

Economic Development Appropriations Bill House Study Bill 336

Last Action:
**House Appropriations
Subcommittee**
April 30, 2025

An Act relating to and making appropriations for the economic development of the State, including to the Economic Development Authority, Iowa Finance Authority, Department of Workforce Development, and State Board of Regents and certain Regents institutions, and eliminating the repeal of the Housing Renewal Pilot Program.

**Fiscal Services Division
Legislative Services Agency**

NOTES ON BILLS AND AMENDMENTS (NOBA)

Available online at www.legis.iowa.gov/publications/information/appropriationBillAnalysis

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FUNDING SUMMARY

General Fund FY 2026: Appropriates a total of \$40.6 million from the General Fund and 629.8 full-time equivalent (FTE) positions to the Iowa Economic Development Authority (IEDA), the Iowa Finance Authority (IFA), the Iowa Department of Workforce Development (IWD), and the Iowa Board of Regents (BOR) for FY 2026. This is a decrease of \$150,000 and an increase of 22.7 FTE positions compared to estimated FY 2025.

Other Funds FY 2026: Appropriates a total of \$34.4 million from other funds for FY 2026. This is an increase of \$25,000 compared to estimated FY 2025. This Bill includes a contingent appropriation of \$1.3 million from the Grow Iowa Values Fund for the Grocer Reinvestment and Local Food Processing Fund. This appropriation is contingent upon the enactment of [House File 1032](#) (Grocery Store Investment Programs Bill).

NEW PROGRAMS, SERVICES, OR ACTIVITIES

Grocery Investment Programs: Appropriates \$1.3 million for FY 2026 from the Grow Iowa Values Fund to the IEDA for the Grocer Reinvestment and Local Food Processing Fund, if enacted by 2025 Iowa Acts, [House File 1032](#) (Grocery Store Investment Programs Bill).

Page 17, Line 9

MAJOR INCREASES/DECREASES/TRANSFERS OF EXISTING PROGRAMS

General Fund

Iowa Economic Development Authority: Appropriates a total of \$18.7 million from the General Fund to the IEDA. This is a net decrease of \$248,000 compared to estimated FY 2025, including:

Page 2, Line 5

- An increase of \$78,000 to the IEDA Economic Development Appropriation.
- A decrease of \$83,000 to the Community Advertising and Strategic Plan.
- A decrease of \$172,000 to Community Cultural Grants.
- An increase of \$329,000 to the Iowa Arts Council.
- A decrease of \$150,000 to the Iowa Great Places Program.
- A decrease of \$150,000 to Cultural Trust Grants.
- A decrease of \$100,000 to the Court Reporter Equipment Incentive Program.

Iowa Department of Workforce Development: Appropriates a total of \$16.2 million from the General Fund to the IWD. This is an increase of \$98,000 compared to estimated FY 2025, including:

Page 7, Line 20

- An increase of \$6,000 for the Offender Reentry Program.

- An increase of \$2,000 for Workplace Injury and Safety Surveys.
- An increase of \$82,000 for Vocational Rehabilitation.
- An increase of \$5,000 for the Entrepreneurs with Disabilities Program.
- An increase of \$3,000 for the Employee Misclassification Program.

Other Funds

Iowa Department of Workforce Development: Appropriates \$4.6 million from the Special Employment Security Contingency Fund to the IWD. This is an increase of \$2.2 million compared to estimated FY 2025. Eliminates an appropriation of \$2.2 million from the Unemployment Compensation Reserve Fund interest.

Page 10, Line 15

Iowa Department of Workforce Development: Appropriates a total of \$6.3 million from the Skilled Worker and Job Creation Fund (SWJCF) to the IWD. This is a net increase of \$25,000 compared to estimated FY 2025, including:

Page 14, Line 19

- A decrease of \$100,000 for the Mid-Iowa Organizing Strategy.
- A new appropriation of \$125,000 for Workforce Preparation Outcome Reporting.

STUDIES AND INTENT

Intent

Requires the goals of the IEDA to include expanding and stimulating the State economy, increasing the wealth of Iowans, and increasing the population of Iowa.

Page 1, Line 3

Requires the Vocational Rehabilitation Services Division to work with community rehabilitation program providers for job placement and retention services for individuals with significant disabilities.

Page 8, Line 31

Requires the IWD to use the same application process and criteria when issuing grants from the Adult Education and Literacy Programs General Fund appropriation that are used when awarding grants to community colleges for adult basic education programs for instruction in English as a second language from the SWJCF.

Page 9, Line 21

Requires recipients of High Quality Jobs Program funds to testify regarding the use of the funds at the request of the Economic Development Appropriations Subcommittee.

Page 11, Line 9

Specifies 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. Specifies matching requirements under the Program.

Page 12, Line 32

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Requires the University of Northern Iowa (UNI) to make a good-faith effort to coordinate support from private entities for the expansion of additive manufacturing. Page 16, Line 33

Nonreversion

Allows any unexpended funds appropriated to the IEDA for FY 2026 from the General Fund for general operations to remain available for expenditure in FY 2027. Page 2, Line 34

Allows any unexpended funds appropriated to the IEDA for FY 2026 from the General Fund for the Iowa Tourism Office to remain available for expenditure through FY 2027. Page 4, Line 35

Allows any unexpended funds appropriated to the IEDA for FY 2026 from the General Fund for the Iowa Arts Council to remain available for expenditure through FY 2027. Page 5, Line 25

Allows any unexpended funds appropriated to the IFA from the General Fund for the Home and Community-Based Services (HCBS) Rent Subsidy Program and the Housing Renewal Pilot Program for FY 2026 to remain available for expenditure in FY 2027. Page 7, Line 6

Allows any unexpended funds appropriated to the IWD from the General Fund for FY 2026 under Section 8 of the Bill to remain available for expenditure in FY 2027. Page 9, Line 34

Allows any unexpended funds appropriated from the SWJCF to the IEDA, the BOR, and the IWD for FY 2026 to remain available for expenditure in FY 2027. Page 15, Line 31

Allows any unexpended funds appropriated from the General Fund to the University of Iowa (UI) and Iowa State University (ISU) for support of a biosciences innovation ecosystem for FY 2026 to remain available for expenditure through FY 2027. Page 17, Line 2

Required Reports

Requires the IEDA to submit an annual report by January 15 to the General Assembly regarding the activities of the Iowa Tourism Office. Page 5, Line 5

Requires the IEDA to submit an annual report by November 1, 2025, to the General Assembly regarding all financial assistance awards for the prior fiscal year. Page 6, Line 4

Requires the Vocational Rehabilitation Services Division to submit a written report to the General Assembly Page 8, Line 31

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by January 15, 2026, detailing the Division's outreach efforts with community rehabilitation program providers.

Requires the BOR to submit a report by January 15, 2026, to the Governor and the General Assembly regarding the use of the SWJCF appropriation to the BOR for activities, projects, and programs in the areas of technology commercialization, entrepreneurship, regional development, and market research.

Page 11, Line 35

Requires ISU to report annually to the General Assembly regarding the total amount of private contributions received, the proportion of those contributions that are from small businesses, and the proportion used for directed contract research and nondirected research.

Page 13, Line 12

SIGNIFICANT CODE CHANGES

Tourism Marketing: Specifies that the standing unlimited General Fund appropriation from the Adjusted Gross Receipts Tax to the IEDA for Tourism Marketing is \$1.4 million for FY 2026.

Page 6, Line 1

Housing Renewal: Eliminates the repeal date of the Housing Renewal Pilot Program set in 2023 Iowa Acts, [Senate File 559](#) (FY 2024 Economic Development Appropriations Act).

Page 17, Line 21

Cultural Grant Programs: Modifies the standing limited General Fund appropriation for operational support grants and community cultural grants for the IEDA to be \$448,000.

Page 17, Line 25

House Study Bill 336 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section
17	25	15	Amend	99F.11.4.d.(1)

1 1 DIVISION I
 1 2 FY 2025-2026 APPROPRIATIONS

1 3 Section 1. GOALS AND ACCOUNTABILITY — ECONOMIC
 1 4 DEVELOPMENT.

1 5 1. For the fiscal year beginning July 1, 2025, the goals
 1 6 for the economic development authority shall be to expand and
 1 7 stimulate the state economy, increase the wealth of lowans, and
 1 8 increase the population of the state.

1 9 2. To achieve the goals in subsection 1, the economic
 1 10 development authority shall do all of the following for the
 1 11 fiscal year beginning July 1, 2025:

1 12 a. Concentrate its efforts on programs and activities that
 1 13 result in commercially viable products and services.

1 14 b. Adopt practices and services consistent with free
 1 15 market, private sector philosophies.

1 16 c. Ensure economic growth and development throughout the
 1 17 state.

1 18 d. Work with businesses and communities to continually
 1 19 improve the economic development climate along with the
 1 20 economic well-being and quality of life for lowans.

1 21 e. Coordinate with other state agencies to ensure that they
 1 22 are attentive to the needs of an entrepreneurial culture.

1 23 f. Establish a strong and aggressive marketing image to
 1 24 showcase Iowa's workforce, existing industry, and potential.
 1 25 A priority shall be placed on recruiting new businesses,
 1 26 business expansion, and retaining existing Iowa businesses.
 1 27 Emphasis shall be placed on entrepreneurial development through
 1 28 helping entrepreneurs secure capital, and developing networks
 1 29 and a business climate conducive to entrepreneurs and small
 1 30 businesses.

1 31 g. Encourage the development of communities and quality of
 1 32 life to foster economic growth.

1 33 h. Prepare communities for future growth and development
 1 34 through development, expansion, and modernization of
 1 35 infrastructure.

2 1 i. Develop public-private partnerships with Iowa businesses
 2 2 in the tourism industry, Iowa tour groups, Iowa tourism

Requires the goals of the Iowa Economic Development Authority (IEDA) to include:

- Expanding and stimulating the State economy.
- Increasing the wealth of lowans.
- Increasing the population of Iowa.

Specifies that to achieve these goals, the IEDA is to do the following:

- Concentrate efforts on programs and activities that result in commercially viable products and services.
- Adopt practices and services consistent with free-market, private-sector philosophies.
- Ensure statewide economic growth and development.
- Work with businesses and communities to improve the economic development climate and the economic well-being and quality of life for lowans.
- Coordinate with other State agencies to ensure that State departments are attentive to the needs of an entrepreneurial culture.
- Establish a strong and aggressive marketing image to showcase Iowa's workforce, existing industry, and potential.
- Prioritize recruiting new businesses, business expansion, and retaining existing Iowa businesses.
- Emphasize entrepreneurial development through helping entrepreneurs secure capital, and developing networks and a business climate conducive to entrepreneurs and small businesses.
- Encourage the development of communities and quality of life to foster economic growth.
- Prepare communities for future growth and development through development, expansion, and modernization of infrastructure.
- Develop public-private partnerships with Iowa businesses in the tourism industry, Iowa tour groups, Iowa tourism organizations, and political subdivisions in Iowa to assist in the development of advertising efforts.

2 3 organizations, and political subdivisions in this state to
2 4 assist in the development of advertising efforts.

2 5 Sec. 2. ECONOMIC DEVELOPMENT AUTHORITY.

2 6 1. APPROPRIATION

2 7 a. There is appropriated from the general fund of the state
2 8 to the economic development authority for the fiscal year
2 9 beginning July 1, 2025, and ending June 30, 2026, the following
2 10 amount, or so much thereof as is necessary, to be used for the
2 11 purposes designated in this subsection, and for not more than
2 12 the following full-time equivalent positions:

2 13	.....	\$	12,999,646
2 14	.....	FTEs	104.65

2 15 b. (1) For salaries, support, miscellaneous purposes,
2 16 programs, marketing, administration, business development,
2 17 community development, small business development, and any
2 18 divisions the authority may organize.

2 19 (2) For business development operations and programs,
2 20 international trade, export assistance, workforce recruitment,
2 21 and the partner state program.

2 22 (3) For transfer to a fund created pursuant to section
2 23 15.313 for purposes of financing strategic infrastructure
2 24 projects.

2 25 (4) For community economic development programs, tourism
2 26 operations, community assistance, and the community development
2 27 block grant.

2 28 (5) For achieving the goals and accountability, and
2 29 fulfilling the requirements and duties required under this Act.

2 30 (6) The full-time equivalent positions authorized under
2 31 this subsection are funded, in whole or in part, by the moneys
2 32 appropriated under this subsection or by other moneys received
2 33 by the authority, including certain federal moneys.

2 34 c. Notwithstanding section 8.33, moneys appropriated in
2 35 this subsection that remain unencumbered or unobligated at the

General Fund appropriation to the IEDA for operations.

DETAIL: This is an increase of \$78,136 and 3.70 full-time equivalent (FTE) positions compared to estimated FY 2025. The increase in funding is for increased operating expenses and the increase in FTE positions is to administer new incentive programs.

The FTE positions may be used for the following:

- Economic Development Appropriation.
- High Quality Job Creation Assistance.
- Economic Development Energy Projects Fund.
- Wine, Beer, and Spirits Promotion Board.
- State Historic Preservation Officer
- Iowa Arts Council.

Specifies the designated purposes for the appropriation as follows:

- Operation of the divisions of the IEDA.
- Funding business development operations and programs, international trade, export assistance, workforce recruitment, and the Partner State Program.
- Transferring moneys to the Strategic Infrastructure Fund.
- Funding community economic development programs, tourism operations, community assistance, and the Community Development Block Grant.
- Achieving the goals and accountability, and fulfilling the requirements and duties as specified.
- Funding FTE positions through the appropriation, other funds, or federal funds as available.

CODE: Allows any unexpended funds appropriated to the IEDA for the Economic Development appropriation for FY 2026 from the General

3 1 close of the fiscal year shall not revert but shall remain
 3 2 available for expenditure for the purposes designated in this
 3 3 subsection until the close of the succeeding fiscal year.

Fund to remain available for expenditure in FY 2027.

3 4 2. FINANCIAL ASSISTANCE RESTRICTIONS

3 5 a. A business creating jobs through moneys appropriated in
 3 6 subsection 1 shall be subject to contract provisions requiring
 3 7 new and retained jobs to be filled by individuals who are
 3 8 citizens of the United States who reside within the United
 3 9 States, or any person authorized to work in the United States
 3 10 pursuant to federal law, including legal resident aliens
 3 11 residing in the United States.

Places the following restrictions on funds for the Economic Development appropriation:

3 12 b. Any vendor who receives moneys appropriated in
 3 13 subsection 1 shall adhere to such contract provisions and
 3 14 provide periodic assurances as the state shall require that the
 3 15 jobs are filled solely by citizens of the United States who
 3 16 reside within the United States, or any person authorized to
 3 17 work in the United States pursuant to federal law, including
 3 18 legal resident aliens residing in the United States.

- Requires businesses to be subject to contract provisions that require job positions to be filled by individuals who reside in the U.S. who are citizens of the U.S. or are authorized to work in the U.S. pursuant to federal law.
- Requires businesses to adhere to contract provisions and provide periodic assurances of compliance.
- Requires businesses to employ only individuals legally authorized to work in Iowa.
- Permits the recapture of all or a portion of any financial assistance provided to a business that is found to knowingly employ individuals not legally authorized to work in Iowa.

3 19 c. A business that receives financial assistance from the
 3 20 authority from moneys appropriated in subsection 1 shall only
 3 21 employ individuals legally authorized to work in this state.
 3 22 In addition to all other applicable penalties provided by
 3 23 current law, all or a portion of the assistance received by a
 3 24 business which is found to knowingly employ individuals not
 3 25 legally authorized to work in this state shall be subject to
 3 26 recapture by the authority.

3 27 3. USES OF APPROPRIATIONS

3 28 a. From the moneys appropriated in subsection 1, the
 3 29 authority may provide financial assistance in the form of a
 3 30 grant to a community economic development entity for conducting
 3 31 a local workforce recruitment effort designed to recruit
 3 32 former citizens of the state, and former students at colleges
 3 33 and universities in the state, to meet the needs of local
 3 34 employers.

Permits the IEDA to use the funds appropriated in the Economic Development appropriation as follows:

3 35 b. From the moneys appropriated in subsection 1, the
 4 1 authority may provide financial assistance to early stage
 4 2 industry companies being established by women entrepreneurs.

4 3 c. From the moneys appropriated in subsection 1, the
 4 4 authority may provide financial assistance in the form of
 4 5 grants, loans, or forgivable loans for advanced research and

- For a program designed to recruit former Iowa residents and former students at Iowa colleges and universities to meet the needs of local employers.
- For a program to assist early-stage industry companies established by women entrepreneurs.
- For a program to assist advanced research and commercialization projects involving value-added agriculture, advanced technology, or biotechnology.
- Prohibits the IEDA from using any appropriated funds to provide financial assistance for any project that involves the installation of geothermal systems for melting snow and ice from streets or sidewalks.

4 6 commercialization projects involving value-added agriculture,
 4 7 advanced technology, or biotechnology.
 4 8 d. The authority shall not use any moneys appropriated in
 4 9 subsection 1 for purposes of providing financial assistance
 4 10 for any program or project that involves the installation of
 4 11 geothermal systems for melting snow and ice from streets or
 4 12 sidewalks.

4 13 4. WORLD FOOD PRIZE
 4 14 In lieu of the standing appropriation in section 15.368,
 4 15 there is appropriated from the general fund of the state to the
 4 16 economic development authority for the fiscal year beginning
 4 17 July 1, 2025, and ending June 30, 2026, the following amount
 4 18 for the world food prize:
 4 19 \$ 650,000

Limits the FY 2026 General Fund appropriation to the IEDA for the World Food Prize to \$650,000.

DETAIL: This is a decrease of \$350,000 compared to the standing limited appropriation of \$1,000,000 in Iowa Code section [15.368](#) and maintains the current level of funding compared to estimated FY 2025. The appropriation is used for administration and support of the World Food Prize and for the Borlaug/Ruan Scholar Program.

4 20 5. COUNCILS OF GOVERNMENTS — ASSISTANCE
 4 21 There is appropriated from the general fund of the state
 4 22 to the economic development authority for the fiscal year
 4 23 beginning July 1, 2025, and ending June 30, 2026, the following
 4 24 amount to be used for the purposes of providing financial
 4 25 assistance to Iowa’s councils of governments:
 4 26 \$ 350,000

General Fund appropriation to the IEDA for financial assistance to the Iowa Councils of Governments (COGs).

DETAIL: Maintains the current level of funding compared to estimated FY 2025. The appropriation is used to leverage federal and local dollars for various COG programs.

4 27 6. TOURISM OFFICE
 4 28 a. There is appropriated from the general fund of the state
 4 29 to the economic development authority for the fiscal year
 4 30 beginning July 1, 2025, and ending June 30, 2026, the following
 4 31 amount for the tourism office to be used for advertising,
 4 32 promoting, placement, and implementation of the economic
 4 33 development authority’s strategic plan for tourism and travel:
 4 34 \$ 1,016,783

General Fund appropriation to the IEDA for financial assistance to the Iowa Tourism Office for advertising, promoting, placing, and implementing the IEDA’s strategic plan for tourism and travel.

DETAIL: This is a decrease of \$83,217 compared to estimated FY 2025.

4 35 b. Notwithstanding section 8.33, moneys appropriated in
 5 1 this subsection that remain unencumbered or unobligated at the
 5 2 close of the fiscal year shall not revert but shall remain
 5 3 available for expenditure for the purposes designated until the
 5 4 close of the succeeding fiscal year.

CODE: Allows unexpended funds appropriated to the IEDA for FY 2026 for the Iowa Tourism Office from the General Fund to remain available for expenditure through FY 2027.

5 5 c. The economic development authority shall submit an
 5 6 annual report on or before January 15 to the general assembly

Requires the IEDA to submit an annual report by January 15 to the General Assembly regarding the activities of the Iowa Tourism Office.

5 7 regarding the tourism office’s activities funded with moneys
 5 8 appropriated under this subsection. The report shall be
 5 9 provided in an electronic format and shall include metrics
 5 10 and criteria that allow the general assembly to quantify
 5 11 and evaluate the effectiveness and economic impact of the
 5 12 tourism office’s activities related to advertising, promoting,
 5 13 placement, and implementation of the economic development
 5 14 authority’s strategic plan for tourism and travel.

The report must include criteria and metrics that allow the General Assembly to quantify and evaluate the effectiveness and economic impact of the Tourism Office's activities related to advertising, promoting, placing, and implementing the IEDA's strategic plan for tourism and travel.

5 15 7. CULTURAL AFFAIRS ACTIVITIES
 5 16 a. There is appropriated from the general fund of the state
 5 17 to the economic development authority for the fiscal year
 5 18 beginning July 1, 2025, and ending June 30, 2026, the following
 5 19 amounts, or so much thereof as is necessary, to be used for the
 5 20 purposes designated:
 5 21 For support of the Iowa arts council:
 5 22 \$ 1,779,321

General Fund appropriation to the IEDA for FY 2026 for the support of the Iowa Arts Council.

DETAIL: This is an increase of \$329,321 compared to estimated FY 2025. The increase includes \$7,521 for increased operating expenses and \$321,800 to consolidate appropriations for Community Cultural Grants and the Great Places Program into the Iowa Arts Council appropriation. This appropriation is used to enrich the quality of life and learning in Iowa communities by encouraging excellence in the arts through leadership, grants, and technical assistance.

5 23 Of the moneys appropriated in this paragraph, the authority
 5 24 shall allocate \$300,000 for purposes of the film office.

Requires the IEDA to allocate \$300,000 from the Iowa Arts Council appropriation to the Film Office.

DETAIL: Maintains the current allocation compared to estimated FY 2025.

5 25 b. Notwithstanding section 8.33, moneys appropriated in
 5 26 this subsection that remain unencumbered or unobligated at the
 5 27 close of the fiscal year shall not revert but shall remain
 5 28 available for expenditure for the purposes designated until the
 5 29 close of the succeeding fiscal year.

CODE: Allows unexpended funds appropriated from the General Fund to the IEDA for FY 2026 for the Iowa Arts Council to remain available for expenditure through FY 2027.

5 30 Sec. 3. LIMITATION OF STANDING APPROPRIATION — FY
 5 31 2025-2026. Notwithstanding the standing appropriation in the
 5 32 following designated section for the fiscal year beginning July
 5 33 1, 2025, and ending June 30, 2026, the amount appropriated from
 5 34 the general fund of the state pursuant to that section for the
 5 35 following purposes shall not exceed the following amount:

6 1 For the purposes of tourism marketing under section 99F.11,
 6 2 subsection 4, paragraph “d”, subparagraph (2):
 6 3 \$ 1,443,700

CODE: Specifies that the standing unlimited General Fund appropriation from the Adjusted Gross Receipts Tax to the IEDA for Tourism Marketing is \$1,443,700 for FY 2026.

DETAIL: Maintains the current level of funding compared to estimated FY 2025. Iowa Code section [99F.11\(4\)\(d\)\(2\)](#) provides a standing unlimited appropriation to the IEDA for the purposes of tourism marketing.

6 4 Sec. 4. FINANCIAL ASSISTANCE REPORTING — ECONOMIC
6 5 DEVELOPMENT AUTHORITY. The economic development authority
6 6 shall submit an annual report to the general assembly no later
6 7 than November 1, 2025, that details the amount of every direct
6 8 loan, forgivable loan, tax credit, tax exemption, tax refund,
6 9 grant, or any other financial assistance awarded to a person
6 10 during the prior fiscal year by the authority under an economic
6 11 development program administered by the authority. The report
6 12 shall identify the county where the project associated with
6 13 each such award is located.

Requires the IEDA to submit an annual report by November 1, 2025, to the General Assembly regarding all financial assistance awards for the prior fiscal year, including the county location of each project.

6 14 Sec. 5. INSURANCE ECONOMIC DEVELOPMENT. From the moneys
6 15 collected by the insurance division of the department of
6 16 insurance and financial services in excess of the anticipated
6 17 gross revenues under section 505.7, subsection 3, during
6 18 the fiscal year beginning July 1, 2025, \$100,000 shall be
6 19 transferred to the economic development authority for insurance
6 20 economic development and international insurance economic
6 21 development.

Transfers \$100,000 in insurance receipts to the IEDA for insurance economic development and international insurance economic development.

DETAIL: Maintains the current level of funding compared to estimated FY 2025. Funds collected by the Insurance Division of the Department of Insurance and Financial Services in excess of the anticipated gross revenues are allocated to the IEDA for insurance economic development purposes. These funds are used by the IEDA to recruit insurance companies to the State.

6 22 Sec. 6. IOWA FINANCE AUTHORITY.
6 23 1. There is appropriated from the general fund of the state
6 24 to the Iowa finance authority for the fiscal year beginning
6 25 July 1, 2025, and ending June 30, 2026, the following amounts,
6 26 or so much thereof as is necessary, to be used for the purposes
6 27 designated:
6 28 a. Rent subsidy program
6 29 (1) To provide reimbursement for rent expenses to eligible
6 30 persons under the home and community-based services rent
6 31 subsidy program established in section 16.55:
6 32 \$ 873,000

General Fund appropriation to the Iowa Finance Authority (IFA) for the Home and Community-Based Services (HCBS) Rent Subsidy Program.

DETAIL: Maintains the current level of funding compared to estimated FY 2025. The HCBS Rent Subsidy Program provides rent assistance to individuals on a Medicaid HCBS waiver. Individuals who are on an HCBS waiver have their health care and other support services paid by the Medicaid Program; however, due to federal law, the Medicaid Program cannot pay for housing unless it is in an institutional setting. The Rent Subsidy Program provides a monthly rent assistance payment to these individuals to help them live successfully in their own homes or communities until they become eligible for any other local, State, or federal rent assistance.

6 33 (2) Of the moneys appropriated in this paragraph, not more
6 34 than \$35,000 may be used for administrative costs.

Permits the IFA to use up to \$35,000 for administrative costs associated with the Rent Subsidy Program.

DETAIL: This is no change in funding compared to the estimated FY 2025 allocation.

6 35 b. Housing renewal pilot program
7 1 To provide housing renewal moneys to a nonprofit Iowa
7 2 affiliate to award grants to eligible communities under the
7 3 housing renewal pilot program created in 2022 Iowa Acts,
7 4 chapter 1148, section 20:
7 5 \$ 550,000

General Fund appropriation to the IFA for the Housing Renewal Pilot Program.

DETAIL: Maintains the current level of funding compared to estimated FY 2025.

7 6 2. Notwithstanding section 8.33, moneys appropriated in
7 7 this section that remain unencumbered or unobligated at the
7 8 close of the fiscal year shall not revert but shall remain
7 9 available for expenditure for the purposes designated until the
7 10 close of the succeeding fiscal year.

CODE: Allows any unexpended funds appropriated to the IFA from the General Fund for the HCBS Rent Subsidy Program and the Housing Renewal Pilot Program for FY 2026 to remain available for expenditure in FY 2027.

7 11 Sec. 7. IOWA FINANCE AUTHORITY AUDIT. The auditor of state
7 12 is requested to review the audit of the Iowa finance authority
7 13 performed by the auditor hired by the authority.

Requests the Auditor of State to review the outside audit of the IFA.

7 14 Sec. 8. DEPARTMENT OF WORKFORCE DEVELOPMENT. There
7 15 is appropriated from the general fund of the state to the
7 16 department of workforce development for the fiscal year
7 17 beginning July 1, 2025, and ending June 30, 2026, the following
7 18 amounts, or so much thereof as is necessary, to be used for the
7 19 purposes designated:

7 20 1. WORKFORCE DEVELOPMENT OPERATIONS
7 21 a. For the operation of field offices and the workforce
7 22 development board, and for not more than the following
7 23 full-time equivalent positions:
7 24 \$ 6,902,636
7 25 FTEs 167.43

General Fund appropriation to the Iowa Department of Workforce Development (IWD) for the operation of field offices and the Workforce Development Board.

DETAIL: Maintains the current level of funding and is an increase of 14.00 FTE positions compared to estimated FY 2025. The increase in FTE positions is to fully staff field offices in FY 2026. The appropriation is used to support the field offices, the Workforce Development Board, and the State Library. The field offices deliver an integrated network of information resources and workforce development services to job seekers, businesses, employees, students, schools and colleges, and the public at large.

For FY 2026, the total field offices funding is \$11,368,720, which maintains the current level of funding compared to estimated FY 2025. The funding is from the following sources:

- \$6,752,636 from the General Fund, excluding \$150,000 allocated to the State Library (which must also support the Workforce Development Board).
- \$4,616,084 from the Special Employment Security Contingency Fund (see Section 10 of the Bill).

7 26 b. Of the moneys appropriated in paragraph "a", the
7 27 department shall allocate \$150,000 to the state library for the
7 28 purpose of licensing an online resource which prepares persons
7 29 to succeed in the workplace through programs which improve job
7 30 skills and vocational test-taking abilities.

Allocates \$150,000 to the State Library for licensing an online resource to improve job skills and vocational test-taking abilities.

DETAIL: Maintains the current allocation compared to FY 2025. Licensing is currently used for Brainfuse, which is an online resource provider for career services, test preparation, and software tutorials for Iowa public and academic libraries and IowaWorks Centers.

7 31 2. OFFENDER REENTRY PROGRAM

7 32 a. For the development and administration of an offender
7 33 reentry program to provide offenders with employment skills,
7 34 and for not more than the following full-time equivalent
7 35 positions:

8 1	.....	\$	393,424
8 2	.....	FTEs	5.00

General Fund appropriation to the IWD for the Offender Reentry Program.

DETAIL: This is an increase of \$6,266 and no change in FTE positions compared to estimated FY 2025. The increase in funding is for increased operating expenses. The appropriation is used to place workforce advisors on-site at the Mitchellville, Newton, Mount Pleasant, Rockwell City, Clarinda, and Fort Dodge prisons. This staff works with soon-to-be-released offenders, with the goal of having them placed in a job before they leave prison.

8 3 b. The department of workforce development shall partner
8 4 with the department of corrections to provide staff within
8 5 the correctional facilities resources to improve offenders'
8 6 abilities to find and retain productive employment.

Requires the IWD to partner with the Department of Corrections to improve the ability of offenders to find and retain productive employment.

8 7 3. INTEGRATED INFORMATION FOR IOWA SYSTEM

8 8 For the payment of services provided by the department of
8 9 administrative services related to the integrated information
8 10 for Iowa system:

8 11	\$	228,822
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General Fund appropriation to the IWD for the expenses of the State Accounting System.

DETAIL: Maintains the current level of funding compared to estimated FY 2025. The appropriation is used to reimburse the Department of Administrative Services (DAS) for the expenses of operating the State Accounting System related to use by the IWD.

8 12 4. WORKPLACE INJURY AND SAFETY SURVEYS
 8 13 For the operation of workplace safety surveys and workplace
 8 14 data collection and analysis, including salaries, support,
 8 15 maintenance, and miscellaneous purposes, and for not more than
 8 16 the following full-time equivalent positions:
 8 17 \$ 127,314
 8 18 FTEs 2.55

General Fund appropriation to the IWD for the operation of workplace safety surveys and workplace data collection and analysis.

DETAIL: This is an increase of \$1,759 and no change in FTE positions compared to estimated FY 2025. The increase in funding is for increased operating expenses.

8 19 5. SUMMER YOUTH INTERN PILOT PROGRAM
 8 20 For the funding of a summer youth intern pilot program that
 8 21 helps young people at risk of not graduating from high school
 8 22 to explore and prepare for high-demand careers through summer
 8 23 work experience, including the development of soft skills:
 8 24 \$ 250,000

General Fund appropriation to the IWD for a Summer Youth Intern Pilot Program intended to help young people at risk of not graduating from high school explore and prepare for high-demand careers through summer work experience, including the development of soft skills.

DETAIL: Maintains the current level of funding compared to estimated FY 2025.

8 25 6. VOCATIONAL REHABILITATION SERVICES DIVISION
 8 26 a. For salaries, support, maintenance, and miscellaneous
 8 27 purposes, and for not more than the following full-time
 8 28 equivalent positions:
 8 29 \$ 6,308,429
 8 30 FTEs 251.00

General Fund appropriation to the IWD for the Vocational Rehabilitation Services Division.

DETAIL: This is an increase of \$81,690 and 2.00 FTE positions compared to estimated FY 2025. The increase in funding is for increased operating expenses. The Division assists individuals with disabilities to achieve employment and live independently.

8 31 For purposes of optimizing the job placement of individuals
 8 32 with disabilities, the division shall make its best efforts
 8 33 to work with community rehabilitation program providers for
 8 34 job placement and retention services for individuals with
 8 35 significant disabilities and most significant disabilities. By
 9 1 January 15, 2026, the division shall submit a written report to
 9 2 the general assembly regarding the division's outreach efforts
 9 3 with community rehabilitation program providers.

Requires the Vocational Rehabilitation Services Division to work with community rehabilitation program providers for job placement and retention services for individuals with significant and most significant disabilities. The Division is required to submit a written report to the General Assembly by January 15, 2026, detailing the division's outreach efforts with community rehabilitation program providers.

9 4 b. For matching moneys for programs to enable persons
 9 5 with severe physical or mental disabilities to function more
 9 6 independently, including salaries and support, and for not more
 9 7 than the following full-time equivalent positions:
 9 8 \$ 84,804
 9 9 FTEs 1.00

General Fund appropriation to the IWD for the Independent Living Program.

DETAIL: Maintains the current level of funding and is no change in FTE positions compared to estimated FY 2025. The Program provides financial assistance to expand and improve independent living services, to develop and support statewide networks of centers for

independent living, and to improve working relationships among multiple partners.

9 10 c. For the entrepreneurs with disabilities program
 9 11 established pursuant to section 84H.4:
 9 12 \$ 143,297

General Fund appropriation to the IWD for the Entrepreneurs With Disabilities Program.

DETAIL: This is an increase of \$4,791 compared to estimated FY 2025. The increase in funding is for increased operating expenses. The Program provides business development funds in the form of technical assistance and financial assistance to qualified individuals with disabilities who start, expand, or acquire a business within the State.

9 13 d. For costs associated with centers for independent
 9 14 living:
 9 15 \$ 86,547

General Fund appropriation to the IWD for Independent Living Center Grants.

DETAIL: Maintains the current level of funding compared to estimated FY 2025. Services provided by the Centers include peer support, skills training, advocacy, and referrals to other agencies that may be able to meet individuals' needs.

9 16 7. ADULT EDUCATION AND LITERACY PROGRAMS
 9 17 For distribution as grants to community colleges for
 9 18 the purpose of adult basic education programs for students
 9 19 requiring instruction in English as a second language:
 9 20 \$ 500,000

General Fund appropriation to the IWD for distribution to community colleges for adult education and literacy programs for the following:

- Adult basic education.
- Adult education leading to a high school equivalency diploma.
- Instruction in English as a second language.
- Workplace and family literacy instruction.

DETAIL: Maintains the current level of funding compared to estimated FY 2025. This appropriation is in addition to a \$5,500,000 appropriation from the Skilled Worker and Job Creation Fund (SWJCF) for the same programs in Section 11 of the Bill.

9 21 In issuing grants under this subsection, the department of
 9 22 workforce development shall use the same application process
 9 23 and criteria as are used for purposes of awarding grants to
 9 24 community colleges for the purpose of adult basic education
 9 25 programs for students requiring instruction in English as a
 9 26 second language using moneys that are appropriated to the
 9 27 department from the Iowa skilled worker and job creation fund

Requires the IWD to use the same application process and criteria when issuing grants from this General Fund appropriation that are used when awarding grants to community colleges for adult basic education programs for instruction in English as a second language from the SWJCF.

9 28 created in section 8.57J.

9 29 8. REGISTERED APPRENTICESHIP DEVELOPMENT PROGRAMS

9 30 For the funding of the registered apprenticeship development
9 31 programs under chapter 84F to encourage small to midsize
9 32 businesses to start or grow registered apprenticeships:

9 33 \$ 760,000

General Fund appropriation to the IWD to fund a Registered Apprenticeship Development Program for small to midsize businesses.

DETAIL: Maintains the current level of funding compared to estimated FY 2025.

9 34 Notwithstanding section 8.33, moneys appropriated in this
9 35 section that remain unencumbered or unobligated at the close of
10 1 the fiscal year shall not revert but shall remain available for
10 2 expenditure for the purposes designated until the close of the
10 3 succeeding fiscal year.

CODE: Allows any unexpended funds appropriated to the IWD from the General Fund for FY 2026 under Section 8 of the Bill to remain available for expenditure in FY 2027.

10 4 Sec. 9. DEPARTMENT OF WORKFORCE DEVELOPMENT — EMPLOYEE
10 5 MISCLASSIFICATION PROGRAM. There is appropriated from the

10 6 general fund of the state to the department of workforce
10 7 development for the fiscal year beginning July 1, 2025, and
10 8 ending June 30, 2026, the following amount, or so much thereof
10 9 as is necessary, to be used for the purposes designated:

10 10 For enhancing efforts to investigate employers that
10 11 misclassify workers, and for not more than the following
10 12 full-time equivalent positions:

10 13 \$ 382,685

10 14 FTEs 4.00

General Fund appropriation to the IWD for the investigation of employers that misclassify workers.

DETAIL: This is an increase of \$3,054 and 3.00 FTE positions compared to estimated FY 2025. The increase in funding is for increased operating expenses and the increase in FTE positions is to fully staff the Employee Misclassification Program. Employee misclassification takes place when an employer incorrectly classifies workers as independent contractors rather than employees. An employer has different legal, tax, and financial obligations depending on how a worker is classified. Intentionally misclassifying workers is illegal and constitutes tax and insurance evasion.

10 15 Sec. 10. DEPARTMENT OF WORKFORCE DEVELOPMENT — SPECIAL
10 16 EMPLOYMENT SECURITY CONTINGENCY FUND.

10 17 1. There is appropriated from the special employment
10 18 security contingency fund created in section 96.13 to the
10 19 department of workforce development for the fiscal year
10 20 beginning July 1, 2025, and ending June 30, 2026, the following
10 21 amount, or so much thereof as is necessary, to be used for
10 22 field offices:

10 23 \$ 4,616,084

Special Employment Security Contingency Fund appropriation to the IWD for the operation of field offices. This Fund is also known as the Penalty and Interest or P&I Fund and is created in Iowa Code section [96.13\(3\)](#).

DETAIL: This is an increase of \$2,200,000 compared to estimated FY 2025. The increase in funding is used to replace \$2,200,000 in field office funding that previously came from the interest earned on the Unemployment Compensation Reserve Fund that was eliminated in 2024 Iowa Acts, [Senate File 2411](#) (Work-Based Learning Act). The field offices deliver an integrated network of information resources and workforce development services to job seekers, businesses, employees, students, schools and colleges, and the public at large.

NOTE: Total funding for field offices is discussed in Section 8.1 of the Bill.

10 24 2. Any remaining additional penalty and interest revenue
10 25 collected by the department of workforce development is
10 26 appropriated to the department for the fiscal year beginning
10 27 July 1, 2025, and ending June 30, 2026, to accomplish the
10 28 mission of the department.

Appropriates any remaining additional penalty and interest revenues to be used as needed by the IWD.

NOTE: Iowa Code section [96.13](#)(3)(b) requires the IWD to annually report to the Economic Development Appropriations Subcommittee on plans for expenditures during the next State fiscal year from the Special Employment Security Contingency Fund. The report must describe the specific expenditures and explain why the expenditures are to be made from the Fund and not from federal administrative funds.

10 29 Sec. 11. IOWA SKILLED WORKER AND JOB CREATION FUND.

10 30 1. There is appropriated from the Iowa skilled worker and
10 31 job creation fund created in section 8.57J to the following
10 32 departments, agencies, and institutions for the fiscal year
10 33 beginning July 1, 2025, and ending June 30, 2026, the following
10 34 amounts, or so much thereof as is necessary, to be used for the
10 35 purposes designated:

11 1 a. ECONOMIC DEVELOPMENT AUTHORITY
11 2 (1) For the purposes of providing assistance as described in
11 3 section 15.335B for the high quality jobs program:
11 4 \$ 11,700,000

SWJCF appropriation to the IEDA for the [High Quality Jobs Program](#).

DETAIL: Maintains the current level of funding for the High Quality Jobs Program compared to estimated FY 2025. The appropriation may be used to provide cash incentives for the following:

- Project completion assistance.
- Economic development region financial assistance.
- Assistance for business accelerators.
- Innovation and commercialization.
- Disaster recovery.
- Entrepreneur investment awards.
- Strategic infrastructure.
- Property remediation.
- Building remediation.

11 5 (a) From the moneys appropriated in this subparagraph
11 6 (1), the economic development authority may use not more than

Permits the IEDA to use no more than \$1,000,000 of this appropriation for the Main Street Iowa Program.

11 7 \$1,000,000 for purposes of providing infrastructure grants to
 11 8 main street communities under the main street Iowa program.

DETAIL: This is no change in funding for the Main Street Iowa Program authorization compared to estimated FY 2025.

11 9 (b) As a condition of receiving moneys appropriated in this
 11 10 subparagraph (1), an entity shall testify upon the request of
 11 11 the joint appropriations subcommittee on economic development
 11 12 regarding the expenditure of such moneys.

Requires recipients of High Quality Jobs Program funds to testify regarding the use of the funds at the request of the Economic Development Appropriations Subcommittee.

11 13 (2) For support of the manufacturing 4.0 technology
 11 14 investment program established in section 15.371:
 11 15 \$ 2,016,675

SWJCF appropriation to the IEDA for the [Manufacturing 4.0 Program](#).

DETAIL: Maintains the current level of funding compared to estimated FY 2025. The Program provides grants to assist small- and mid-sized companies with the adoption and integration of smart technologies into existing operations.

11 16 (3) For the empower rural Iowa program:
 11 17 \$ 700,000

SWJCF appropriation to the IEDA for the Empower Rural Iowa Program.

DETAIL: Maintains the current level of funding compared to estimated FY 2025. The Program is a continuation of the Empower Rural Iowa Housing Needs Assessment Grant Program, which provides support for small communities in obtaining housing-related information specific to the community, and the Empower Rural Iowa Rural Innovation Grants Program, which supports innovative rural grants.

11 18 b. STATE BOARD OF REGENTS AND REGENTS INSTITUTIONS

11 19 (1) STATE BOARD OF REGENTS. For capacity building
 11 20 infrastructure in areas related to technology
 11 21 commercialization, marketing and business development
 11 22 efforts in areas related to technology commercialization,
 11 23 entrepreneurship, and business growth, and infrastructure
 11 24 projects and programs needed to assist in implementation of
 11 25 activities under chapter 262B:
 11 26 \$ 3,000,000

SWJCF appropriation to the Board of Regents (BOR) for capacity building infrastructure in areas related to technology commercialization, marketing and business development efforts, and infrastructure projects and programs needed to assist in implementation of activities under Iowa Code chapter [262B](#).

DETAIL: Maintains the current level of funding compared to estimated FY 2025.

11 27 (a) Of the moneys appropriated pursuant to this
 11 28 subparagraph (1), 35 percent shall be allocated for Iowa state
 11 29 university of science and technology, 35 percent shall be
 11 30 allocated for the state university of Iowa, and 30 percent
 11 31 shall be allocated for the university of northern Iowa.

Specifies the allocation of the BOR funding among the three Regents universities as follows:

- Iowa State University (ISU): \$1,050,000
- University of Iowa (UI): \$1,050,000
- University of Northern Iowa (UNI): \$900,000

11 32 (b) The institutions shall provide a one-to-one match
11 33 of additional moneys for the activities funded with moneys
11 34 appropriated under this subparagraph (1).

Requires the Regents universities to provide a one-to-one match of funding received from the Regents funding.

11 35 (c) The state board of regents shall submit a report by
12 1 January 15, 2026, to the governor and the general assembly
12 2 regarding the activities, projects, and programs funded with
12 3 moneys appropriated under this subparagraph (1). The report
12 4 shall be provided in an electronic format and shall include a
12 5 list of metrics and criteria mutually agreed to in advance by
12 6 the board of regents and the economic development authority.
12 7 The metrics and criteria shall allow the governor's office and
12 8 the general assembly to quantify and evaluate the progress
12 9 of the board of regents institutions with regard to their
12 10 activities, projects, and programs in the areas of technology
12 11 commercialization, entrepreneurship, regional development, and
12 12 market research.

Requires the BOR to submit a report by January 15, 2026, to the Governor and the General Assembly regarding the use of the appropriation to the BOR for activities, projects, and programs in the areas of technology commercialization, entrepreneurship, regional development, and market research.

12 13 (2) IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY. For
12 14 small business development centers, the research park, and the
12 15 center for industrial research and service, and for not more
12 16 than the following full-time equivalent positions:

SWJCF appropriation to ISU for ongoing economic development efforts.

12 17 \$ 2,424,302
12 18 FTEs 50.94

DETAIL: Maintains the current level of funding and is no change in FTE positions compared to estimated FY 2025.

12 19 (a) Of the moneys appropriated in this subparagraph (2),
12 20 Iowa state university of science and technology shall allocate
12 21 at least \$735,728 for purposes of funding small business
12 22 development centers. Iowa state university of science and
12 23 technology may allocate the appropriated moneys to the various
12 24 small business development centers in any manner necessary to
12 25 achieve the purposes of this subparagraph.

Specifies that at least \$735,728 of the appropriation must be allocated to the Small Business Development Centers (SBDCs).

DETAIL: Maintains the current minimum allocation compared to estimated FY 2025.

12 26 (b) Iowa state university of science and technology shall
12 27 do all of the following:

Requires ISU to focus expenditures on projects that will provide economic stimulus for Iowa and emphasize the provision of services to Iowa-based companies.

12 28 (i) Direct expenditures for research toward projects that
12 29 will provide economic stimulus for Iowa.
12 30 (ii) Provide emphasis on providing services to Iowa-based
12 31 companies.

12 32 (c) It is the intent of the general assembly that the

Specifies the intent of the General Assembly that the Industrial

12 33 industrial incentive program focus on Iowa industrial sectors
 12 34 and seek contributions and in-kind donations from businesses,
 12 35 industrial foundations, and trade associations, and that moneys
 13 1 for the center for industrial research and service industrial
 13 2 incentive program shall be allocated only for projects which
 13 3 are matched by private sector moneys for directed contract
 13 4 research or for nondirected research. The match required of
 13 5 small businesses as defined in section 15.102 for directed
 13 6 contract research or for nondirected research shall be \$1
 13 7 for each \$3 of state funds. The match required for other
 13 8 businesses for directed contract research or for nondirected
 13 9 research shall be \$1 for each \$1 of state funds. The match
 13 10 required of industrial foundations or trade associations shall
 13 11 be \$1 for each \$1 of state funds.

Incentive Program focus on Iowa industrial sectors and seek contributions and in-kind donations from businesses, industrial foundations, and trade associations. Specifies matching requirements under the Program as follows:

- For small businesses for directed contract research or nondirected research, \$1 for every \$3 of State funds.
- For other businesses for directed contract research or nondirected research, \$1 for every \$1 of State funds.
- For industrial foundations or trade associations, \$1 for every \$1 of State funds.

13 12 (d) Iowa state university of science and technology shall
 13 13 report annually to the general assembly the total amount of
 13 14 private contributions, the proportion of contributions from
 13 15 small businesses and other businesses, and the proportion for
 13 16 directed contract research and nondirected research of benefit
 13 17 to Iowa businesses and industrial sectors.

Requires ISU to report annually to the General Assembly regarding the total amount of private contributions received, the proportion of those contributions that are from small businesses, and the proportion used for directed contract research and nondirected research.

13 18 (3) STATE UNIVERSITY OF IOWA
 13 19 (a) For the state university of Iowa research park and for
 13 20 university of Iowa pharmaceuticals located at the research
 13 21 park, including salaries, support, maintenance, equipment, and
 13 22 miscellaneous purposes, and for not more than the following
 13 23 full-time equivalent positions:

SWJCF appropriation to the UI for ongoing economic development efforts, including the UI Research Park and the Pharmaceuticals Program.

DETAIL: Maintains the current level of funding and is no change in FTE positions compared to estimated FY 2025.

13 24	.....	\$	209,279
13 25	.....	FTEs	6.00

13 26 The state university of Iowa shall do all of the following:
 13 27 (i) Direct expenditures for research toward projects that
 13 28 will provide economic stimulus for Iowa.
 13 29 (ii) Provide emphasis on providing services to Iowa-based
 13 30 companies.

Requires the UI to focus expenditures on projects that will provide economic stimulus for Iowa and emphasize providing services to Iowa-based companies.

13 31 (b) For the purpose of implementing the entrepreneurship
 13 32 and economic growth initiative, and for not more than the
 13 33 following full-time equivalent positions:

SWJCF appropriation to the UI for the Entrepreneurship and Economic Growth Initiative.

DETAIL: Maintains the current level of funding and is no change in FTE positions compared to estimated FY 2025. The appropriation is to

13 34	.....	\$	2,000,000
13 35	.....	FTEs	8.00

expand public/private partnerships and programming through the John Pappajohn Entrepreneurial Center.

14 1 (4) UNIVERSITY OF NORTHERN IOWA. For the metal casting and
14 2 foundry 4.0 centers, advance Iowa, family business center, and
14 3 the institute for decision making, including salaries, support,
14 4 maintenance, and miscellaneous purposes, and for not more than
14 5 the following full-time equivalent positions:

14 6 \$ 1,466,419
14 7 FTEs 13.00

SWJCF appropriation to the UNI for ongoing economic development efforts related to the Metal Casting Center, the Foundry 4.0 Center, Advance Iowa, the Family Business Center, and the Institute for Decision Making.

DETAIL: Maintains the current level of funding and is no change in FTE positions compared to estimated FY 2025.

14 8 The university of northern Iowa shall do all of the
14 9 following:
14 10 (a) Direct expenditures for research toward projects that
14 11 will provide economic stimulus for Iowa.
14 12 (b) Provide emphasis on providing services to Iowa-based
14 13 companies.

Requires UNI to focus expenditures on projects that will provide economic stimulus for Iowa and to emphasize providing services to Iowa-based companies.

14 14 (5) CONDITIONS. As a condition of receiving moneys
14 15 appropriated in this lettered paragraph "b", an entity
14 16 shall testify upon the request of the joint appropriations
14 17 subcommittee on economic development regarding the expenditure
14 18 of such moneys.

Requires recipients of SWJCF appropriations to the BOR to testify regarding the use of the funds appropriated at the request of the Economic Development Appropriations Subcommittee.

14 19 c. DEPARTMENT OF WORKFORCE DEVELOPMENT

14 20 (1) For staffing costs related to completing workforce
14 21 preparation outcome reporting in conjunction with the
14 22 department of education:

14 23 \$ 125,000

SWJCF appropriation to the IWD for a workforce preparation outcome reporting in conjunction with the Department of Education.

DETAIL: This is a new appropriation to the IWD in FY 2026. Funding for the reporting previously came from the Department of Education in the annual Education Appropriations Bill. The appropriation supports the collection and reporting of data related to the educational and employment outcomes of workforce preparation programs receiving funding from the SWJCF.

14 24 (2) For distribution to community colleges for the purposes
14 25 of implementing adult education and literacy programs pursuant
14 26 to section 84A.19:

14 27 \$ 5,500,000

SWJCF appropriation to the IWD for distribution to community colleges for adult education and literacy programs for the following:

- Adult basic education.
- Adult education leading to a high school equivalency diploma.
- Instruction in English as a second language.
- Workplace and family literacy instruction.

<p>14 28 (a) From the moneys appropriated in this numbered 14 29 subparagraph, \$3,883,000 shall be allocated pursuant to the 14 30 distribution formula established in section 260C.18C.</p>	<p>DETAIL: Maintains the current level of funding compared to estimated FY 2025. This appropriation is in addition to a \$500,000 General Fund appropriation for the same programs in Section 8 of the Bill.</p>
<p>14 31 (b) From the moneys appropriated in this numbered 14 32 subparagraph, not more than \$150,000 shall be used by the 14 33 department of workforce development for implementation of adult 14 34 education and literacy programs pursuant to section 84A.19.</p>	<p>Permits the IWD to use up to \$150,000 of the appropriation for implementation of adult education and literacy programs.</p>
<p>14 35 (c) From the moneys appropriated in this numbered 15 1 subparagraph, not more than \$1,257,000 shall be distributed 15 2 as grants to community colleges for the purpose of adult 15 3 basic education programs for students requiring instruction 15 4 in English as a second language. The department of workforce 15 5 development shall establish an application process and criteria 15 6 to award grants pursuant to this subparagraph division to 15 7 community colleges. The criteria shall be based on need for 15 8 instruction in English as a second language in the region 15 9 served by each community college as determined by factors 15 10 including data from the latest federal decennial census and 15 11 outreach efforts to determine regional needs.</p>	<p>Permits the IWD to use up to \$1,257,000 of the appropriation as grants to community colleges for adult basic education programs for students requiring instruction in English as a second language. Requires the IWD to establish an application process and criteria to award grants to community colleges. The criteria is required to be based on need for instruction in English as a second language in the region served by each community college.</p>
<p>15 12 (d) From the moneys appropriated in this numbered 15 13 subparagraph, \$210,000 shall be transferred to the department 15 14 of health and human services for purposes of administering a 15 15 program to provide access to international resources to lowans 15 16 and new lowans to provide economic and leadership development 15 17 resulting in Iowa being a more welcoming place to live, work, 15 18 and raise a family. The program shall provide supplemental 15 19 support services for international refugees to improve 15 20 learning, English literacy, life skills, cultural competencies, 15 21 and integration in a county with a population over 350,000 15 22 as determined by the 2020 federal decennial census. The 15 23 department of health and human services shall utilize a request 15 24 for proposals process to identify the entity best qualified to 15 25 implement the program.</p>	<p>Requires \$210,000 of the appropriation to be transferred to the HHS for a program that provides supplemental support services to international refugees. The program must provide supplemental support services for international refugees to improve learning, English literacy, life skills, cultural competencies, and integration in a county with a population over 350,000 as determined by the 2020 federal decennial census. The HHS must utilize a request for proposals (RFP) process to identify the entity best qualified to implement the program.</p>

15 26 (3) For the funding of internships for students studying in
 15 27 the fields of science, technology, engineering, and mathematics
 15 28 with eligible Iowa employers as provided in section 84A.21,
 15 29 subsection 2, paragraph "c":
 15 30 \$ 633,325

SWJCF appropriation to the IWD for internships in Science, Technology, Engineering, and Mathematics (STEM) fields with eligible Iowa employers.

DETAIL: Maintains the current level of funding compared to estimated FY 2025. The program funds internships for students studying in the STEM fields with eligible Iowa employers. Iowa Code section [84A.21](#) (2)(c) established the STEM internship requirements for the IWD.

15 31 2. Notwithstanding section 8.33, moneys appropriated in
 15 32 this section that remain unencumbered or unobligated at the
 15 33 close of the fiscal year shall not revert but shall remain
 15 34 available for expenditure for the purposes designated until the
 15 35 close of the succeeding fiscal year.

CODE: Allows any unexpended funds appropriated from the SWJCF to the IEDA, the BOR, and the IWD for FY 2026 to remain available for expenditure in FY 2027.

16 1 Sec. 12. GENERAL FUND — CERTAIN REGENTS INSTITUTIONS.

16 2 1. There is appropriated from the general fund of the state
 16 3 to the following institutions for the fiscal year beginning
 16 4 July 1, 2025, and ending June 30, 2026, the following amounts,
 16 5 or so much thereof as is necessary, to be used for the purposes
 16 6 designated:

16 7 a. IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY
 16 8 In cooperation with the economic development authority, for
 16 9 support of a biosciences innovation ecosystem, to strengthen
 16 10 Iowa's leadership positions in the area of bio-based chemicals,
 16 11 digital agriculture, vaccines, and medical devices, including
 16 12 salaries, support, maintenance, and miscellaneous purposes, and
 16 13 for not more than the following full-time equivalent positions:
 16 14 \$ 2,963,995
 16 15 FTEs 9.18

General Fund appropriation for FY 2026 to ISU for support of a biosciences innovation ecosystem.

DETAIL: Maintains the current level of funding and is no change in FTE positions compared to estimated FY 2025. The funding is to be used to accelerate the pace at which discoveries are translated into commercial opportunities.

16 16 b. STATE UNIVERSITY OF IOWA
 16 17 In cooperation with the economic development authority, for
 16 18 support of a biosciences innovation ecosystem, to strengthen
 16 19 Iowa's leadership positions in the area of bio-based chemicals,
 16 20 digital agriculture, vaccines, and medical devices, including
 16 21 salaries, support, maintenance, and miscellaneous purposes, and
 16 22 for not more than the following full-time equivalent positions:
 16 23 \$ 1,000,000
 16 24 FTEs 4.35

General Fund appropriation for FY 2026 to the UI for support of a biosciences innovation ecosystem.

DETAIL: Maintains the current level of funding and is no change in FTE positions compared to estimated FY 2025. The funding is used to accelerate the pace at which discoveries are translated into commercial opportunities.

16 25 c. UNIVERSITY OF NORTHERN IOWA
 16 26 For equipment and technology to expand the university's
 16 27 additive manufacturing capabilities related to investment
 16 28 castings technology and industry support, including salaries,
 16 29 support, maintenance, and miscellaneous purposes, and for not
 16 30 more than the following full-time equivalent positions:
 16 31 \$ 394,321
 16 32 FTEs 2.73

General Fund appropriation for FY 2026 to the UNI for expansion of additive manufacturing.

DETAIL: Maintains the current level of funding and is no change in FTE positions compared to estimated FY 2025. The funding is used for the UNI Metal Casting Center's additive manufacturing capabilities related to investment castings technology and industry support.

16 33 The university of northern Iowa shall make a good-faith
 16 34 effort to coordinate with private entities to seek moneys to
 16 35 supplement this appropriation to support the expansion of the
 17 1 university's additive manufacturing capabilities.

Requires the UNI to make a good-faith effort to coordinate support from private entities for the expansion of additive manufacturing.

17 2 2. Notwithstanding section 8.33, moneys appropriated in
 17 3 subsection 1, paragraphs "a" and "b", that remain unencumbered
 17 4 or unobligated at the close of the fiscal year shall not revert
 17 5 but shall remain available for expenditure for the purposes
 17 6 designated until the close of the succeeding fiscal year.

CODE: Allows any unexpended funds appropriated from the General Fund to the UI and ISU for support of a biosciences innovation ecosystem for FY 2026 to remain available for expenditure through FY 2027.

17 7 DIVISION II
 17 8 FY 2025-2026 CONTINGENT APPROPRIATION

17 9 Sec. 13. ECONOMIC DEVELOPMENT AUTHORITY. There is
 17 10 appropriated from the grow Iowa values fund created in section
 17 11 15G.108, Code 2009, to the economic development authority for
 17 12 the fiscal year beginning July 1, 2025, and ending June 30,
 17 13 2026, the following amount, or so much thereof as is necessary,
 17 14 to be used for the purposes designated:
 17 15 For deposit in the grocer reinvestment and local food
 17 16 processing fund created in section 15.415, if enacted by 2025
 17 17 Iowa Acts, House File 1032:
 17 18 \$ 1,250,000

Authorizes a contingent appropriation of \$1,250,000 from the Grow Iowa Values Fund appropriation to the IEDA for the Grocer Reinvestment and Local Food Processing Fund.

DETAIL: This appropriation is contingent upon the enactment of 2025 Iowa Acts, [House File 1032](#) (Grocery Store Investment Programs Bill). This is a new appropriation for FY 2026 to the IEDA. This appropriation would be used to provide financial assistance to eligible Iowa grocery stores and to increase the availability of local produce processing.

17 19 DIVISION III
 17 20 HOUSING RENEWAL PILOT PROGRAM

17 21 Sec. 14. 2023 Iowa Acts, chapter 110, section 18, subsection
 17 22 9, is amended by striking the subsection.

Eliminates the repeal date of the Housing Renewal Pilot Program set in 2023 Iowa Acts, [Senate File 559](#) (FY 2024 Economic Development Appropriations Act).

DETAIL: The Housing Renewal Pilot Program is set to be repealed on July 1, 2025.

17 23 DIVISION IV

17 24 GAMBLING GAMES TAX RECEIPTS APPROPRIATION

17 25 Sec. 15. Section 99F.11, subsection 4, paragraph d,
17 26 subparagraph (1), Code 2025, is amended to read as follows:
17 27 (1) ~~Five hundred twenty thousand~~ Four hundred forty-eight
17 28 thousand four hundred three dollars is appropriated each fiscal
17 29 year to the economic development authority with one-half of
17 30 the moneys allocated for operational support grants and the
17 31 remaining one-half allocated for the community cultural grants
17 32 program established under section 15.436.

CODE: Modifies the standing limited General Fund appropriation for operational support grants and community cultural grants to be \$448,403.

DETAIL: Maintains the current level of funding compared to estimated FY 2025. Iowa Code section [99F.11\(4\)\(d\)\(1\)](#) provides a standing limited appropriation of \$520,000 for operational support grants and community cultural grants from a portion of the State Wagering Tax revenue deposited in the General Fund.

Economic Development

General Fund

	Actual FY 2024 (1)	Estimated FY 2025 (2)	House Subcom FY 2026 (3)	Hse Sub FY26 vs Est FY 2025 (4)	Page and Line # (5)
<u>Economic Development Authority</u>					
Economic Development Authority					
Economic Development Appropriation	\$ 12,807,359	\$ 12,921,510	\$ 12,999,646	\$ 78,136	PG 2 LN 5
World Food Prize	500,000	650,000	650,000	0	PG 4 LN 13
Councils of Governments (COGs) Assistance	250,000	350,000	350,000	0	PG 4 LN 20
Community Advertising and Strategic Plan	1,100,000	1,100,000	1,016,783	-83,217	PG 4 LN 27
Community Cultural Grants	172,090	172,090	0	-172,090	
Iowa Arts Council	1,400,000	1,450,000	1,779,321	329,321	PG 5 LN 15
Great Places	149,710	149,710	0	-149,710	
Cultural Trust Grants	150,000	150,000	0	-150,000	
Tourism Marketing - Adjusted Gross Receipts	1,440,848	1,443,700	1,443,700	0	PG 6 LN 1
Operational Support Grants	448,403	448,403	448,403	0	PG 17 LN 25
Butchery Innovation & Revitalization	633,325	0	0	0	
Court Reporter Equipment Incentive Program	0	100,000	0	-100,000	
Total Economic Development Authority	\$ 19,051,735	\$ 18,935,413	\$ 18,687,853	\$ -247,560	
<u>Iowa Finance Authority</u>					
Iowa Finance Authority					
Rent Subsidy Program	\$ 873,000	\$ 873,000	\$ 873,000	\$ 0	PG 6 LN 22
Housing Renewal Pilot Program	500,000	550,000	550,000	0	PG 6 LN 35
Total Iowa Finance Authority	\$ 1,373,000	\$ 1,423,000	\$ 1,423,000	\$ 0	
<u>Public Employment Relations Board</u>					
Public Employment Relations					
General Office	\$ 1,290,230	\$ 0	\$ 0	\$ 0	
Total Public Employment Relations Board	\$ 1,290,230	\$ 0	\$ 0	\$ 0	

Economic Development

General Fund

	Actual FY 2024 (1)	Estimated FY 2025 (2)	House Subcom FY 2026 (3)	Hse Sub FY26 vs Est FY 2025 (4)	Page and Line # (5)
<u>Workforce Development, Department of</u>					
IWD - Vocational Rehabilitation Services					
Vocational Rehabilitation	\$ 6,106,732	\$ 6,226,739	\$ 0	\$ -6,226,739	
Independent Living	84,804	84,804	0	-84,804	
Entrepreneurs with Disabilities Program	138,506	138,506	0	-138,506	
Independent Living Center Grant	86,547	86,547	0	-86,547	
IWD - Vocational Rehabilitation Services	\$ 6,416,589	\$ 6,536,596	\$ 0	\$ -6,536,596	
Iowa Workforce Development					
Operations - Field Offices	\$ 6,675,650	\$ 6,902,636	\$ 6,902,636	\$ 0	PG 7 LN 20
Offender Reentry Program	387,158	387,158	393,424	6,266	PG 7 LN 31
State Accounting System	228,822	228,822	228,822	0	PG 8 LN 7
Workplace Injury and Safety Surveys	125,555	125,555	127,314	1,759	PG 8 LN 12
Future Ready Summer Youth Intern Program	250,000	250,000	250,000	0	PG 8 LN 19
Vocational Rehabilitation Services	0	0	6,308,429	6,308,429	PG 8 LN 25
Independent Living	0	0	84,804	84,804	PG 9 LN 4
Entrepreneurs with Disabilities Program	0	0	143,297	143,297	PG 9 LN 10
Independent Living Center Grant	0	0	86,547	86,547	PG 9 LN 13
Adult Education and Literacy Programs	500,000	500,000	500,000	0	PG 9 LN 16
Future Ready Reg. Apprenticeship Prog.	760,000	760,000	760,000	0	PG 9 LN 29
Employee Misclassification Program	379,631	379,631	382,685	3,054	PG 10 LN 4
Iowa Workforce Development	\$ 9,306,816	\$ 9,533,802	\$ 16,167,958	\$ 6,634,156	
Total Workforce Development, Department of	\$ 15,723,405	\$ 16,070,398	\$ 16,167,958	\$ 97,560	
<u>Regents, Board of</u>					
Regents, Board of					
ISU - Biosciences Innovation Ecosystem - GF	\$ 2,963,995	\$ 2,963,995	\$ 2,963,995	\$ 0	PG 16 LN 7
UI - Biosciences Innovation Ecosystem - GF	1,000,000	1,000,000	1,000,000	0	PG 16 LN 16
UNI - Additive Manufacturing - GF	394,321	394,321	394,321	0	PG 16 LN 25
Total Regents, Board of	\$ 4,358,316	\$ 4,358,316	\$ 4,358,316	\$ 0	
Total Economic Development	\$ 41,796,686	\$ 40,787,127	\$ 40,637,127	\$ -150,000	

Economic Development

Other Funds

	Actual FY 2024 (1)	Estimated FY 2025 (2)	House Subcom FY 2026 (3)	Hse Sub FY26 vs Est FY 2025 (4)	Page and Line # (5)
<u>Economic Development Authority</u>					
Economic Development Authority					
High Quality Jobs Program - SWJCF	\$ 11,700,000	\$ 11,700,000	\$ 11,700,000	\$ 0	PG 11 LN 1
Manufacturing 4.0 Program - SWJCF	0	2,016,675	2,016,675	0	PG 11 LN 13
Empower Rural Iowa Program - SWJCF	700,000	700,000	700,000	0	PG 11 LN 16
Butchery Innovation and Revitalization - SWJCF	366,675	0	0	0	
Total Economic Development Authority	\$ 12,766,675	\$ 14,416,675	\$ 14,416,675	\$ 0	
<u>Workforce Development, Department of</u>					
Iowa Workforce Development					
Field Offices - Spec Cont Fund	\$ 2,416,084	\$ 2,416,084	\$ 4,616,084	\$ 2,200,000	PG 10 LN 15
Field Offices - UI Reserve Interest	2,200,000	2,200,000	0	-2,200,000	
AMOS Mid-Iowa Organizing Strategy - SWJCF	100,000	100,000	0	-100,000	
Future Ready Iowa Coordinator - SWJCF	150,000	0	0	0	
Workforce Prep Outcome Rep - SWJCF	0	0	125,000	125,000	PG 14 LN 19
Adult Ed and Literacy for the Workforce - SWJCF	5,500,000	5,500,000	5,500,000	0	PG 14 LN 24
STEM Internships - SWJCF	633,325	633,325	633,325	0	PG 15 LN 26
Work-Based Learning Intermed Net - SWJCF	1,500,000	0	0	0	
Total Workforce Development, Department of	\$ 12,499,409	\$ 10,849,409	\$ 10,874,409	\$ 25,000	
<u>Regents, Board of</u>					
Regents, Board of					
Regents Innovation Fund - SWJCF	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 0	PG 11 LN 18
ISU - Economic Development - SWJCF	2,424,302	2,424,302	2,424,302	0	PG 12 LN 13
UI - Economic Development - SWJCF	209,279	209,279	209,279	0	PG 13 LN 18
UI - Entrepreneur and Econ Growth - SWJCF	2,000,000	2,000,000	2,000,000	0	PG 13 LN 31
UNI - Economic Development - SWJCF	1,466,419	1,466,419	1,466,419	0	PG 14 LN 1
Total Regents, Board of	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 0	
Total Economic Development	\$ 34,366,084	\$ 34,366,084	\$ 34,391,084	\$ 25,000	

Economic Development Contingent Other Funds

	Actual FY 2024 (1)	Estimated FY 2025 (2)	House Subcom FY 2026 (3)	Hse Sub FY26 vs Est FY 2025 (4)	Page and Line # (5)
<u>Economic Development Authority</u>					
Economic Development Authority					
Grocery Store Investment Programs - GIVF	\$ 0	\$ 0	\$ 1,250,000	\$ 1,250,000	PG 17 LN 9
Total Economic Development Authority	\$ 0	\$ 0	\$ 1,250,000	\$ 1,250,000	
Total Economic Development	\$ 0	\$ 0	\$ 1,250,000	\$ 1,250,000	

* The Grocery Store Investment Programs appropriation is contingent upon the enactment of HF 1032 (Grocery Store Investment Programs Bill).

Economic Development

FTE Positions

	Actual FY 2024 (1)	Estimated FY 2025 (2)	House Subcom FY 2026 (3)	Hse Sub FY26 vs Est FY 2025 (4)	Page and Line # (5)
<u>Cultural Affairs, Department of</u>					
Cultural Affairs, Dept. of					
Administration Division	0.01	0.00	0.00	0.00	
Historical Division	0.64	0.00	0.00	0.00	
Historic Sites	0.07	0.00	0.00	0.00	
Arts Division	0.08	0.00	0.00	0.00	
Great Places	0.03	0.00	0.00	0.00	
Total Cultural Affairs, Department of	0.83	0.00	0.00	0.00	
<u>Economic Development Authority</u>					
Economic Development Authority					
Economic Development Appropriation	58.06	64.75	68.45	3.70	PG 2 LN 5
High Quality Jobs Creations Assistance	8.48	9.75	9.75	0.00	
Economic Dev Energy Projects Fund	5.89	7.45	7.45	0.00	
Wine, Beer, and Spirits Promotion Board	0.98	1.00	1.00	0.00	
Small Business Credit Initiative Fund	0.00	0.00	0.00	0.00	
Iowa Commission on Volunteer Service	0.23	0.00	0.00	0.00	
Future Ready Iowa Mentor Prog - SWJCF	0.01	0.00	0.00	0.00	
State Historical Preservation Program Fund	9.30	12.00	12.00	0.00	
Iowa Arts Council	4.82	5.50	6.00	0.50	PG 5 LN 15
Great Places	0.98	0.50	0.00	-0.50	
Total Economic Development Authority	88.74	100.95	104.65	3.70	

Economic Development

FTE Positions

	Actual FY 2024 (1)	Estimated FY 2025 (2)	House Subcom FY 2026 (3)	Hse Sub FY26 vs Est FY 2025 (4)	Page and Line # (5)
<u>Workforce Development, Department of</u>					
IWD - Vocational Rehabilitation Services					
Vocational Rehabilitation	221.97	249.00	0.00	-249.00	
Independent Living	1.27	1.00	0.00	-1.00	
IWD - Vocational Rehabilitation Services	223.24	250.00	0.00	-250.00	
Iowa Workforce Development					
Labor Services Division	0.89	0.00	0.00	0.00	
Workers' Compensation Division	0.35	0.00	0.00	0.00	
Field Office Operating Fund	158.19	153.43	167.43	14.00	PG 7 LN 20
Offender Reentry Program	4.63	5.00	5.00	0.00	PG 7 LN 31
Workplace Injury and Safety Surveys	2.03	2.55	2.55	0.00	PG 8 LN 12
Vocational Rehabilitation Services	0.00	0.00	251.00	251.00	PG 8 LN 25
Independent Living	0.00	0.00	1.00	1.00	PG 9 LN 4
Employee Misclassification Program	2.63	1.00	4.00	3.00	PG 10 LN 4
Iowa Workforce Development	168.71	161.98	430.98	269.00	
Total Workforce Development, Department of	391.95	411.98	430.98	19.00	
<u>Public Employment Relations Board</u>					
Public Employment Relations					
General Office	2.91	0.00	0.00	0.00	
Total Public Employment Relations Board	2.91	0.00	0.00	0.00	
<u>Regents, Board of</u>					
Regents, Board of					
ISU - Economic Development - SWJCF	50.94	50.94	50.94	0.00	PG 12 LN 13
UI - Economic Development - SWJCF	6.00	6.00	6.00	0.00	PG 13 LN 18
UI - Entrepreneur and Econ Growth - SWJCF	8.00	8.00	8.00	0.00	PG 13 LN 31
UNI - Economic Development - SWJCF	13.00	13.00	13.00	0.00	PG 14 LN 1
ISU - Biosciences Innovation Ecosystem - GF	9.18	9.18	9.18	0.00	PG 16 LN 7
UI - Biosciences Innovation Ecosystem - GF	4.35	4.35	4.35	0.00	PG 16 LN 16
UNI - Additive Manufacturing - GF	2.73	2.73	2.73	0.00	PG 16 LN 25
Total Regents, Board of	94.20	94.20	94.20	0.00	
Total Economic Development	578.63	607.13	629.83	22.70	