

**Senate Study Bill 3217 - Introduced**

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
APPROPRIATIONS BILL BY  
CHAIRPERSON SCHNEIDER)

**A BILL FOR**

1 An Act making appropriations to the department of cultural  
2 affairs, the economic development authority, the Iowa  
3 finance authority, the public employment relations board,  
4 the department of workforce development, the state board of  
5 regents and certain regents institutions, and the insurance  
6 division, providing for properly related matters, and  
7 including effective date and retroactive applicability  
8 provisions.

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

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DIVISION I  
FY 2018-2019

Section 1. 2017 Iowa Acts, chapter 169, section 18, is amended to read as follows:

SEC. 18. DEPARTMENT OF CULTURAL AFFAIRS.

1. There is appropriated from the general fund of the state to the department of cultural affairs for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

a. ADMINISTRATION

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

.....	\$	<del>84,318</del>
		<u>168,637</u>
.....	FTEs	56.50

The department of cultural affairs shall coordinate activities with the tourism office of the economic development authority to promote attendance at the state historical building and at this state's historic sites.

Full-time equivalent positions authorized under this paragraph are funded, in full or in part, using moneys appropriated under this paragraph and paragraphs "c" through "g".

b. COMMUNITY CULTURAL GRANTS

For planning and programming for the community cultural grants program established under [section 303.3](#):

.....	\$	<del>86,045</del>
		<u>172,090</u>

c. HISTORICAL DIVISION

For the support of the historical division:

.....	\$	<del>1,488,898</del>
		<u>3,017,797</u>

d. HISTORIC SITES

1 For the administration and support of historic sites:  
 2 ..... \$ ~~213,199~~  
 3 426,398

4 e. ARTS DIVISION

5 For the support of the arts division:  
 6 ..... \$ ~~596,094~~  
 7 1,212,188

8 Of the moneys appropriated in this paragraph, the department  
 9 shall allocate ~~\$150,000~~ \$300,000 for purposes of the film  
 10 office.

11 f. IOWA GREAT PLACES

12 For the Iowa great places program established under section  
 13 303.3C:  
 14 ..... \$ ~~75,000~~  
 15 150,000

16 g. RECORDS CENTER RENT

17 For payment of rent for the state records center:  
 18 ..... \$ ~~113,621~~  
 19 227,243

20 h. CULTURAL TRUST GRANTS

21 For grant programs administered by the Iowa arts council  
 22 including but not limited to those programs supporting the  
 23 long-term financial stability and sustainability of nonprofit  
 24 cultural organizations:  
 25 ..... \$ ~~12,500~~  
 26 65,000

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

32 Sec. 2. 2017 Iowa Acts, chapter 169, section 20, is amended  
 33 to read as follows:

34 SEC. 20. ECONOMIC DEVELOPMENT AUTHORITY.

35 1. APPROPRIATION

1 a. There is appropriated from the general fund of the state  
2 to the economic development authority for the fiscal year  
3 beginning July 1, 2018, and ending June 30, 2019, the following  
4 amount, or so much thereof as is necessary, to be used for the  
5 purposes designated in this subsection, and for not more than  
6 the following full-time equivalent positions:

7 .....	\$	<del>6,700,000</del>
8 .....		<u>13,362,040</u>
9 .....	FTEs	147.45

10 b. (1) For salaries, support, miscellaneous purposes,  
11 programs, marketing, and the maintenance of an administration  
12 division, a business development division, a community  
13 development division, a small business development division,  
14 and other divisions the authority may organize.

15 (2) The full-time equivalent positions authorized under  
16 this section are funded, in whole or in part, by the moneys  
17 appropriated under this subsection or by other moneys received  
18 by the authority, including certain federal moneys.

19 (3) For business development operations and programs,  
20 international trade, export assistance, workforce recruitment,  
21 and the partner state program.

22 (4) For transfer to a fund created pursuant to section  
23 15.313 for purposes of financing strategic infrastructure  
24 projects.

25 (5) For community economic development programs, tourism  
26 operations, community assistance, plans for Iowa green corps  
27 and summer youth programs, the mainstreet and rural mainstreet  
28 programs, the school-to-career program, the community  
29 development block grant, and housing and shelter-related  
30 programs.

31 (6) For achieving the goals and accountability, and  
32 fulfilling the requirements and duties required under this Act.

33 c. Notwithstanding [section 8.33](#), moneys appropriated in  
34 this subsection that remain unencumbered or unobligated at the  
35 close of the fiscal year shall not revert but shall remain

1 available for expenditure for the purposes designated in this  
2 subsection until the close of the succeeding fiscal year.

3 2. FINANCIAL ASSISTANCE RESTRICTIONS

4 a. A business creating jobs through moneys appropriated in  
5 subsection 1 shall be subject to contract provisions requiring  
6 new and retained jobs to be filled by individuals who are  
7 citizens of the United States who reside within the United  
8 States or any person authorized to work in the United States  
9 pursuant to federal law, including legal resident aliens in the  
10 United States.

11 b. Any vendor who receives moneys appropriated in  
12 subsection 1 shall adhere to such contract provisions and  
13 provide periodic assurances as the state shall require that the  
14 jobs are filled solely by citizens of the United States who  
15 reside within the United States or any person authorized to  
16 work in the United States pursuant to federal law, including  
17 legal resident aliens in the United States.

18 c. A business that receives financial assistance from  
19 the authority from moneys appropriated in subsection 1 shall  
20 only employ individuals legally authorized to work in this  
21 state. In addition to all other applicable penalties provided  
22 by current law, all or a portion of the assistance received  
23 by a business which is found to knowingly employ individuals  
24 not legally authorized to work in this state is subject to  
25 recapture by the authority.

26 3. USES OF APPROPRIATIONS

27 a. From the moneys appropriated in subsection 1, the  
28 authority may provide financial assistance in the form of a  
29 grant to a community economic development entity for conducting  
30 a local workforce recruitment effort designed to recruit former  
31 citizens of the state and former students at colleges and  
32 universities in the state to meet the needs of local employers.

33 b. From the moneys appropriated in subsection 1, the  
34 authority may provide financial assistance to early stage  
35 industry companies being established by women entrepreneurs.

1 c. From the moneys appropriated in subsection 1, the  
2 authority may provide financial assistance in the form of  
3 grants, loans, or forgivable loans for advanced research and  
4 commercialization projects involving value-added agriculture,  
5 advanced technology, or biotechnology.

6 d. The authority shall not use any moneys appropriated in  
7 subsection 1 for purposes of providing financial assistance for  
8 the Iowa green streets pilot project or for any other program  
9 or project that involves the installation of geothermal systems  
10 for melting snow and ice from streets or sidewalks.

11 4. WORLD FOOD PRIZE

12 There is appropriated from the general fund of the state  
13 to the economic development authority for the fiscal year  
14 beginning July 1, 2018, and ending June 30, 2019, the following  
15 amount for the world food prize and in lieu of the standing  
16 appropriation in [section 15.368](#):

17 .....	\$	200,000
18		<u>400,000</u>

19 5. IOWA COMMISSION ON VOLUNTEER SERVICE

20 There is appropriated from the general fund of the state  
21 to the economic development authority for the fiscal year  
22 beginning July 1, 2018, and ending June 30, 2019, the following  
23 amount for allocation to the Iowa commission on volunteer  
24 service for purposes of the Iowa state commission grant  
25 program, the Iowa's promise and Iowa mentoring partnership  
26 programs, and for not more than the following full-time  
27 equivalent positions:

28 .....	\$	84,100
29		<u>168,201</u>
30 .....	FTEs	7.00

31 Of the moneys appropriated in this subsection, the authority  
32 shall allocate ~~\$37,500~~ \$75,000 for purposes of the Iowa state  
33 commission grant program and ~~\$46,600~~ \$93,201 for purposes of  
34 the Iowa's promise and Iowa mentoring partnership programs.

35 Notwithstanding [section 8.33](#), moneys appropriated in this

1 subsection that remain unencumbered or unobligated at the close  
2 of the fiscal year shall not revert but shall remain available  
3 for expenditure for the purposes designated until the close of  
4 the succeeding fiscal year.

5 6. COUNCILS OF GOVERNMENTS — ASSISTANCE

6 There is appropriated from the general fund of the state  
7 to the economic development authority for the fiscal year  
8 beginning July 1, 2018, and ending June 30, 2019, the following  
9 amount to be used for the purposes of providing financial  
10 assistance to Iowa’s councils of governments:

11 ..... \$ 87,500  
12 ..... 185,000

13 6A. REGISTERED APPRENTICESHIP PROGRAM

14 For the funding of a registered apprenticeship development  
15 program designed to encourage small to midsize businesses to  
16 start or grow registered apprenticeships:

17 ..... \$ 1,000,000

18 7. SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS  
19 INTERNSHIPS

20 a. There is appropriated from the Iowa skilled worker and  
21 job creation fund created in [section 8.75](#) to the Iowa economic  
22 development authority for the fiscal year beginning July 1,  
23 2018, and ending June 30, 2019, the following amount, or so  
24 much thereof as is necessary, for the purposes designated:

25 For the funding of internships for students studying in the  
26 fields of science, technology, engineering, and mathematics  
27 with eligible Iowa employers as provided in section 15.411,  
28 subsection 3, paragraph “c”:

29 ..... \$ 500,000  
30 ..... 1,000,000

31 b. No more than 3 percent of the moneys appropriated in this  
32 subsection may be used by the authority for costs associated  
33 with administration of the internship program.

34 c. Notwithstanding [section 8.33](#), moneys appropriated in  
35 this subsection which remain unencumbered or unobligated at

1 the end of the fiscal year shall not revert but shall remain  
2 available for expenditure for the purposes designated in  
3 subsequent fiscal years.

4 Sec. 3. 2017 Iowa Acts, chapter 169, section 21, is amended  
5 to read as follows:

6 SEC. 21. LIMITATIONS OF STANDING APPROPRIATIONS — FY  
7 2018-2019. Notwithstanding the standing appropriations  
8 in the following designated sections for the fiscal year  
9 beginning July 1, 2018, and ending June 30, 2019, the amounts  
10 appropriated from the general fund of the state pursuant to  
11 these sections for the following purposes shall not exceed the  
12 following amounts:

13 1. For operational support grants and community cultural  
14 grants under [section 99F.11, subsection 3](#), paragraph "d",  
15 subparagraph (1):

16 ..... \$ ~~208,351~~  
17 416,702

18 2. For the purposes of regional tourism marketing under  
19 [section 99F.11, subsection 3](#), paragraph "d", subparagraph (2):

20 ..... \$ ~~450,000~~  
21 900,000

22 Sec. 4. 2017 Iowa Acts, chapter 169, section 22, is amended  
23 to read as follows:

24 SEC. 22. INSURANCE ECONOMIC DEVELOPMENT. From the moneys  
25 collected by the division of insurance in excess of the  
26 anticipated gross revenues under [section 505.7, subsection 3](#),  
27 during the fiscal year beginning July 1, 2018, ~~\$50,000~~ \$100,000  
28 shall be transferred to the economic development authority for  
29 insurance economic development and international insurance  
30 economic development.

31 Sec. 5. 2017 Iowa Acts, chapter 169, section 23, is amended  
32 to read as follows:

33 SEC. 23. IOWA FINANCE AUTHORITY.

34 1. There is appropriated from the general fund of the state  
35 to the Iowa finance authority for the fiscal year beginning



1 July 1, 2018, and ending June 30, 2019, the following amount,  
2 or so much thereof as is necessary, to be used to provide  
3 reimbursement for rent expenses to eligible persons under  
4 the home and community-based services rent subsidy program  
5 established in section 16.55:

6 ..... \$ 329,000  
7 ..... 658,000

8 2. ~~If the Iowa finance authority utilizes a waiting list,~~  
9 ~~the authority shall give priority to a person participating~~  
10 ~~in the state's money follows the person partnership for~~  
11 ~~community integration project who has been assigned to work~~  
12 ~~with a transition specialist.~~ Of the moneys appropriated in  
13 this section, not more than ~~\$17,500~~ \$35,000 may be used for  
14 administrative costs.

15 Sec. 6. 2017 Iowa Acts, chapter 169, section 25, is amended  
16 to read as follows:

17 SEC. 25. PUBLIC EMPLOYMENT RELATIONS BOARD.

18 1. There is appropriated from the general fund of the state  
19 to the public employment relations board for the fiscal year  
20 beginning July 1, 2018, and ending June 30, 2019, the following  
21 amount, or so much thereof as is necessary, for the purposes  
22 designated:

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

26 ..... \$ 671,226  
27 ..... 1,442,452  
28 ..... FTEs 10.00  
29 ..... 11.00

30 2. Of the moneys appropriated in this section, the board  
31 shall allocate ~~\$7,500~~ \$15,000 for maintaining an internet site  
32 that allows searchable access to a database of collective  
33 bargaining information.

34 Sec. 7. 2017 Iowa Acts, chapter 169, section 26, is amended  
35 to read as follows:

1 SEC. 26. DEPARTMENT OF WORKFORCE DEVELOPMENT. There  
2 is appropriated from the general fund of the state to the  
3 department of workforce development for the fiscal year  
4 beginning July 1, 2018, and ending June 30, 2019, the following  
5 amounts, or so much thereof as is necessary, for the purposes  
6 designated:

7 1. DIVISION OF LABOR SERVICES

8 a. For the division of labor services, including salaries,  
9 support, maintenance, and miscellaneous purposes, and for not  
10 more than the following full-time equivalent positions:

11 .....	\$	<del>1,745,626</del>
12 .....		<u>3,491,252</u>
13 .....	FTEs	61.12

14 b. From the contractor registration fees, the division of  
15 labor services shall reimburse the department of inspections  
16 and appeals for all costs associated with hearings under  
17 chapter 91C, relating to contractor registration.

18 2. DIVISION OF WORKERS' COMPENSATION

19 a. For the division of workers' compensation, including  
20 salaries, support, maintenance, and miscellaneous purposes, and  
21 for not more than the following full-time equivalent positions:

22 .....	\$	<del>1,629,522</del>
23 .....		<u>3,309,044</u>
24 .....	FTEs	27.20

25 b. The division of workers' compensation shall charge a  
26 \$100 filing fee for workers' compensation cases. The filing  
27 fee shall be paid by the petitioner of a claim. However, the  
28 fee can be taxed as a cost and paid by the losing party, except  
29 in cases where it would impose an undue hardship or be unjust  
30 under the circumstances. The moneys generated by the filing  
31 fee allowed under this subsection are appropriated to the  
32 department of workforce development to be used for purposes of  
33 administering the division of workers' compensation.

34 3. WORKFORCE DEVELOPMENT OPERATIONS

35 a. For the operation of field offices, the workforce

1 development board, and for not more than the following  
2 full-time equivalent positions:

3 .....	\$	<del>3,972,825</del>
4 .....		<u>7,848,690</u>
5 .....	FTEs	187.75

6 b. Of the moneys appropriated in paragraph "a" of this  
7 subsection, the department shall allocate ~~\$75,000~~ \$150,000  
8 to the state library for the purpose of licensing an online  
9 resource which prepares persons to succeed in the workplace  
10 through programs which improve job skills and vocational  
11 test-taking abilities.

12 4. OFFENDER REENTRY PROGRAM

13 a. For the development and administration of an offender  
14 reentry program to provide offenders with employment skills,  
15 and for not more than the following full-time equivalent  
16 positions:

17 .....	\$	<del>143,579</del>
18 .....		<u>337,158</u>
19 .....	FTEs	<del>4.00</del>
20 .....		<u>5.00</u>

21 b. The department of workforce development shall partner  
22 with the department of corrections to provide staff within the  
23 correctional facilities to improve offenders' abilities to find  
24 and retain productive employment.

25 5. INTEGRATED INFORMATION FOR IOWA SYSTEM

26 For the payment of services provided by the department of  
27 administrative services related to the integrated information  
28 for Iowa system:

29 .....	\$	<del>114,411</del>
30 .....		<u>228,822</u>

31 5A. SUMMER YOUTH INTERN PILOT PROGRAM

32 For the funding for a summer youth intern pilot program that  
33 will help young people at risk of not graduating from high  
34 school to explore and prepare for high-demand careers through  
35 summer work experience, including the development of soft

1 skills:

2 ..... \$ 250,000

3 5B. FUTURE READY IOWA COORDINATOR

4 For the funding of a future ready Iowa coordinator in the  
5 department, and for not more than the following full-time  
6 equivalent positions:

7 ..... \$ 150,000

8 ..... FTEs 1.00

9 5C. FUTURE READY IOWA MARKETING

10 For funding for future ready Iowa marketing:

11 ..... \$ 250,000

12 6. NONREVERSION

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

18 Sec. 8. 2017 Iowa Acts, chapter 169, section 27, is amended  
19 to read as follows:

20 SEC. 27. GENERAL FUND — EMPLOYEE MISCLASSIFICATION

21 PROGRAM. There is appropriated from the general fund of the  
22 state to the department of workforce development for the fiscal  
23 year beginning July 1, 2018, and ending June 30, 2019, the  
24 following amount, or so much thereof as is necessary, to be  
25 used for the purposes designated:

26 For enhancing efforts to investigate employers that  
27 misclassify workers and for not more than the following  
28 full-time equivalent positions:

29 ..... \$ 214,815

30 ..... 379,631

31 ..... FTEs 5.00

32 Sec. 9. 2017 Iowa Acts, chapter 169, section 28, is amended  
33 to read as follows:

34 SEC. 28. SPECIAL EMPLOYMENT SECURITY CONTINGENCY FUND.

35 1. There is appropriated from the special employment

1 security contingency fund to the department of workforce  
2 development for the fiscal year beginning July 1, 2018, and  
3 ending June 30, 2019, the following amount, or so much thereof  
4 as is necessary, to be used for field offices:

5 ..... \$ 883,042  
6 ..... 1,766,084

7 1A. There is appropriated from the special employment  
8 security contingency fund to the insurance division of the  
9 department of commerce for the fiscal year beginning July 1,  
10 2018, and ending June 30, 2019, the following amount, or so  
11 much thereof as is necessary, to be used by the insurance fraud  
12 bureau established in section 507E.2:

13 For the investigation and prosecution of workers'  
14 compensation fraud:

15 ..... \$ 200,000

16 2. Any remaining additional penalty and interest revenue  
17 collected by the department of workforce development is  
18 appropriated to the department for the fiscal year beginning  
19 July 1, 2018, and ending June 30, 2019, to accomplish the  
20 mission of the department.

21 Sec. 10. 2017 Iowa Acts, chapter 169, section 29, is amended  
22 to read as follows:

23 SEC. 29. UNEMPLOYMENT COMPENSATION RESERVE FUND —  
24 FIELD OFFICES. Notwithstanding [section 96.9, subsection 8,](#)  
25 paragraph "e", there is appropriated from interest earned on  
26 the unemployment compensation reserve fund to the department  
27 of workforce development for the fiscal year beginning July 1,  
28 2018, and ending June 30, 2019, the following amount, or so  
29 much thereof as is necessary, for the purposes designated:

30 For the operation of field offices:

31 ..... \$ ~~530,000~~  
32 ..... 1,600,000

33 Sec. 11. 2017 Iowa Acts, chapter 169, section 32, is amended  
34 to read as follows:

35 SEC. 32. IOWA SKILLED WORKER AND JOB CREATION FUND.

1 1. There is appropriated from the Iowa skilled worker and  
2 job creation fund created in [section 8.75](#) to the following  
3 departments, agencies, and institutions for the fiscal year  
4 beginning July 1, 2018, and ending June 30, 2019, the following  
5 amounts, or so much thereof as is necessary, to be used for the  
6 purposes designated:

7 a. ECONOMIC DEVELOPMENT AUTHORITY

8 (1) For the purposes of providing assistance under the high  
9 quality jobs program as described in [section 15.335B](#):

10 ..... \$ ~~7,950,000~~  
11 15,900,000

12 (2) From the moneys appropriated in this lettered paragraph  
13 "a", the economic development authority may use not more than  
14 ~~\$500,000~~ \$1,000,000 for purposes of providing infrastructure  
15 grants to mainstreet communities under the main street Iowa  
16 program.

17 (3) As a condition of receiving moneys appropriated in  
18 this lettered paragraph "a", an entity shall testify upon the  
19 request of the joint appropriations subcommittee on economic  
20 development regarding the expenditure of such moneys.

21 b. STATE BOARD OF REGENTS AND REGENTS INSTITUTIONS

22 (1) STATE BOARD OF REGENTS. For capacity building  
23 infrastructure in areas related to technology  
24 commercialization, marketing and business development  
25 efforts in areas related to technology commercialization,  
26 entrepreneurship, and business growth, and infrastructure  
27 projects and programs needed to assist in implementation of  
28 activities under [chapter 262B](#):

29 ..... \$ ~~1,500,000~~  
30 3,000,000

31 Of the moneys appropriated pursuant to this subparagraph  
32 (1), 35 percent shall be allocated for Iowa state university of  
33 science and technology, 35 percent shall be allocated for the  
34 state university of Iowa, and 30 percent shall be allocated for  
35 the university of northern Iowa.

1 (a) The institutions shall provide a one-to-one match  
2 of additional moneys for the activities funded with moneys  
3 appropriated under this subparagraph (1).

4 (b) The state board of regents shall annually submit a  
5 report by January 15 to the governor, the general assembly,  
6 and the legislative services agency regarding the activities,  
7 projects, and programs funded with moneys appropriated under  
8 this subparagraph (1). The report shall be provided in an  
9 electronic format and shall include a list of metrics and  
10 criteria mutually agreed to in advance by the board of regents  
11 and the economic development authority. The metrics and  
12 criteria shall allow the governor's office and the general  
13 assembly to quantify and evaluate the progress of the board of  
14 regents institutions with regard to their activities, projects,  
15 and programs in the areas of technology commercialization,  
16 entrepreneurship, regional development, and market research.

17 (2) IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY. For  
18 small business development centers, the science and technology  
19 research park, and the center for industrial research and  
20 service, and for not more than the following full-time  
21 equivalent positions:

22 .....	\$	<del>1,212,151</del>
23 .....		<u>2,424,302</u>
24 .....	FTEs	56.63

25 (a) Of the moneys appropriated in this subparagraph  
26 (2), Iowa state university of science and technology shall  
27 allocate at least ~~\$367,864~~ \$735,728 for purposes of funding  
28 small business development centers. Iowa state university of  
29 science and technology may allocate the appropriated moneys to  
30 the various small business development centers in any manner  
31 necessary to achieve the purposes of this subparagraph.

32 (b) Iowa state university of science and technology shall  
33 do all of the following:

34 (i) Direct expenditures for research toward projects that  
35 will provide economic stimulus for Iowa.

1 (ii) Provide emphasis to providing services to Iowa-based  
2 companies.

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

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

25 (3) STATE UNIVERSITY OF IOWA. For the state university  
26 of Iowa research park and for the advanced drug development  
27 program at the Oakdale research park, including salaries,  
28 support, maintenance, equipment, and miscellaneous purposes,  
29 and for not more than the following full-time equivalent  
30 positions:

31 .....	\$	104,639
32 .....		<u>209,279</u>
33 .....	FTEs	6.00

34 The state university of Iowa shall do all of the following:

35 (a) Direct expenditures for research toward projects that



1 will provide economic stimulus for Iowa.

2 (b) Provide emphasis to providing services to Iowa-based  
3 companies.

4 (4) STATE UNIVERSITY OF IOWA. For the purpose of  
5 implementing the entrepreneurship and economic growth  
6 initiative, and for not more than the following full-time  
7 equivalent positions:

8 .....	\$	<del>1,000,000</del>
9 .....		<u>2,000,000</u>
10 .....	FTEs	8.00

11 (5) UNIVERSITY OF NORTHERN IOWA. For the metal casting  
12 ~~institute~~ center, the MyEntreNet internet application, and the  
13 ~~institute of~~ for decision making, including salaries, support,  
14 maintenance, and miscellaneous purposes, and for not more than  
15 the following full-time equivalent positions:

16 .....	\$	<del>533,209</del>
17 .....		<u>1,066,419</u>
18 .....	FTEs	8.12

19 (a) Of the moneys appropriated pursuant to this  
20 subparagraph (5), the university of northern Iowa shall  
21 allocate at least ~~\$308,819~~ \$617,638 for purposes of support  
22 of entrepreneurs through the university's center for business  
23 growth and innovation and advance Iowa program.

24 (b) The university of northern Iowa shall do all of the  
25 following:

26 (i) Direct expenditures for research toward projects that  
27 will provide economic stimulus for Iowa.

28 (ii) Provide emphasis to providing services to Iowa-based  
29 companies.

30 (6) As a condition of receiving moneys appropriated in  
31 this lettered paragraph "b", an entity shall testify upon the  
32 request of the joint appropriations subcommittee on economic  
33 development regarding the expenditure of such moneys.

34 c. DEPARTMENT OF WORKFORCE DEVELOPMENT

35 To develop a long-term sustained program to train unemployed

1 and underemployed central Iowans with skills necessary to  
2 advance to higher-paying jobs with full benefits:

3 .....	\$	<del>50,000</del>
4		<u>100,000</u>

5 (1) The department of workforce development shall begin  
6 a request for proposals process, issued for purposes of this  
7 lettered paragraph "c", no later than September 1, 2018.

8 (2) As a condition of receiving moneys appropriated under  
9 this lettered paragraph "c", an entity shall testify upon the  
10 request of the joint appropriations subcommittee on economic  
11 development regarding the expenditure of such moneys.

12 2. Notwithstanding [section 8.33](#), moneys appropriated  
13 in this section of this Act that remain unencumbered or  
14 unobligated at the close of the fiscal year shall not revert  
15 but shall remain available for expenditure for the purposes  
16 designated until the close of the succeeding fiscal year.

17 DIVISION II

18 UNEMPLOYMENT INSURANCE SYSTEMS MODERNIZATION

19 Sec. 12. AUTHORIZATION OF USE OF FUNDS — UNEMPLOYMENT  
20 INSURANCE SYSTEMS MODERNIZATION. Incentive payment funds  
21 made to the state pursuant to the federal Assistance for  
22 Unemployed Workers and Struggling Families Act, Pub. L.  
23 No. 111-5, enacted February 17, 2009, as a special transfer  
24 under section 903 of the Social Security Act, may be used  
25 up to \$39,200,000, or so much thereof as may be necessary,  
26 by the department of workforce development, for the purpose  
27 of unemployment insurance systems modernization and for the  
28 acquisition of programming, software, and equipment required  
29 to provide an administrative system for the Iowa unemployment  
30 insurance program. Notwithstanding chapters 8A and 8B and  
31 the rules adopted pursuant thereto, the department may enter  
32 into a contract relating to unemployment insurance systems  
33 modernization for a term of not more than ten years.

34 Sec. 13. REPEAL. 2017 Iowa Acts, chapter 169, section 15,  
35 is repealed.

1     Sec. 14. EFFECTIVE DATE. This division of this Act, being  
2 deemed of immediate importance, takes effect upon enactment.

3     Sec. 15. RETROACTIVE APPLICABILITY. The following applies  
4 retroactively to July 1, 2017:

5     The section of this division of this Act relating to  
6 unemployment insurance systems modernization.

7                                   DIVISION III

8                                   MISCELLANEOUS

9     Sec. 16. Section 8A.311, subsection 10, paragraph a, Code  
10 2018, is amended to read as follows:

11     a. The director shall adopt rules providing that any state  
12 agency may, upon request and approval by the department,  
13 purchase directly from a vendor if the direct purchasing is  
14 more economical than purchasing through the department, if  
15 the agency shows that direct purchasing by the state agency  
16 would be in the best interests of the state due to an immediate  
17 or emergency need, or if the purchase will not exceed ~~ten~~  
18 twenty-five thousand dollars and the purchase would contribute  
19 to the agency complying with the targeted small business  
20 procurement goals under [sections 73.15 through 73.21](#).

21     Sec. 17. Section 15E.52, subsection 8, Code 2018, is amended  
22 to read as follows:

23     8. The board shall not certify an innovation fund after June  
24 30, ~~2018~~ 2023.

25     Sec. 18. Section 96.5, Code 2018, is amended by adding the  
26 following new subsection:

27     NEW SUBSECTION. 13. *Overpayment resulting in*  
28 *disqualification.* If the department finds that an individual  
29 has received benefits by reason of misrepresentation pursuant  
30 to section 96.16, such individual shall be disqualified for  
31 benefits until the balance of the benefits received by the  
32 individual due to misrepresentation, including all penalties,  
33 interest, and lien fees, is paid in full.

34     Sec. 19. NEW SECTION. 507E.2A **Definition of insurer —**  
35 **workers' compensation.**

1 As used in this chapter, unless the context otherwise  
2 requires:

3 a. "Insurance" means any and all contracts, arrangements,  
4 and agreements by or through which one party, for compensation,  
5 assumes risks of another party and promises to pay the second  
6 party or the second party's nominee a certain or ascertainable  
7 sum of money on the occurrence of a specified contingency.  
8 "Insurance" includes any and all contracts, arrangements, or  
9 agreements contemplated by, falling within, and coming under  
10 section 87.11. Without limiting the foregoing, "insurance"  
11 includes any contract of insurance, indemnity, subscription,  
12 membership, suretyship, or annuity that has been issued, is  
13 proposed for issuance, or is intended for issuance by any  
14 person or entity.

15 b. "Insurer" includes an insurer that issues a policy of  
16 workers' compensation, a self-insured business for purposes of  
17 workers' compensation liability, or a group or self-insured  
18 plan as described in section 87.4.

19 Sec. 20. Section 507E.6, Code 2018, is amended to read as  
20 follows:

21 **507E.6 Duties of insurer and fraud bureau.**

22 1. An insurer which believes that a claim or application  
23 for insurance coverage is being made which is a violation of  
24 section 507E.3 or believes that a violation of section 507E.3A  
25 has occurred, shall provide, within sixty days ~~of the receipt~~  
26 ~~of such claim or application~~ becoming aware of a possible  
27 violation, written notification to the bureau of the ~~claim or~~  
28 ~~application~~ suspected violation on a form prescribed by the  
29 bureau, ~~including any additional information requested by the~~  
30 ~~bureau related to the claim or application or the party making~~  
31 ~~the claim or application.~~

32 2. The fraud bureau shall review each notification and  
33 determine whether further investigation is warranted.

34 3. If the bureau determines that further investigation  
35 is warranted, the bureau shall conduct an independent

1 investigation of the facts surrounding the ~~claim or application~~  
2 ~~for insurance coverage~~ notification to determine the extent,  
3 if any, to which fraud occurred ~~in the submission of the claim~~  
4 ~~or application~~.

5 4. The bureau shall report any alleged violation of law  
6 disclosed by the investigation to the appropriate licensing  
7 agency or prosecuting authority having jurisdiction with  
8 respect to such violation.

9 5. Fifty percent of the criminal penalties collected  
10 for workers' compensation fraud under section 507E.3 shall  
11 be deposited in the special employment security contingency  
12 fund created in section 96.13, subsection 3. The remaining  
13 fifty percent of the criminal penalties collected for workers'  
14 compensation fraud under section 507E.3 shall be deposited  
15 pursuant to section 602.8108.

16 Sec. 21. NEW SECTION. **507E.9 Rulemaking authority.**

17 The commissioner of insurance may adopt rules pursuant to  
18 chapter 17A to administer this chapter.

19 Sec. 22. Section 904.804, Code 2018, is amended to read as  
20 follows:

21 **904.804 Duties of industries board.**

22 The industries board's principal duties shall be to  
23 promulgate and adopt rules and to advise the state director  
24 regarding the management of Iowa state industries so as to  
25 further the intent stated by [section 904.801](#). The industries  
26 board shall also review and approve any new program determined  
27 by the state director under section 904.805, subsection 1,  
28 to be needed or desired by the potential purchasers of Iowa  
29 state industries products, services, or programs that meet  
30 the objectives in section 904.801 of preparing inmates for  
31 meaningful jobs.

32 Sec. 23. Section 904.805, Code 2018, is amended by adding  
33 the following new subsection:

34 NEW SUBSECTION. 7. Submit an annual report to the general  
35 assembly by January 15 of each year concerning the operation

1 of Iowa state industries during the prior fiscal year. The  
2 annual report shall include but not be limited to information  
3 on the number of inmates participating in work programs at a  
4 correctional facility and in the private sector; total revenues  
5 generated and the allocation of such revenues to the general  
6 fund, to Iowa state industries, and for the support of inmates;  
7 total profit and loss from Iowa state industries programs;  
8 financial information concerning the Iowa state industries  
9 revolving fund established in section 904.813, including any  
10 revenues, interest, and expenditures related to the fund; any  
11 new equipment purchased; any changes in products offered;  
12 any waivers requested, accepted, or rejected according to  
13 section 904.808, subsection 1, paragraph "b"; and the products,  
14 quantities, and dollar amounts of goods approved to be  
15 purchased by contractors involved in construction, renovation,  
16 and remodeling projects when the products will be sold to a  
17 public entity.

18 Sec. 24. Section 904.807, Code 2018, is amended to read as  
19 follows:

20 **904.807 Price lists to public officials.**

21 The state director shall cause to be prepared from time  
22 to time classified and itemized price lists of the products  
23 manufactured by Iowa state industries and shall publish the  
24 lists on the Iowa state industries' internet site. Such  
25 lists shall be furnished to all boards of supervisors, boards  
26 of directors of school corporations, city councils, and all  
27 other state, county, city and school departments and officials  
28 empowered to purchase supplies and equipment for public  
29 purposes. In addition, Iowa state industries shall furnish the  
30 lists to any Iowa business upon request.

31 Sec. 25. NEW SECTION. **904.810 Iowa homes corporation.**

32 1. A council of government, as described in chapter 28H,  
33 in consultation with the state director and industries board,  
34 shall establish the Iowa homes corporation as a nonprofit  
35 corporation organized under chapter 504 and qualifying

1 under section 501(c)(3) of the Internal Revenue Code as  
2 an organization exempt from taxation. Unless otherwise  
3 provided in this subchapter, the corporation is subject to  
4 the provisions of chapter 504. The corporation shall be  
5 established for the purpose of operating the affordable home  
6 building program as provided in section 904.811.

7 2. The corporation shall collaborate with the state  
8 director and industries board but the corporation shall not  
9 be considered, in whole or in part, an agency, department, or  
10 administrative unit of the state.

11 a. The corporation shall not receive appropriations from the  
12 state.

13 b. The corporation shall not be required to comply with  
14 any requirements that apply to a state agency, department, or  
15 administrative unit and shall not exercise any sovereign power  
16 of the state.

17 c. The corporation does not have authority to pledge the  
18 credit of the state, and the state shall not be liable for  
19 the debts or obligations of the corporation. All debts and  
20 obligations of the corporation shall be payable solely from the  
21 corporation's funds.

22 3. a. The corporation shall be established so that  
23 donations and bequests to it qualify as tax deductible under  
24 state income tax laws and under section 501(c)(3) of the  
25 Internal Revenue Code.

26 b. The corporation shall be established for the purpose of  
27 operating the affordable home building program as provided in  
28 section 904.811.

29 4. The articles of the corporation shall provide for its  
30 governance and its efficient management. In providing for its  
31 governance, the articles of the corporation shall address the  
32 following:

33 a. A board of directors to govern the corporation which  
34 shall be appointed to staggered terms of four years and  
35 shall consist of at least the following members appointed as

1 determined by the articles of the corporation:

2 (1) One member representing general homebuilding or  
3 residential contractors.

4 (2) One member representing a nonprofit housing  
5 organization.

6 (3) One member representing trade labor organizations.

7 (4) One member representing councils of governments.

8 (5) One member representing agencies, groups and  
9 individuals in this state, such as apprenticeship programs,  
10 community colleges, workforce development regions, or similar  
11 entities, which plan and maintain programs of vocational and  
12 technical education oriented to the development of marketable  
13 skills.

14 (6) One member representing the Iowa finance authority.

15 (7) One non-voting member representing the department.

16 *b.* The appointment of a chief executive officer by the board  
17 of directors to manage the corporation's daily operations.

18 *c.* The delegation of such powers and responsibilities  
19 to the chief executive officer as may be necessary for the  
20 corporation's efficient operation.

21 *d.* The employment of personnel necessary for the efficient  
22 performance of the duties assigned to the corporation. All  
23 such personnel shall be considered employees of the private,  
24 nonprofit corporation and shall be exempt from the personnel  
25 requirements imposed on state agencies, departments, and  
26 administrative units.

27 *e.* The financial operations of the corporation including the  
28 authority to receive and expend moneys from public and private  
29 sources and to use its property, moneys, or other resources for  
30 the purpose of the corporation.

31 5. The board of directors and the chief executive officer  
32 shall act to ensure all of the following:

33 *a.* That the corporation reviews and, at the board of  
34 director's direction, implements the requirements of the  
35 affordable home building program as provided in section



1 904.811.

2 *b.* That the corporation prepares an annual budget that  
3 includes funding levels for the corporation's activities and  
4 that shows sufficient moneys are available to support those  
5 activities.

6 *c.* That the corporation annually completes and files an  
7 information return as described in section 422.15 and that the  
8 information return is submitted to the general assembly.

9 6. *a.* The corporation shall submit an annual report to  
10 the governor, the general assembly, and the auditor of state  
11 by January 15. The report shall include the corporation's  
12 finances, operations, and activities during the prior fiscal  
13 year relative to the affordable home building program as  
14 provided in section 904.811.

15 *b.* An annual audit of the corporation performed by a  
16 certified public accountant in accordance with generally  
17 accepted accounting principles shall be filed with the office  
18 of auditor of state and made available to the public.

19 Sec. 26. NEW SECTION. 904.811 **Affordable home building**  
20 **program.**

21 1. The Iowa homes corporation, established pursuant to  
22 section 904.810, in cooperation with the state director and  
23 industries board, shall operate an affordable home building  
24 program for the purposes of manufacturing affordable housing  
25 through the use of inmate labor within state correctional  
26 institutions subject to the requirements of this section.  
27 The objectives of the program are to provide meaningful work  
28 opportunities to inmates as described in section 904.801, to  
29 provide marketable skills to inmates that can lead directly to  
30 gainful employment and reduced recidivism rates upon release  
31 from a correctional institution, to provide a new source of  
32 skilled workers in the home building and construction sectors,  
33 and to provide affordable housing for rural and urban areas of  
34 the state.

35 2. The Iowa homes corporation shall establish guidelines

1 regarding the production and purchase of homes manufactured  
2 under the program subject to the following requirements:

3     *a.* The Iowa homes corporation shall enter into an agreement  
4 with the state director who shall provide an inmate workforce  
5 for the program consistent with the objectives of section  
6 904.801. The state director shall provide inmate training  
7 and apprenticeships in partnership with community colleges  
8 and relevant groups, organizations, individuals, or state or  
9 federal departments to implement training and apprenticeship  
10 opportunities for inmates.

11     *b.* The Iowa homes corporation shall coordinate with councils  
12 of governments for the sale of homes manufactured under the  
13 program. The sale price to purchasers shall not exceed an  
14 amount in excess of ten percent more than the delivered home  
15 unit purchase price set by the corporation.

16     *c.* Homes purchased under the program shall be for the  
17 sole purpose of providing a primary residence for an eligible  
18 homebuyer and the purchased homes shall maintain at least a  
19 three-year affordability period secured by a deed restriction.  
20 For purposes of this section, an eligible homebuyer shall  
21 be a person whose median family income is at or below the  
22 median family income of the state, according to the household  
23 size as published by United States department of housing and  
24 urban development or an eligible service member, as defined in  
25 section 16.54.

26     *d.* Homes purchased under the program may be resold at any  
27 time by a purchaser after completion of initial development.  
28 All sales are governed by the applicable affordability  
29 period, which begins on the first date occupied by an eligible  
30 homebuyer, secured by a recorded deed restriction.

31     *e.* Each home constructed shall comply with applicable  
32 building codes and shall be subject to the planning, zoning,  
33 sanitary, and building laws, ordinances, and regulations  
34 applicable to the locality in which the home will be situated.

35     *f.* Preparation of the site for the location of a

1 home manufactured under this program shall be the sole  
2 responsibility of the purchaser, purchaser's agent, purchaser's  
3 developer, or other party developing a site for home  
4 development. The Iowa home corporation shall develop required  
5 site characteristics of the home site to be met before home  
6 delivery is completed.

7 g. The Iowa home corporation shall manufacture no more than  
8 two hundred homes each fiscal year under the program. However,  
9 the state director may authorize the manufacture of more than  
10 two hundred homes in a fiscal year for good cause upon request  
11 of the Iowa home corporation.

12 EXPLANATION

13 The inclusion of this explanation does not constitute agreement with  
14 the explanation's substance by the members of the general assembly.

15 This bill makes appropriations and transfers for FY  
16 2018-2019 from the general fund of the state and other funds to  
17 the department of cultural affairs, the economic development  
18 authority, the Iowa finance authority, the public employment  
19 relations board, the department of workforce development, the  
20 board of regents, the state university of Iowa, the university  
21 of northern Iowa, and Iowa state university of science and  
22 technology.

23 FY 2018-2019. The bill appropriates moneys from the special  
24 employment security contingency fund to the department of  
25 workforce development for field offices.

26 The bill appropriates interest earned on the unemployment  
27 compensation reserve fund to the department of workforce  
28 development for the operation of field offices.

29 The bill appropriates moneys from the special employment  
30 security contingency fund to the insurance division of the  
31 department of commerce for investigation and prosecution of  
32 workers' compensation fraud.

33 The bill appropriates moneys from the Iowa skilled worker  
34 and job creation fund to the economic development authority and  
35 the board of regents and certain regents institutions.

1 The bill limits standing appropriations, established  
2 in Code, for certain operational support grants, community  
3 cultural grants, regional tourism marketing, and the world food  
4 prize.

5 UNEMPLOYMENT INSURANCE SYSTEMS MODERNIZATION. The bill  
6 repeals 2017 Iowa Acts, chapter 169, section 15, as the use  
7 of funds authorization for unemployment insurance systems  
8 modernization is included in section 12 of the bill. The  
9 bill allows the department of workforce development to enter  
10 into a contract relating to unemployment insurance systems  
11 modernization for a term of not more than 10 years. This  
12 division takes effect upon enactment. Section 12 of the  
13 division applies retroactively to July 1, 2017.

14 MISCELLANEOUS. The bill increases the authorization for  
15 direct purchasing from a vendor by a state agency from \$10,000  
16 to \$25,000.

17 The bill allows the economic development authority to  
18 certify innovation funds until June 30, 2023. Currently, the  
19 certification period is through June 30, 2018.

20 The bill disqualifies an individual from receiving  
21 unemployment benefits until full repayment has been made for  
22 any benefits the individual received due to misrepresentation.

23 The bill defines "insurance" and "insurer" for purposes of  
24 insurance fraud and establishes the duties of an insurer and  
25 the insurance fraud bureau for workers' compensation fraud.  
26 The bill directs that 50 percent of the penalties collected for  
27 workers' compensation fraud pursuant to Code section 507E.3  
28 shall be deposited into the special security contingency fund  
29 and 50 percent is to be distributed pursuant to Code section  
30 602.8108.

31 The bill establishes a home building program through the  
32 department of corrections.