

Economic Development Appropriations Bill House File 809

As Amended by Senate Amendment H-1544

Last Action:

Senate Floor

April 14, 2005

An Act relating to and making appropriations to the department of economic development, certain board of regents institutions, the department of workforce development, and the public employment relations board, related matters, and providing an effective date.

Executive Summary Only

**Fiscal Services Division
Legislative Services Agency**

NOTES ON BILLS AND AMENDMENTS (NOBA)

Available on line at <http://www3.legis.state.ia.us/noba/index.jsp>

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**EXECUTIVE SUMMARY
NOTES ON BILLS AND AMENDMENTS**

**HOUSE FILE 809 AS AMENDED BY H-1544
ECONOMIC DEVELOPMENT APPROPRIATIONS BILL**

SENATE AMENDMENT

- Amends SF 2298 (FY 2005 Omnibus Appropriations Act) by providing a General Fund supplemental appropriation of \$500,000 to the Department of Economic Development for FY 2005 for sole source grant costs associated with hosting the National Special Olympics.
- Specifies the Section relating to the supplemental appropriation takes effect upon enactment.
- Prohibits the Department of Economic Development from charging a nonprofit, public entity a fee for placement of informational materials in a welcome center.

***BILL AS PASSED BY THE HOUSE
FUNDING SUMMARY***

**ECONOMIC STIMULUS
APPROPRIATIONS ACT**

**DEPARTMENT OF ECONOMIC
DEVELOPMENT**

**REGENTS INSTITUTIONS
ECONOMIC DEVELOPMENT
PROGRAMS**

- Appropriates a total of \$22.9 million from the General Fund and 317.5 FTE positions to the Department of Economic Development, Iowa Workforce Development, the Public Employment Relations Board (PERB), and the Regents institutions economic development programs. This maintains the current level of General Fund support and is a decrease of 7.8 FTE positions compared to the estimated net FY 2005 appropriation.
- In addition to the appropriations made in this Bill, Iowa Workforce Development will receive an FY 2006 General Fund appropriation of \$6.5 million that was made in SF 2311 (FY 2005 Economic Stimulus Appropriations Act) during the 2004 Special Session.
- Appropriates \$13.9 million and 149.8 FTE positions from the General Fund to the Department of Economic Development, which maintains the current level of General Fund support and FTE positions.
- Appropriates \$4.4 million and 4.0 FTE positions from the Rural Community 2000 Program, Insurance receipts from the Division of Commerce, the Community Development Loan Fund, the Workforce Development Fund, and the Job Training Fund.
- Appropriates \$3.0 million and 67.3 FTE positions from the General Fund for economic development programs at Iowa State University (ISU), the University of Iowa (SUI), and the University of Northern Iowa (UNI), which maintains the current level of General Fund support and FTE positions.
- Requires an allocation of \$550,000 for Small Business Development Centers. This maintains the current level of General Fund support.

**EXECUTIVE SUMMARY
NOTES ON BILLS AND AMENDMENTS**

**HOUSE FILE 809 AS AMENDED BY H-1544
ECONOMIC DEVELOPMENT APPROPRIATIONS BILL**

IOWA WORKFORCE DEVELOPMENT

- Appropriates \$5.2 million and 86.5 FTE positions from the General Fund for Iowa Workforce Development, which maintains the current level of General Fund support and is a decrease of 7.8 FTE positions compared to the estimated net FY 2005 appropriation. This is not an actual reduction in FTE positions. For FY 2006, Iowa Workforce Development is allowed to retain fees for the Elevator Safety and Boiler Safety programs and will no longer be funded by Iowa Workforce Development's General Fund appropriation. The 9.8 FTEs therefore will no longer be appropriated but will be supported by fee revenue. This results in an estimated FY 2005 FTE count of 84.5. As a result, the FTE appropriation in this Bill is actually an increase of 2.0 FTE positions under the Worker's Compensation Program.
- In addition, although the Elevator Safety and Boiler Safety programs will be supported by fees for FY 2006, and will no longer require a General Fund appropriation, Iowa Workforce Development's General Fund appropriation has not been reduced by that amount for FY 2006. It is anticipated that the two programs will generate approximately \$700,000 in fees to support the programs in FY 2006. Therefore, the status quo appropriation of \$5.2 million allows Iowa Workforce Development an additional \$700,000 for expenditure. The funds will be expended as follows:
 - \$115,000 to support current FTE positions in Workers' Compensation and Labor Services.
 - \$225,000 to provide cash flow for the Elevator Safety and Boiler Safety programs until the programs can be self-supporting.
 - \$135,000 for 2.0 new FTE positions in Workers' Compensation.
 - \$15,000 for additional Iowa Workforce Development Board activities.
 - \$50,000 to conduct Kaizen events.
 - \$160,000 to support the Immigration Services Centers previously funded by penalty and interest payments on the Administrative Contribution Surcharge.
- Requires the Division of Workers' Compensation to continue charging a \$65 filing fee for Workers' Compensation cases, and appropriates the fees collected to the Division for the Workers' Compensation Program. Based on the current fiscal year estimate of fees to be collected, the Division will receive approximately \$200,000 for FY 2006.
- Appropriates \$471,000 for Workers' Compensation from the Employment Security Contingency Fund in Iowa Workforce Development.
- Appropriates \$924,000 and 10.0 FTE positions from the General Fund, which maintains the current level of General Fund support and FTE positions.

**PUBLIC EMPLOYMENT RELATIONS
BOARD (PERB)**

**EXECUTIVE SUMMARY
NOTES ON BILLS AND AMENDMENTS**

**HOUSE FILE 809 AS AMENDED BY H-1544
ECONOMIC DEVELOPMENT APPROPRIATIONS BILL**

STUDIES AND INTENT LANGUAGE

- Requires a business creating jobs with economic development assistance from the Business Development appropriation to the Department of Economic Development to be subject to contract provisions stating that new and retained jobs shall be filled by individuals who are citizens of the United States who reside in the United States, or any person authorized to work in the United States pursuant to federal law, including legal resident aliens in the United States. Requires any vendor who receives public moneys from the Department through the Business Development appropriation to adhere to such contract provisions and provide periodic assurances of compliance.
- Allows the Department of Economic Development to provide funding in the form of a grant to a community economic development entity for conducting a local workforce recruitment effort designed to recruit former citizens of the State and former students at State colleges and universities to meet the needs of local employers.
- Allows the Department of Economic Development to provide financial assistance to early-stage industry companies being established by women entrepreneurs.
- Allows the Department of Economic Development to provide financial assistance for advanced research and commercialization projects involving value-added agriculture, advanced technology, or biotechnology.
- Requires Iowa State University to report annually to the Economic Development Appropriations Subcommittee and the Fiscal Services Division of the Legislative Services Agency the total amount of private contributions, the portion from small businesses and other businesses, and the proportion for directed and non-directed research.
- Requests that the Auditor of State review the Iowa Finance Authority's annual audit and conduct a performance audit of the Authority's operations.
- Creates the Field Office Operating Fund in the State Treasury under the control of the Department of Workforce Development and specifies that moneys credited and deposited in the Fund are appropriated to the Department.
- This Bill is effective on July 1, 2005.

**SIGNIFICANT CHANGES TO THE
CODE OF IOWA**

EFFECTIVE DATE

Economic Development

General Fund

| H.F. 809 Amended by H-1544 | Estimated FY 2005 (1) | S-Senate Action FY 2005 (2) | Gov Rec FY 2006 (3) | House Action FY 2006 (4) | Senate Action FY 2006 (5) | Senate Act vs House Act (6) |
|---|-----------------------------|-----------------------------------|---------------------------|--------------------------------|---------------------------------|-----------------------------------|
| <u>Economic Development, Dept. of</u> | | | | | | |
| Economic Development, Dept of | | | | | | |
| Nat'l Special Olympics | | \$ 500,000 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Administrative Services | | | | | | |
| General Administration | 1,956,332 | | 1,950,496 | 1,956,332 | 1,956,332 | 0 |
| World Food Prize | 285,000 | | 285,000 | 285,000 | 285,000 | 0 |
| Total Administrative Services | 2,241,332 | 0 | 2,235,496 | 2,241,332 | 2,241,332 | 0 |
| Business Development | | | | | | |
| Business Development | 6,084,500 | | 12,545,394 | 6,084,500 | 6,084,500 | 0 |
| Community & Rural Devel. | | | | | | |
| School to Career Refund | 27,786 | | | | | 0 |
| Community Development | 5,505,725 | | 5,446,591 | 5,533,511 | 5,533,511 | 0 |
| Total Community & Rural Devel. | 5,533,511 | 0 | 5,446,591 | 5,533,511 | 5,533,511 | 0 |
| Total Economic Development, Dept. of | \$ 13,859,343 | \$ 500,000 | \$ 20,227,481 | \$ 13,859,343 | \$ 13,859,343 | \$ 0 |
| <u>Iowa Workforce Development</u> | | | | | | |
| General Office | \$ 5,151,919 | | \$ 5,708,919 | \$ 5,151,919 | \$ 5,151,919 | \$ 0 |
| <u>Public Employment Relations Board</u> | | | | | | |
| General Office | \$ 923,850 | | \$ 924,250 | \$ 923,850 | \$ 923,850 | \$ 0 |
| <u>Regents, Board of</u> | | | | | | |
| ISU - Economic Development | \$ 2,363,557 | | \$ 2,363,557 | \$ 2,363,557 | \$ 2,363,557 | \$ 0 |
| SUI - Economic Development | 247,005 | | 247,005 | 247,005 | 247,005 | 0 |
| UNI - Economic Development | 361,291 | | 361,291 | 361,291 | 361,291 | 0 |
| Total Regents, Board of | \$ 2,971,853 | \$ 0 | \$ 2,971,853 | \$ 2,971,853 | \$ 2,971,853 | \$ 0 |
| Total Economic Development | \$ 22,906,965 | \$ 500,000 | \$ 29,832,503 | \$ 22,906,965 | \$ 22,906,965 | \$ 0 |

Economic Development

Non General Fund

| H.F. 809 Amended by H-1544 | Estimated FY 2005 | S-Senate Action FY 2005 | Gov Rec FY 2006 | House Action FY 2006 | Senate Action FY 2006 | Senate Act vs House Act |
|--|----------------------|----------------------------|---------------------|-------------------------|--------------------------|----------------------------|
| | (1) | (2) | (3) | (4) | (5) | (6) |
| <u>Economic Development, Dept. of</u> | | | | | | |
| Business Development | | | | | | |
| Insurance Development | \$ 100,000 | | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 0 |
| Workforce Dev. Approp. | 4,000,000 | | 4,000,000 | 4,000,000 | 4,000,000 | 0 |
| Total Business Development | 4,100,000 | 0 | 4,100,000 | 4,100,000 | 4,100,000 | 0 |
| Community & Rural Devel. | | | | | | |
| RC 2000 - Council of Gov. | 150,000 | | 150,000 | 150,000 | 150,000 | 0 |
| RC 2000 - Rural Dev. Prg. | 120,000 | | 120,000 | 120,000 | 120,000 | 0 |
| Community Dev. Loan Fund | 25,261 | | | | | 0 |
| Total Community & Rural Devel. | 295,261 | 0 | 270,000 | 270,000 | 270,000 | 0 |
| Total Economic Development, Dept. of | \$ 4,395,261 | \$ 0 | \$ 4,370,000 | \$ 4,370,000 | \$ 4,370,000 | \$ 0 |
| <u>Iowa Workforce Development</u> | | | | | | |
| P & I Industrial Programs | \$ 471,000 | | \$ 471,000 | \$ 471,000 | \$ 471,000 | \$ 0 |
| Total Economic Development | \$ 4,866,261 | \$ 0 | \$ 4,841,000 | \$ 4,841,000 | \$ 4,841,000 | \$ 0 |

Economic Development

FTE

| H.F. 809 Amended by H-1544 | Estimated FY 2005 | S-Senate Action FY 2005 | Gov Rec FY 2006 | House Action FY 2006 | Senate Action FY 2006 | Senate Act vs House Act |
|---|----------------------|----------------------------|--------------------|-------------------------|--------------------------|----------------------------|
| | (1) | (2) | (3) | (4) | (5) | (6) |
| <u>Economic Development, Dept. of</u> | | | | | | |
| Administrative Services | | | | | | |
| General Administration | 28.75 | | 28.70 | 28.75 | 28.75 | 0.00 |
| Business Development | | | | | | |
| Business Development | 57.00 | | 59.50 | 57.00 | 57.00 | 0.00 |
| Workforce Dev. Approp. | 4.00 | | 2.50 | 4.00 | 4.00 | 0.00 |
| Total Business Development | 61.00 | 0.00 | 62.00 | 61.00 | 61.00 | 0.00 |
| Community & Rural Devel. | | | | | | |
| Community Development | 61.75 | | 61.74 | 61.75 | 61.75 | 0.00 |
| Tourism/Recreation Dev. | 2.25 | | 2.25 | 2.25 | 2.25 | 0.00 |
| Total Community & Rural Devel. | 64.00 | 0.00 | 63.99 | 64.00 | 64.00 | 0.00 |
| Total Economic Development, Dept. of | 153.75 | 0.00 | 154.69 | 153.75 | 153.75 | 0.00 |
| <u>Iowa Workforce Development</u> | | | | | | |
| General Office | 94.20 | | 100.40 | 86.45 | 86.45 | 0.00 |
| <u>Public Employment Relations Board</u> | | | | | | |
| General Office | 10.00 | | 10.00 | 10.00 | 10.00 | 0.00 |
| <u>Regents, Board of</u> | | | | | | |
| ISU - Economic Development | 56.53 | | 56.53 | 56.53 | 56.53 | 0.00 |
| SUI - Economic Development | 6.00 | | 6.00 | 6.00 | 6.00 | 0.00 |
| UNI - Economic Development | 4.75 | | 4.75 | 4.75 | 4.75 | 0.00 |
| Total Regents, Board of | 67.28 | 0.00 | 67.28 | 67.28 | 67.28 | 0.00 |
| Total Economic Development | 325.23 | 0.00 | 332.37 | 317.48 | 317.48 | 0.00 |