an individual that
12 creates a business and receives benefits from a program
13 funded, in part, through moneys appropriated in this section
14 have a commercially viable product or service.

15 c. Provide emphasis to providing services to Iowa-based
16 companies.

17 3. The board of regents shall submit a report on the
18 progress of regents institutions in meeting the strategic plan
19 for technology transfer and economic development to the
20 secretary of the senate, the chief clerk of the house of
21 representatives, and the legislative fiscal bureau by January
22 15, 2004.

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

28 Sec. 12. UNIVERSITY OF NORTHERN IOWA.

29 1. There is appropriated from the general fund of the
30 state to the university of northern Iowa for the fiscal year
31 beginning July 1, 2003, and ending June 30, 2004, the
32 following amount, or so much thereof as is necessary, to be
33 used for the metal casting institute, and for the institute of
34 decision making, including salaries, support, maintenance,
35 miscellaneous purposes, and for not more than the following

1 full-time equivalent positions:

2	\$	370,555
3	FTEs	4.75

4 2. The university of northern Iowa shall do all of the
5 following:

6 a. Direct expenditures for research toward projects that
7 will provide economic stimulus for Iowa.

8 b. Emphasize that a business and an individual that
9 creates a business and receives benefits from a program
10 funded, in part, through moneys appropriated in this section
11 have a commercially viable product or service.

12 c. Provide emphasis to providing services to Iowa-based
13 companies.

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

19 Sec. 13. DEPARTMENT OF WORKFORCE DEVELOPMENT.

20 1. There is appropriated from the general fund of the
21 state, to the department of workforce development for the
22 fiscal year beginning July 1, 2003, and ending June 30, 2004,
23 the following amount, or so much thereof as is necessary, for
24 the division of labor services, the division of workers'
25 compensation, the workforce development state and regional
26 boards, the new employment opportunity fund, salaries,
27 support, maintenance, miscellaneous purposes, and for not more
28 than the following full-time equivalent positions:

29	\$	4,792,391
30	FTEs	94.87

31 2. From the contractor registration fees, the division of
32 labor services shall reimburse the department of inspections
33 and appeals for all costs associated with hearings under
34 chapter 91C, relating to contractor registration.

35 3. The division of workers' compensation shall continue

1 charging a \$65 filing fee for workers' compensation cases.
2 The filing fee shall be paid by the petitioner of a claim.
3 However, the fee can be taxed as a cost and paid by the losing
4 party, except in cases where it would impose an undue hardship
5 or be unjust under the circumstances.

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

11 Sec. 14. ADMINISTRATIVE CONTRIBUTION SURCHARGE FUND.

12 Notwithstanding section 96.7, subsection 12, paragraph "c",
13 there is appropriated from the administrative contribution
14 surcharge fund of the state to the department of workforce
15 development for the fiscal year beginning July 1, 2003, and
16 ending June 30, 2004, any moneys remaining in the
17 administrative contribution surcharge fund on June 30, 2003,
18 and the entire amount collected during the fiscal year
19 beginning July 1, 2003, and ending June 30, 2004, or so much
20 thereof as is necessary, for salaries, support, maintenance,
21 conducting labor market surveys, miscellaneous purposes, and
22 for workforce development regional advisory board member
23 expenses.

24 Sec. 15. EMPLOYMENT SECURITY CONTINGENCY FUND. There is
25 appropriated from the special employment security contingency
26 fund to the department of workforce development for the fiscal
27 year beginning July 1, 2003, and ending June 30, 2004, the
28 following amounts, or so much thereof as is necessary, for the
29 purposes designated:

30 1. DIVISION OF WORKERS' COMPENSATION

31 For salaries, support, maintenance, and miscellaneous
32 purposes:

33 \$ 471,000

34 2. IMMIGRATION SERVICE CENTERS

35 For salaries, support, maintenance, and miscellaneous

1 purposes for the pilot immigration service centers:

2 \$ 160,000

3 The department of workforce development shall maintain
4 pilot immigration service centers that offer one-stop services
5 to deal with the multiple issues related to immigration and
6 employment. The pilot centers shall be designed to support
7 workers, businesses, and communities with information,
8 referrals, job placement assistance, translation, language
9 training, resettlement, as well as technical and legal
10 assistance on such issues as forms and documentation. Through
11 the coordination of local, state, and federal service
12 providers, and through the development of partnerships with
13 public, private, and nonprofit entities with established
14 records of international service, these pilot centers shall
15 seek to provide a seamless service delivery system for new
16 Iowans.

17 Any additional penalty and interest revenue may be used to
18 accomplish the mission of the department upon notification of
19 the use to the chairpersons and ranking members of the joint
20 appropriations subcommittee on economic development, the
21 department of management, and the legislative fiscal bureau.
22 However, the department shall not allocate any additional
23 penalty and interest revenue prior to January 30, 2004.

24 Sec. 16. PUBLIC EMPLOYMENT RELATIONS BOARD. There is
25 appropriated from the general fund of the state to the public
26 employment relations board for the fiscal year beginning July
27 1, 2003, and ending June 30, 2004, the following amount, or so
28 much thereof as is necessary, for the purposes designated:

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

32 \$ 869,156

33 FTEs 10.00

34 Sec. 17. VALUE-ADDED AGRICULTURAL PRODUCTS AND PROCESSES
35 FINANCIAL ASSISTANCE FUND MONEYS. The office of renewable

1 fuels and coproducts may apply to the department of economic
2 development for moneys in the value-added agricultural
3 products and processes financial assistance fund for deposit
4 in the renewable fuels and coproducts fund created in section
5 159A.7.

6 Sec. 18. IOWA FINANCE AUTHORITY AUDIT. The auditor of
7 state is requested to review the audit of the Iowa finance
8 authority performed by the auditor hired by the authority.
9 The auditor of state is also requested to conduct a
10 performance audit of the authority to determine the
11 effectiveness of the authority and the programs of the
12 authority.

13 Sec. 19. APPLICATION FOR DEPARTMENT OF ECONOMIC
14 DEVELOPMENT MONEYS. For the fiscal year beginning July 1,
15 2003, any entity that was specifically identified in 2001 Iowa
16 Acts, chapter 188, to receive funding from the department of
17 economic development, excluding any entity identified to
18 receive a direct appropriation beginning July 1, 2003, may
19 apply to the department for assistance through the appropriate
20 program. The department shall provide application criteria
21 necessary to implement this section.

22 Sec. 20. EXPENDITURE AND ALLOCATION REPORTS. The
23 department of economic development, the department of
24 workforce development, and the regents institutions receiving
25 an appropriation pursuant to this Act shall file a written
26 report on a quarterly basis with the chairpersons and ranking
27 members of the joint appropriations subcommittee on economic
28 development and the legislative fiscal bureau regarding all
29 expenditures of moneys appropriated pursuant to this Act
30 during the quarter, allocations of moneys appropriated
31 pursuant to this Act during the quarter, and full-time
32 equivalent positions allocated during the quarter.

33 Sec. 21. SHELTER ASSISTANCE FUND. In providing moneys
34 from the shelter assistance fund to homeless shelter programs
35 in the fiscal year beginning July 1, 2003, and ending June 30,

1 2004, the department of economic development shall explore the
2 potential of allocating moneys to homeless shelter programs
3 based in part on their ability to move their clients toward
4 self-sufficiency.

5 Sec. 22. FEDERAL GRANTS. All federal grants to and the
6 federal receipts of agencies appropriated funds under this
7 division of this Act, not otherwise appropriated, are
8 appropriated for the purposes set forth in the federal grants
9 or receipts unless otherwise provided by the general assembly.

10 Sec. 23. UNEMPLOYMENT COMPENSATION PROGRAM.

11 Notwithstanding section 96.9, subsection 4, paragraph "a",
12 moneys credited to the state by the secretary of the treasury
13 of the United States pursuant to section 903 of the Social
14 Security Act shall be appropriated to the department of
15 workforce development and shall be used by the department for
16 the administration of the unemployment compensation program
17 only. This appropriation shall not apply to any fiscal year
18 beginning after December 31, 2003.

19 Sec. 24. PAYROLL EXPENDITURE REFUNDS. In lieu of the
20 appropriation made in section 15.365, subsection 3, there is
21 appropriated for the fiscal year beginning July 1, 2003, and
22 ending June 30, 2004, \$28,498, or so much thereof as is
23 necessary, from the general fund of the state to the
24 department of economic development to pay refunds as provided
25 under section 15.365.

26

EXPLANATION

27 This bill makes appropriations and transfers from the
28 general fund of the state to the department of economic
29 development, the university of Iowa, the university of
30 northern Iowa, Iowa state university, the department of
31 workforce development, and the public employment relations
32 board for the 2003-2004 fiscal year.

33 The bill provides that the goals for the department of
34 economic development shall be to expand and stimulate the
35 state economy, increase the wealth of Iowans, and increase the

1 population of the state. The bill provides that the
2 department of economic development shall demonstrate
3 accountability by using performance measures appropriate to
4 show the attainment of the goals for the state and by
5 measuring the effectiveness and results of the department's
6 programs and activities.

7 The bill appropriates from loan repayments on loans under
8 the former rural community 2000 program to the department of
9 economic development moneys for providing financial assistance
10 to Iowa's councils of governments that provide technical and
11 planning assistance to local governments and for the rural
12 development program for the purposes of the program including
13 the rural enterprise fund and collaborative skills development
14 training.

15 The bill appropriates moneys collected by the division of
16 insurance in excess of the anticipated gross revenues to the
17 department of economic development for purposes of insurance
18 economic development and international insurance economic
19 development.

20 The bill appropriates moneys from the Iowa community
21 development loan fund to the department of economic
22 development for purposes of the community development program.

23 The bill appropriates moneys from the workforce development
24 fund account to the workforce development fund.

25 The bill provides that moneys appropriated or transferred
26 to or receipts credited to the workforce development fund may
27 be used for administration of workforce development
28 activities.

29 The bill provides that all moneys remaining in the job
30 training fund on July 1, 2003, and any moneys appropriated or
31 credited to the fund during the fiscal year beginning July 1,
32 2003, shall be transferred to the workforce development fund.

33 The bill appropriates moneys from the administrative
34 contribution surcharge fund to the department of workforce
35 development for salaries, support, maintenance, conducting

1 labor market surveys, miscellaneous purposes, and for
2 workforce development regional advisory board member expenses.

3 The bill appropriates moneys from the special employment
4 security contingency fund to the department of workforce
5 development for the division of workers' compensation and
6 immigration service centers.

7 The bill allows the office of renewable fuels and
8 coproducts to apply to the department of economic development
9 for moneys in the value-added agricultural products and
10 processes financial assistance fund for deposit in the
11 renewable fuels and coproducts fund. █

12 The bill provides that the auditor of state is requested to
13 review the audit of the Iowa finance authority performed by
14 the auditor hired by the authority. The bill provides that
15 the auditor of state is also requested to conduct a
16 performance audit of the authority to determine the
17 effectiveness of the authority and the programs of the
18 authority.

19 The bill provides that, for the fiscal year beginning July
20 1, 2003, any entity that was specifically identified in 2001
21 Iowa Acts, chapter 188, to receive funding from the department
22 of economic development, excluding any entity identified to
23 receive a direct appropriation beginning July 1, 2003, may
24 apply to the department for assistance through the appropriate
25 program.

26 The bill provides that the department of economic
27 development, the department of workforce development, and the
28 regents institutions receiving an appropriation pursuant to
29 this bill shall file a written report on a quarterly basis
30 with the chairpersons and ranking members of the joint
31 appropriations subcommittee on economic development and the
32 legislative fiscal bureau regarding all expenditures of moneys
33 appropriated pursuant to this bill during the quarter,
34 allocations of moneys appropriated pursuant to this bill
35 during the quarter, and full-time equivalent positions

1 allocated during the quarter.

2 The bill provides that, in providing moneys from the
3 shelter assistance fund to homeless shelter programs, the
4 department of economic development shall explore the potential
5 of allocating moneys to programs based in part on their
6 ability to move their clients toward self-sufficiency.

7 The bill provides that all federal grants to and the
8 federal receipts of agencies appropriated funds under this
9 bill, not otherwise appropriated, are appropriated for the
10 purposes set forth in the federal grants or receipts unless
11 otherwise provided.

12 The bill appropriates moneys from moneys credited to the
13 state by the secretary of the treasury of the United States
14 pursuant to the Social Security Act to the department of
15 workforce development for the administration of the
16 unemployment compensation program only.

17 The bill reduces the standing limited appropriation for the
18 school-to-career program employer refunds.

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SENATE FILE 433

AN ACT

RELATING TO AND MAKING APPROPRIATIONS TO THE DEPARTMENT OF ECONOMIC DEVELOPMENT, CERTAIN BOARD OF REGENTS INSTITUTIONS, DEPARTMENT OF WORKFORCE DEVELOPMENT, AND THE PUBLIC EMPLOYMENT RELATIONS BOARD AND RELATED MATTERS.

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

Section 1. GOALS AND ACCOUNTABILITY.

1. The goals for the department of economic development shall be to expand and stimulate the state economy, increase the wealth of Iowans, and increase the population of the state.

2. To achieve the goals in subsection 1, the department of economic development shall do all of the following:

a. Concentrate its efforts on programs and activities that result in commercially viable products and services.

b. Adopt practices and services consistent with free market, private sector philosophies.

c. Ensure economic growth and development throughout the state.

3. The department of economic development shall demonstrate accountability by using performance measures appropriate to show the attainment of the goals in subsection 1 for the state and by measuring the effectiveness and results of the department's programs and activities. The performance measures and associated benchmarks shall be developed or identified in cooperation with the legislative fiscal bureau and approved by the joint appropriations subcommittee on economic development. The data demonstrating accountability collected by the department shall be made readily available and maintained in computer-readable format.

Sec. 2. DEPARTMENT OF ECONOMIC DEVELOPMENT. There is appropriated from the general fund of the state to the department of economic development for the fiscal year beginning July 1, 2003, and ending June 30, 2004, 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, programs, for the transfer to the Iowa state commission grant program, and for not more than the following full-time equivalent positions:

..... \$ 1,479,746
..... FTEs 28.75

b. The department shall work with businesses and communities to continually improve the economic development climate along with the economic well-being and quality of life for Iowans. The administrative services division shall coordinate with other state agencies ensuring that all state departments are attentive to the needs of an entrepreneurial culture.

2. BUSINESS DEVELOPMENT DIVISION

a. Business development operations

For business development operations and programs, international trade, export assistance, workforce recruitment, the partner state program, for transfer to the strategic investment fund, for transfer to the value-added agricultural products and processes financial assistance fund, salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 6,068,491
..... FTEs 57.00

b. The department shall establish a strong and aggressive marketing image to showcase Iowa's workforce, existing industry, and potential. A priority shall be placed on

recruiting new businesses, business expansion, and retaining existing Iowa businesses. Emphasis shall also be placed on entrepreneurial development through helping to secure capital for entrepreneurs, and developing networks and a business climate conducive to entrepreneurs and small business.

c. Notwithstanding section 8.33, moneys appropriated in this subsection 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.

3. COMMUNITY AND RURAL DEVELOPMENT DIVISION

a. Community development programs

For salaries, support, maintenance, miscellaneous purposes, community economic development programs, tourism operations, community assistance, the film office, the mainstreet and rural mainstreet programs, the school-to-career program, the community development block grant, and housing and shelter-related programs and for not more than the following full-time equivalent positions:

..... \$ 5,750,196
..... FTEs 61.75

b. The department shall encourage development of communities and quality of life to foster economic growth. The department shall prepare communities for future growth and development through development, expansion, and modernization of infrastructure.

c. The department shall develop 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.

d. Notwithstanding section 8.33, moneys that remain unexpended at the end of the fiscal year shall not revert to

any fund but shall remain available for expenditure for the designated purposes during the succeeding fiscal year.

4. For allocating moneys for the world food prize:
..... \$ 285,000

Sec. 3. VISION IOWA PROGRAM -- FTE AUTHORIZATION. For purposes of administrative duties associated with the vision Iowa program, the department of economic development is authorized an additional 3.00 full-time equivalent positions above those otherwise authorized in this Act.

Sec. 4. RURAL COMMUNITY 2000 PROGRAM. There is appropriated from loan repayments on loans under the former rural community 2000 program, sections 15.281 through 15.288, Code 2001, to the department of economic development for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For providing financial assistance to Iowa's councils of governments that provide technical and planning assistance to local governments:
..... \$ 150,000

2. For the rural development program for the purposes of the program including the rural enterprise fund and collaborative skills development training:
..... \$ 150,000

Sec. 5. 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 of economic development for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, for insurance economic development and international insurance economic development:
..... \$ 100,000

Sec. 6. COMMUNITY DEVELOPMENT LOAN FUND. Notwithstanding section 15E.120, subsections 5 and 6, there is appropriated

from the Iowa community development loan fund all the moneys available during the fiscal year beginning July 1, 2003, and ending June 30, 2004, to the department of economic development for the community development program to be used by the department for the purposes of the program.

Sec. 7. WORKFORCE DEVELOPMENT FUND. There is appropriated from the workforce development fund account created in section 15.342A, to the workforce development fund created in section 15.343, for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amount, for the purposes of the workforce development fund, and for not more than the following full-time equivalent positions:

..... \$ 4,000,000
..... FTEs 4.00

Sec. 8. WORKFORCE DEVELOPMENT ADMINISTRATION. From funds appropriated or transferred to or receipts credited to the workforce development fund created in section 15.343, up to \$400,000 for the fiscal year beginning July 1, 2003, and ending June 30, 2004, may be used for the administration of workforce development activities including salaries, support, maintenance, and miscellaneous purposes and for not more than 4.00 full-time equivalent positions.

Sec. 9. JOB TRAINING FUND. Notwithstanding section 15.251, all remaining moneys in the job training fund on July 1, 2003, and any moneys appropriated or credited to the fund during the fiscal year beginning July 1, 2003, shall be transferred to the workforce development fund established pursuant to section 15.343.

Sec. 10. IOWA STATE UNIVERSITY.

1. 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, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, to be used for small business development centers, the science and technology research park, the institute for

physical research, and for not more than the following full-time equivalent positions:

..... \$ 2,424,161
..... FTEs 56.53

2. Of the moneys appropriated in subsection 1, Iowa state university shall allocate at least \$550,000 for purposes of funding small business development centers. Small business development centers shall be located equally throughout the different regions of the state. Iowa state university may allocate moneys appropriated in subsection 1 to the various small business development centers in any manner necessary to achieve the purposes of this subsection.

3. Iowa state university of science and technology shall do all of the following:

- a. Direct expenditures for research toward projects that will provide economic stimulus for Iowa.
- b. Emphasize that a business and an individual that creates a business and receives benefits from a program funded, in part, through moneys appropriated in this section have a commercially viable product or service.
- c. Provide emphasis to providing services to Iowa-based companies.

4. It is the intent of the general assembly that the industrial 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 the legislative fiscal bureau the total amount 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 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. 11. UNIVERSITY OF IOWA.

1. There is appropriated from the general fund of the state to the state university of Iowa for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, to be used for the university of Iowa research park and for the advanced drug development program at the Oakdale research park, including salaries, support, maintenance, equipment, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 253,338
..... FTEs 6.00

2. The university of Iowa shall do all of the following:

- a. Direct expenditures for research toward projects that will provide economic stimulus for Iowa.
- b. Emphasize that a business and an individual that creates a business and receives benefits from a program funded, in part, through moneys appropriated in this section have a commercially viable product or service.
- c. Provide emphasis to providing services to Iowa-based companies.

3. 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 secretary of the senate, the chief clerk of the house of representatives, and the legislative fiscal bureau by January 15, 2004.

4. 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. 12. UNIVERSITY OF NORTHERN IOWA.

1. There is appropriated from the general fund of the state to the university of northern Iowa for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, to be used for the metal casting institute, and for the institute of decision making, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 370,555
..... FTEs 4.75

2. The university of northern Iowa shall do all of the following:

- a. Direct expenditures for research toward projects that will provide economic stimulus for Iowa.
- b. Emphasize that a business and an individual that creates a business and receives benefits from a program funded, in part, through moneys appropriated in this section have a commercially viable product or service.
- c. Provide emphasis to providing services to Iowa-based companies.

3. 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. 13. DEPARTMENT OF WORKFORCE DEVELOPMENT.

1. There is appropriated from the general fund of the state, to the department of workforce development for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, for the division of labor services, the division of workers' compensation, the workforce development state and regional boards, the new employment opportunity fund, salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 4,792,391
..... FTEs 94.87

2. 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.

3. The division of workers' compensation 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.

4. 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. 14. ADMINISTRATIVE CONTRIBUTION SURCHARGE FUND.

Notwithstanding section 96.7, subsection 12, paragraph "c", 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, 2003, and ending June 30, 2004, any moneys remaining in the

administrative contribution surcharge fund on June 30, 2003, and the entire amount collected during the fiscal year beginning July 1, 2003, and ending June 30, 2004, or so much thereof as is necessary, for salaries, support, maintenance, conducting labor market surveys, miscellaneous purposes, and for workforce development regional advisory board member expenses.

Sec. 15. 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, 2003, and ending June 30, 2004, the following amounts, or so much thereof as is necessary, for the purposes designated:

1. DIVISION OF WORKERS' COMPENSATION

For salaries, support, maintenance, and miscellaneous purposes:

..... \$ 471,000

2. IMMIGRATION SERVICE CENTERS

For salaries, support, maintenance, and miscellaneous purposes for the pilot immigration service centers:

..... \$ 160,000

The department of workforce development shall maintain pilot immigration service centers that offer one-stop services to deal with the multiple issues related to immigration and employment. The pilot centers shall be designed to support workers, businesses, and communities with information, referrals, job placement assistance, translation, language training, resettlement, as well as technical and legal assistance on such issues as forms and documentation. Through the coordination of local, state, and federal service providers, and through the development of partnerships with public, private, and nonprofit entities with established records of international service, these pilot centers shall seek to provide a seamless service delivery system for new Iowans.

Any additional penalty and interest revenue may be used to accomplish the mission of the department upon notification of the use to the chairpersons and ranking members of the joint appropriations subcommittee on economic development, the department of management, and the legislative fiscal bureau. However, the department shall not allocate any additional penalty and interest revenue prior to January 30, 2004.

Sec. 16. 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, 2003, and ending June 30, 2004, 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:	
.....	\$ 869,156
.....	FTEs 10.00

Sec. 17. VALUE-ADDED AGRICULTURAL PRODUCTS AND PROCESSES FINANCIAL ASSISTANCE FUND MONEYS. The office of renewable fuels and coproducts may apply to the department of economic development for moneys in the value-added agricultural products and processes financial assistance fund for deposit in the renewable fuels and coproducts fund created in section 159A.7.

Sec. 18. IOWA FINANCE AUTHORITY AUDIT. The auditor of state is requested to review the audit of the Iowa finance authority performed by the auditor hired by the authority. The auditor of state is also requested to conduct a performance audit of the authority to determine the effectiveness of the authority and the programs of the authority.

Sec. 19. APPLICATION FOR DEPARTMENT OF ECONOMIC DEVELOPMENT MONEYS. For the fiscal year beginning July 1, 2003, any entity that was specifically identified in 2001 Iowa Acts, chapter 188, to receive funding from the department of

economic development, excluding any entity identified to receive a direct appropriation beginning July 1, 2003, may apply to the department for assistance through the appropriate program. The department shall provide application criteria necessary to implement this section.

Sec. 20. EXPENDITURE AND ALLOCATION REPORTS. The department of economic development, the department of workforce development, and the regents institutions receiving an appropriation pursuant to this Act shall file a written report on a quarterly basis with the chairpersons and ranking members of the joint appropriations subcommittee on economic development and the legislative fiscal bureau regarding all expenditures of moneys appropriated pursuant to this Act during the quarter, allocations of moneys appropriated pursuant to this Act during the quarter, and full-time equivalent positions allocated during the quarter.

Sec. 21. SHELTER ASSISTANCE FUND. In providing moneys from the shelter assistance fund to homeless shelter programs in the fiscal year beginning July 1, 2003, and ending June 30, 2004, the department of economic development shall explore the potential of allocating moneys to homeless shelter programs based in part on their ability to move their clients toward self-sufficiency.

Sec. 22. FEDERAL GRANTS. All federal grants to and the federal receipts of agencies appropriated funds under this division of 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. 23. UNEMPLOYMENT COMPENSATION PROGRAM. Notwithstanding section 96.9, subsection 4, paragraph "a", moneys credited to the state by the secretary of the treasury of the United States pursuant to section 903 of the Social Security Act shall be appropriated to the department of workforce development and shall be used by the department for the administration of the unemployment compensation program

only. This appropriation shall not apply to any fiscal year beginning after December 31, 2003.

Sec. 24. PAYROLL EXPENDITURE REFUNDS. In lieu of the appropriation made in section 15.365, subsection 3, there is appropriated for the fiscal year beginning July 1, 2003, and ending June 30, 2004, \$28,498, or so much thereof as is necessary, from the general fund of the state to the department of economic development to pay refunds as provided under section 15.365.

MARY E. KRAMER
President of the Senate

CHRISTOPHER C. RANTS
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 433, Eightieth General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved _____, 2003

THOMAS J. VILSACK
Governor