

Targeted Small Business Supplemental Appropriations Bill House File 890

Last Action:

House Floor

April 17, 2007

An Act relating to assistance for small businesses, making appropriations, and providing an effective date provision.

**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>

LSA Contact: Ron Robinson (16256)

**EXECUTIVE SUMMARY
NOTES ON BILLS AND AMENDMENTS**

**HOUSE FILE 890
TARGETED SMALL BUSINESS SUPPLEMENTAL
APPROPRIATIONS BILL**

FUNDING SUMMARY

**SUPPLEMENTAL APPROPRIATIONS
AND REQUIREMENTS**

**SIGNIFICANT CHANGES TO THE
CODE OF IOWA**

- Makes FY 2007 General Fund supplemental appropriations totaling \$4.0 million and 2.0 FTE positions for efforts to support the Targeted Small Business (TSB) Taskforce Recommendations.
- Makes a new FY 2007 supplemental General Fund appropriation of \$900,000 to the Department of Economic Development (DED) for the establishment of TSB advocate service providers. (Page 9, Line 8)
- Makes a new FY 2007 supplemental General Fund appropriation of \$2.5 million to the DED for deposit in the TSB Financial Assistance Program Account of the Strategic Investment Fund. (Page 9, Line 25)
- Makes a new FY 2007 supplemental General Fund appropriation of \$225,000 and 1.0 FTE position to the DED for marketing, compliance activities, and administrative costs related to the TSB Financial Assistance Program and the Iowa TSB Procurement Act. (Page 10, Line 5)
- Requires the DED to create a full-time TSB Marketing and Compliance Manager Position. (Page 10, Line 18)
- Makes a new FY 2007 supplemental General Fund appropriation of \$225,000 to the DED for process improvement and administrative costs related to the TSB Financial Assistance Program and the Iowa TSB Procurement Act. (Page 11, Line 2)
- Makes a new FY 2007 supplemental General Fund appropriation of \$150,000 and 1.0 FTE position to the Department of Inspections and Appeals (DIA) for a dedicated TSB Certification Employee. (Page 11, Line 26)
- Increases the restriction on the purchase amount for a State agency by \$5,000, to a total of \$10,000. (Page 1, Line 1)
- Requires the Auditor of State to report annually beginning March 1, 2008, to the Governor and the General Assembly regarding the State's compliance with TSB purchasing requirements. Allows a fee to be charged by the Auditor for the report. (Page 1, Line 15)
- Changes the definition of a "Small Business" by increasing the annual gross income component by \$1.0 million, to a total of \$4.0 million. (Page 1, Line 31)
- Changes the definition of a "minority person" by replacing "Hispanic" with "Latino." (Page 2, Line 12)

**EXECUTIVE SUMMARY
NOTES ON BILLS AND AMENDMENTS**

**HOUSE FILE 890
TARGETED SMALL BUSINESS SUPPLEMENTAL
APPROPRIATIONS BILL**

**SIGNIFICANT CHANGES TO THE
CODE OF IOWA (CONTINUED)**

- Specifies the following: (Page 2, Line 17)
 - Requires the Department of Administrative Services (DAS) to report annually by December 1, to the DED regarding TSB activities.
 - Requires the Department of Inspections and Appeals (DIA) to report annually by December 1, to the DED regarding TSB certifications.
 - Requires the DED to compile an internal TSB Financial Assistance Program report annually by December 1.
 - Requires the DED TSB Marketing and Compliance Manager to compile a report annually by December 1 regarding the procurement goals of each agency and the agency performance.
 - Requires the DED to report annually by January 15, to the Governor and General Assembly regarding a collection of required reports.
 - Eliminates a requirement that the DED Director coordinate with the Department of Management when publicizing the Procurement Goal Program.
 - Requires the DED to establish TSB Advocate Service Providers and eliminates the requirement that the Department of Management, State universities, and community colleges participate in the development and provision of TSB services.
- Places restrictions on the type of loans that can be awarded under the TSB Financial Assistance Program. Restricts grants under the Program to targeted small businesses. Increases the loan guarantees under the Program by 5.0%, to a total of 80.0%, and requires a grant recipient to demonstrate a minimum 10.0% cash investment. Restricts loan guarantees to no more than seven years. (Page 5, Line 15)
- Requires applicants to receive mentoring services to receive financial assistance under the TSB Financial Assistance Program. (Page 6, Line 15)
- Requires applications submitted on or after July 1, 2007, to receive approval from the TSB Financial Assistance Board before an award is made. (Page 6, Line 19)
- Establishes guidelines for State agencies to follow when setting TSB procurement goals before each fiscal year. (Page 7, Line 29)
- Requires the Board of Regents to issue electronic bid notices for distribution to the TSB Internet Site. (Page 8, Line 28)
- Requires nonreversion of funds. (Page 9, Line 20; Page 9, Line 34, Page 10, Line 31; Page 11, Line 20; and Page 12, Line 14)
- The Bill takes effect upon enactment. (Page 12, Line 19)

EFFECTIVE DATE

House File 890 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section	Description
1	1	1	Amends	Sec. 8A.311(10)	Purchase Amount Restriction Increase
1	15	2	Adds	Sec. 11.46	State Auditor Report on Targeted Small Business (TSB) Purchase Requirements
1	31	3	Amends	Sec. 15.102(4)	Small Business Definition Income Increase
2	7	4	Amends	Sec. 15.102(5)(a)(3)	Small Business Definition Income Increase
2	12	5	Amends	Sec. 15.102(5)(b)(3)	Definition of "Minority Person"
2	17	6	Amend	Sec. 15.108(7)(c)	TSB Reports and Service Providers
5	15	7	Amend	Sec. 15.247(2)	TSB Financial Assistance Program Restrictions
6	15	8	Adds	Sec. 15.247(7)	TSB Financial Assistance Requirements
6	19	8	Adds	Sec. 15.147(8)(a)	TSB Financial Assistance Restrictions
6	24	8	Adds	Sec. 15.147(8)(b)	TSB Financial Assistance Board
7	4	8	Adds	Sec. 15.147(8)(c)	TSB Fin. Assistance Board and Restrictions
7	13	8	Adds	Sec. 15.247(8)(d)	Financial Assistance Applications
7	16	9	Amends	Sec. 19B.7(1)(d)	Reporting Requirements
7	29	10	Amends	Sec. 73.16(2)	TSB Procurement Goals Guidelines
8	28	11	Amends	Sec. 262.34A(2)	Electronic Bid Notices
9	20	13.3	Nwthstnd	Sec. 8.33	Nonreversion of Advocate Service Providers Funding
9	34	14	Nwthstnd	Sec. 8.33	Nonreversion of TSB Financial Assistance Program Funding
10	31	15.4	Nwthstnd	Sec. 8.33	Nonreversion of TSB Marketing and Compliance Funding
11	20	16	Nwthstnd	Sec. 8.33	Nonreversion of TSB Process Improvement Funding
12	14	17.3	Nwthstnd	Sec. 8.33	Nonreversion of TSB Certification Employee Funding

1 1 Section 1. Section 8A.311, subsection 10, unnumbered
1 2 paragraph 1, Code 2007, is amended to read as follows:
1 3 The director shall adopt rules providing that any state
1 4 agency may, upon request, purchase directly from a vendor if
1 5 the direct purchasing is as economical or more economical than
1 6 purchasing through the department, or upon a showing that
1 7 direct purchasing by the state agency would be in the best
1 8 interests of the state due to an immediate or emergency need.
1 9 The rules shall include a provision permitting a state agency
1 10 to purchase directly from a vendor, on the agency's own
1 11 authority, if the purchase will not exceed ~~five ten~~ thousand
1 12 dollars and the purchase will contribute to the agency
1 13 complying with or exceeding the targeted small business
1 14 procurement goals under sections 73.15 through 73.21.

CODE: Increases the restriction on the purchase amount for a State agency by \$5,000, to a total of \$10,000.

DETAIL: This change permits a State agency to make a purchase of up to \$10,000, under the State agency's own authority, if the purchase will help the agency comply with the State's targeted small business (TSB) procurement goals.

1 15 Sec. 2. NEW SECTION. 11.46 TARGETED SMALL BUSINESS.
1 16 After the conclusion of each fiscal year, the auditor of
1 17 state shall annually conduct a review of whether state
1 18 agencies are meeting their goal for procurement activities
1 19 conducted pursuant to sections 73.15 through 73.21, and
1 20 compliance with the forty-eight hour notice provision in
1 21 section 73.16, subsection 2. By December 31 of each year, the
1 22 auditor of state shall file a written report with the governor
1 23 and the general assembly which shall include the findings of
1 24 the review. The auditor of state may charge a fee to cover
1 25 the costs of conducting activities under this section. The
1 26 first report filed pursuant to this section shall be for the
1 27 fiscal year beginning July 1, 2007. However, the auditor of
1 28 state shall file a report pursuant to this section by March 1,
1 29 2008, for the time period beginning July 1, 2007, and ending
1 30 September 30, 2007.

CODE: Requires the Auditor of State to report annually beginning March 1, 2008, to the Governor and the General Assembly regarding the State's compliance with the TSB purchasing requirements. Permits the Auditor to charge the Department of Economic Development (DED) a fee for the report.

1 31 Sec. 3. Section 15.102, subsection 4, Code 2007, is
1 32 amended to read as follows:
1 33 4. "Small business" means any enterprise which is located
1 34 in this state, which is operated for profit and under a single

CODE: Changes the definition of a "Small Business" by increasing the annual gross income component by \$1,000,000, to a total of \$4,000,000.

1 35 management, and which has either fewer than twenty employees
 2 1 or an annual gross income of less than ~~three~~ four million
 2 2 dollars computed as the average of the three preceding fiscal
 2 3 years. This definition does not apply to any program or
 2 4 activity for which a definition for small business is provided
 2 5 for the program or activity by federal law or regulation or
 2 6 other state law.

2 7 Sec. 4. Section 15.102, subsection 5, paragraph a,
 2 8 subparagraph (3), Code 2007, is amended to read as follows:
 2 9 (3) Has an annual gross income of less than ~~three~~ four
 2 10 million dollars computed as an average of the three preceding
 2 11 fiscal years.

CODE: Technical change to conform to the change in the previous Section.

2 12 Sec. 5. Section 15.102, subsection 5, paragraph b,
 2 13 subparagraph (3), Code 2007, is amended to read as follows:
 2 14 (3) "Minority person" means an individual who is a Black,
 2 15 ~~Hispanic~~ Latino, Asian or Pacific Islander, American Indian,
 2 16 or Alaskan native American.

CODE: Changes the definition of "minority person" by replacing "Hispanic" with "Latino."

2 17 Sec. 6. Section 15.108, subsection 7, paragraph c, Code
 2 18 2007, is amended to read as follows:
 2 19 c. Aid for the development and implementation of the Iowa
 2 20 targeted small business procurement Act established in
 2 21 sections 73.15 through 73.21 and the targeted small business
 2 22 financial assistance program established in section 15.247.
 2 23 ~~The duties of the director under this paragraph include the~~
 2 24 ~~following:~~
 2 25 (1) (a) By December 1 of each year, the department of
 2 26 administrative services shall file a written report with the
 2 27 department of economic development regarding the Iowa targeted
 2 28 small business procurement Act activities during the previous
 2 29 fiscal year. At a minimum, the report shall include a summary
 2 30 of all activities undertaken by the department of
 2 31 administrative services in an effort to maximize the

CODE: Requires the following:

- Requires the Department of Administrative Services (DAS) to report annually by December 1 to the DED regarding TSB activities.
- Requires the Department of Inspections and Appeals (DIA) to report annually by December 1 to the DED regarding TSB certifications.
- Requires the DED to compile an internal TSB Financial Assistance Program report annually by December 1.
- Requires the DED TSB Marketing and Compliance Manager to compile a report annually by December 1 regarding the procurement goals of each agency and agency performance.
- Requires the DED to report annually by January 15 to the Governor and General Assembly regarding a collection of required reports.

2 32 utilization of the targeted small business procurement Act.
 2 33 (b) By December 1 of each year, the department of
 2 34 inspections and appeals shall file a written report with the
 2 35 department of economic development regarding certifications of
 3 1 targeted small businesses. At a minimum, the report shall
 3 2 include the number of certified targeted small businesses for
 3 3 the previous year and the increase or decrease in that number
 3 4 during the previous fiscal year compared to the prior fiscal
 3 5 year, the number of targeted small businesses that have been
 3 6 decertified over the previous fiscal year, and a summary of
 3 7 all activities undertaken by the department of inspections and
 3 8 appeals regarding targeted small business certification.
 3 9 (c) By December 1 of each year, the department of economic
 3 10 development shall compile an internal report regarding the
 3 11 targeted small business financial assistance program. At a
 3 12 minimum, the report shall contain the number of loans, loan
 3 13 guarantees, and grants distributed during the previous fiscal
 3 14 year, the individual amounts provided to targeted small
 3 15 businesses during the previous fiscal year, and how many
 3 16 financial assistance awards to targeted small businesses were
 3 17 the subject of repayment or collection activity during the
 3 18 previous fiscal year.
 3 19 (d) By December 1 of each year, the targeted small
 3 20 business marketing and compliance manager of the department of
 3 21 economic development shall compile a list of the procurement
 3 22 goals established pursuant to section 73.16, subsection 2, and
 3 23 the performance of each agency in meeting the goals. The
 3 24 compilation of the performance of each agency shall be based
 3 25 upon the reports required to be filed under section 73.16,
 3 26 subsection 2.
 3 27 (e) By January 15 of each year, the department of economic
 3 28 development shall submit to the governor and the general
 3 29 assembly a compilation of reports required under this
 3 30 subparagraph.
 3 31 ~~(1)~~ (2) The director, in conjunction with cooperation
 3 32 from the director of the department of management other state
 3 33 agencies, shall publicize the procurement goal program for
 3 34 established in sections 73.15 through 73.21 to targeted small

- Eliminates a requirement that the DED coordinate with the Department of Management (DOM) when publicizing the Procurement Goal Program.
- Requires the DED to establish TSB Advocate Service Providers, and eliminates the DOM, Regents universities, and community colleges as required participants in TSB advice and services.

3 35 businesses and to agencies of state government, attempt to
4 1 locate targeted small businesses able to perform contracts,
4 2 and encourage program participation. The director may request
4 3 the cooperation of the department of administrative services,
4 4 the state department of transportation, the state board of
4 5 regents, or any other agency of state government in
4 6 publicizing this program.

4 7 ~~(2)~~ (3) The director, in conjunction with ~~the director of~~
4 8 ~~the department of management~~ other state agencies, shall
4 9 publicize the financial assistance program established in
4 10 section 15.247 to targeted small businesses.

4 11 ~~(3)~~ (4) When the director determines, or is notified by
4 12 the head of another agency of state government, that a
4 13 targeted small business is unable to perform a procurement
4 14 contract, the director shall assist the small business in
4 15 attempting to remedy the causes of the inability to perform.
4 16 In assisting the small business, the director may use any
4 17 management or financial assistance programs available through
4 18 state or governmental agencies or private sources.

4 19 (4) (5) ~~The director, in conjunction with the director of~~
4 20 ~~the department of management and jointly with the universities~~
4 21 ~~under the jurisdiction of the state board of regents, and the~~
4 22 ~~community colleges, shall develop and make available in all~~
4 23 ~~areas of the state, programs to offer and deliver~~
4 24 ~~concentrated, in-depth advice and services to assist targeted~~
4 25 ~~small businesses.~~ The department of economic development
4 26 shall establish targeted small business advocate service
4 27 providers for purposes of providing mentoring, outreach, and
4 28 professional development services to targeted small businesses
4 29 certified pursuant to section 10A.104. Targeted small
4 30 business advocate service providers shall be established
4 31 through a request for proposals process. Entities eligible to
4 32 bid under the request for proposals process shall include but
4 33 not be limited to a business accelerator, a small business
4 34 development center, or any organization that provides
4 35 mentoring, outreach, and professional development services to
5 1 businesses. A person serving on or staffing a governor's task
5 2 force on targeted small businesses during calendar year 2006

5 3 shall not be eligible to be part of a bid under the request
 5 4 for proposals process until after July 1, 2009. A person
 5 5 serving on or staffing a governor's targeted small business
 5 6 advisory council shall not be eligible to be part of a bid
 5 7 under the request for proposals process until three years
 5 8 following the termination of service or staffing the advisory
 5 9 council. The advice and services provided by providers shall
 5 10 extend to all areas of business management in its practical
 5 11 application, including but not limited to accounting,
 5 12 engineering, drafting, grant writing, obtaining financing,
 5 13 locating bond markets, market analysis, and projections of
 5 14 profit and loss.

5 15 Sec. 7. Section 15.247, subsection 2, Code 2007, is
 5 16 amended to read as follows:
 5 17 2. A "targeted small business financial assistance program
 5 18 account" is established within the strategic investment fund
 5 19 created in section 15.313, to provide for loans, loan
 5 20 guarantees, ~~revolving loans, loans secured by accounts-~~
 5 21 ~~receivable, or grants to targeted small businesses and to-~~
 5 22 ~~low income persons establishing or expanding small business-~~
 5 23 ~~ventures. A targeted small business or low income person in~~
 5 24 any year shall receive under this program not more than fifty
 5 25 thousand dollars in a loan, grant, or guarantee, or a
 5 26 combination of loans, grants, or guarantees. A grant shall
 5 27 only be awarded when additional financing is secured by the
 5 28 applicant. In order to receive a grant, the applicant must
 5 29 demonstrate a minimum of ten percent cash investment in the
 5 30 project. A targeted small business shall not receive a grant,
 5 31 loan, or guarantee, or a combination of grants, loans, or
 5 32 guarantees under the program that provide more than ninety
 5 33 percent funding of a project. The program shall provide
 5 34 guarantees not to exceed ~~seventy-five~~ eighty percent for loans
 5 35 of up to seven years made by qualified lenders. The
 6 1 department shall establish a financial assistance reserve
 6 2 account from funds allocated to the program account, from
 6 3 which any default on a guaranteed loan under this section

CODE: Places restrictions on the type of loans that can be awarded under the TSB Financial Assistance Program. Restricts grants under the Program to targeted small businesses. Increases the loan guarantees under the Program by 5.00%, to a total of 80.00%. Restricts loan guarantees to no more than seven years. A grant recipient is required to demonstrate a minimum 10.00% cash investment and is not permitted to finance more than 90.00% of a grant project.

6 4 shall be paid. In administering the program the department
6 5 shall not guarantee loan values in excess of the amount
6 6 credited to the reserve account and only moneys set aside in
6 7 the loan reserve account may be used for the payment of a
6 8 default. The department shall maintain records of all
6 9 financial assistance approved pursuant to this section and
6 10 information regarding the effectiveness of the financial
6 11 assistance in establishing or expanding small business
6 12 ventures.

6 13 Sec. 8. Section 15.247, Code 2007, is amended by adding
6 14 the following new subsections:

6 15 NEW SUBSECTION. 7. In order to receive financial
6 16 assistance under this section a targeted small business shall
6 17 participate in mentoring services from a targeted small
6 18 business advocate service provider.

CODE: Requires applicants to participate in mentoring services to receive financial assistance under the TSB Financial Assistance Program.

6 19 NEW SUBSECTION. 8. a. In order to receive financial
6 20 assistance under this section, an application for financial
6 21 assistance submitted on or after July 1, 2007, must be
6 22 approved by the targeted small business financial assistance
6 23 board created in this subsection.

CODE: Applications for financial assistance from the TSB Financial Assistance Program submitted on or after July 1, 2007, must receive approval from the TSB Financial Assistance Board.

6 24 b. The targeted small business financial assistance board
6 25 shall consist of seven members appointed by the director
6 26 representing backgrounds in the areas of finance, insurance,
6 27 or banking. The members shall be successful business owners
6 28 in the private, for-profit sector. At least one member shall
6 29 be a member of the economic development board appointed by the
6 30 economic development board. All of the following populations
6 31 shall be represented separately by at least one member:
6 32 (1) Latino.
6 33 (2) Black.
6 34 (3) Asian or Pacific Islander.

CODE: Requires the seven TSB Financial Assistance Board members to be successful business owners in the private, for-profit sector, appointed by the DED Director, and represent backgrounds in the areas of finance, insurance, or banking. Requires at least one member to also be a member of the Economic Development Board (EDB), as appointed by the EDB. Specifies various populations that must be represented.

6 35 (4) Caucasian woman.

7 1 (5) Native American.

7 2 (6) A person with a disability as defined in section

7 3 15.102.

7 4 c. A person within the third degree of consanguinity of an
7 5 employee of the department, a person within the third degree
7 6 of consanguinity of a member of the targeted small business
7 7 financial assistance board or member's relative, or a business
7 8 with any financial ties to a member shall not be eligible for
7 9 financial assistance under the program during the employee's
7 10 employment or the member's tenure on the board, as applicable.
7 11 Members shall serve two year terms and may be reappointed. A
7 12 member shall not serve more than two terms.

CODE: Prohibits eligibility for financial assistance if the applicant is related (as specified) to an employee of the DED, a Board member, or relatives of Board members. Board members are required to serve two-year terms, may be reappointed, and may be reappointed for only one additional term.

7 13 d. The targeted small business financial assistance board
7 14 shall consider all applications for financial assistance under
7 15 the program submitted on or after July 1, 2007.

CODE: Requires the TSB Financial Assistance Board to consider all financial assistance applications submitted on or after July 1, 2007.

7 16 Sec. 9. Section 19B.7, subsection 1, paragraph d, Code
7 17 2007, is amended to read as follows:

CODE: Eliminates a duplicative reporting requirement.

7 18 d. Report results under the contract compliance policy to
7 19 the governor and the general assembly on an annual basis. Any
7 20 information reported by the department of administrative
7 21 services to the department of economic development pursuant to
7 22 section 15.108 shall not be required to be part of the report
7 23 under this paragraph. The report shall detail specific
7 24 efforts to promote equal opportunity through state contracts
7 25 and services and efforts to promote, develop, and stimulate
7 26 the utilization of minority, women's, and disadvantaged
7 27 business enterprises in programs receiving or benefiting from
7 28 state financial assistance.

7 29 Sec. 10. Section 73.16, subsection 2, unnumbered paragraph
7 30 1, Code 2007, is amended to read as follows:

CODE: Establishes guidelines for State agencies to follow when setting TSB procurement goals before each fiscal year. State

7 31 ~~The~~ Prior to the commencement of a fiscal year, the
 7 32 director of each agency or department of state government
 7 33 having purchasing authority, in cooperation with the targeted
 7 34 small business marketing and compliance manager of the
 7 35 department of economic development, shall establish for that
 8 1 fiscal year a procurement goal from certified targeted small
 8 2 businesses identified pursuant to section 10A.104, subsection
 8 3 8, ~~of at least ten percent of the value of anticipated~~
 8 4 ~~procurements of.~~ The procurement goal shall include the
 8 5 procurement of all goods and services, including construction,
 8 6 but not including utility services, each fiscal year. A
 8 7 procurement goal shall be stated in terms of a dollar amount
 8 8 of certified purchases and shall be established at a level
 8 9 that exceeds the procurement levels from certified targeted
 8 10 small businesses during the previous fiscal year. The
 8 11 director of an agency or department of state government that
 8 12 has established a procurement goal as required under this
 8 13 subsection shall provide a report within fifteen business days
 8 14 following the end of each calendar quarter to the targeted
 8 15 small business marketing and compliance manager of the
 8 16 department of economic development, providing the total dollar
 8 17 amount of certified purchases from certified targeted small
 8 18 businesses during the previous calendar quarter. The required
 8 19 report shall be made in a form approved by the targeted small
 8 20 business marketing and compliance manager. The first
 8 21 quarterly report shall be for the calendar quarter ending
 8 22 September 30, 2007. The director of each department and
 8 23 agency of state government shall cooperate with the director
 8 24 of the department of inspections and appeals, the director of
 8 25 the department of economic development, and the director of
 8 26 the department of management and do all acts necessary to
 8 27 carry out the provisions of this division.

agencies with purchasing authority are required to cooperate with the DED to establish TSB procurement goals. The goals must state the total dollar amount of certified purchases and the goal must exceed the prior year procurement amount.

Each agency is required to report the total dollar amount of certified purchases during the prior quarter to the TSB Marketing and Compliance Manager of the DED within 15 business days after each calendar quarter. The first report is due following the third calendar quarter of 2007.

8 28 Sec. 11. Section 262.34A, subsection 2, Code 2007, is
 8 29 amended to read as follows:
 8 30 2. Notwithstanding section 73.16, subsection 2, and due to
 8 31 the high volume of bids issued by the board and the need to

CODE: Requires the Board of Regents to issue electronic bid notices for distribution to the TSB Internet Site.

8 32 coordinate bidding of three institutions of higher learning,
 8 33 the board ~~may~~ shall issue electronic bid notices for
 8 34 distribution to the targeted small business internet site
 8 35 through internet links to each of the regents institutions.

9 1 Sec. 12. APPLICATION REVIEW. For applications for
 9 2 financial assistance under section 15.247 received on or
 9 3 before June 30, 2007, the department of economic development
 9 4 shall use the same review and approval process used prior to
 9 5 the effective date of this Act.

Requires the DED to use the current review and approval process for applicants seeking financial assistance on or before June 30, 2007, from the TSB Financial Assistance Program.

9 6 Sec. 13. TARGETED SMALL BUSINESS ADVOCATE SERVICE
 9 7 PROVIDERS.

9 8 1. There is appropriated from the general fund of the
 9 9 state to the department of economic development for the fiscal
 9 10 year beginning July 1, 2006, and ending June 30, 2007, the
 9 11 following amount, or so much thereof as is necessary, to be
 9 12 used for the purposes designated:
 9 13 For the establishment of targeted small business advocate
 9 14 service providers, including salaries, support, maintenance,
 9 15 and miscellaneous purposes:
 9 16 \$ 900,000

General Fund FY 2007 supplemental appropriation of \$900,000 to the DED for the establishment of targeted small business advocate service providers.

DETAIL: This is a new appropriation.

9 17 2. Of the moneys appropriated under this section, not more
 9 18 than \$150,000 shall be expended on one targeted small business
 9 19 advocate service provider.

Limits the amount that can be expended for one targeted small business advocate service provider to \$150,000.

9 20 3. Notwithstanding section 8.33, moneys appropriated in
 9 21 this section that remain unencumbered or unobligated at the
 9 22 close of the fiscal year shall not revert but shall remain
 9 23 available for expenditure for the purposes designated until
 9 24 the close of the succeeding fiscal year.

CODE: Requires nonreversion of funds appropriated for targeted small business advocate service providers.

9 25 Sec. 14. TARGETED SMALL BUSINESS FINANCIAL ASSISTANCE
 9 26 PROGRAM. There is appropriated from the general fund of the
 9 27 state to the department of economic development for the fiscal
 9 28 year beginning July 1, 2006, and ending June 30, 2007, the
 9 29 following amount, or so much thereof as is necessary, to be
 9 30 used for the purposes designated:
 9 31 For deposit in the targeted small business financial
 9 32 assistance program account of the strategic investment fund:
 9 33 \$ 2,500,000

General Fund FY 2007 supplemental appropriation of \$2,500,000 to the DED for deposit in the TSB Financial Assistance Program Account of the Strategic Investment Fund.

DETAIL: This is a new appropriation.

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

CODE: Requires nonreversion of funds appropriated for the TSB Financial Assistance Program Account.

10 4 Sec. 15. MARKETING AND COMPLIANCE MANAGER.

10 5 1. There is appropriated from the general fund of the
 10 6 state to the department of economic development for the fiscal
 10 7 year beginning July 1, 2006, and ending June 30, 2007, the
 10 8 following amount, or so much thereof as is necessary, to be
 10 9 used for the purposes designated:
 10 10 For purposes of marketing and compliance activities and for
 10 11 administrative costs related to the targeted small business
 10 12 financial assistance program and the Iowa targeted small
 10 13 business procurement Act, including salaries, support,
 10 14 maintenance, miscellaneous purposes, and for not more than the
 10 15 following full-time equivalent positions:
 10 16 \$ 225,000
 10 17 FTEs 1.00

General Fund FY 2007 supplemental appropriation of \$225,000 and 1.00 FTE position to the DED for marketing, compliance activities, and administrative costs related to the TSB Financial Assistance Program and the Iowa TSB Procurement Act.

DETAIL: This is a new appropriation.

10 18 2. From moneys appropriated under this section, the
 10 19 department shall create a full-time position for a targeted
 10 20 small business marketing and compliance manager. The position

Requires the DED to create a full-time TSB Marketing and Compliance Manager Position.

10 21 shall be responsible, at a minimum, for coordinating the
 10 22 establishment of the targeted small business advocate service
 10 23 providers, providing marketing support for the Iowa targeted
 10 24 small business procurement Act and targeted small business
 10 25 financial assistance program, providing state agencies with
 10 26 Iowa targeted small business procurement Act assistance, and
 10 27 providing any related services.

10 28 3. The department may use moneys appropriated under this
 10 29 section for purposes of paying fees associated with services
 10 30 provided by the auditor of state pursuant to section 11.46.

Permits the DED to use the administrative cost appropriation for the payment of services provided by the Auditor of State.

10 31 4. Notwithstanding section 8.33, moneys appropriated in
 10 32 this section that remain unencumbered or unobligated at the
 10 33 close of the fiscal year shall not revert but shall remain
 10 34 available for expenditure for the purposes designated until
 10 35 the close of the succeeding fiscal year.

CODE: Requires nonreversion of funds appropriated for marketing, compliance activities, and administrative costs related to the TSB Financial Assistance Program and the Iowa TSB Procurement Act.

11 1 Sec. 16. PROCESS IMPROVEMENT -- MARKETING ACTIVITIES.

11 2 There is appropriated from the general fund of the state to
 11 3 the department of economic development for the fiscal year
 11 4 beginning July 1, 2006, and ending June 30, 2007, the
 11 5 following amount, or so much thereof as is necessary, to be
 11 6 used for the purposes designated:
 11 7 For implementing process improvement activities and for
 11 8 administrative costs for the targeted small business financial
 11 9 assistance program and the Iowa targeted small business
 11 10 procurement Act, for developing and conducting a vendor fair
 11 11 to increase awareness of the targeted small business financial
 11 12 assistance program and the Iowa targeted small business
 11 13 procurement Act, and for an awards banquet to recognize the
 11 14 accomplishments under the Iowa targeted small business
 11 15 procurement Act:
 11 16 \$ 225,000

General Fund FY 2007 supplemental appropriation of \$225,000 to the DED for process improvement and administrative costs related to the TSB Financial Assistance Program and the Iowa TSB Procurement Act.

DETAIL: This is a new appropriation.

11 17 The department may use moneys appropriated under this
11 18 section for purposes of paying fees associated with services
11 19 provided by the auditor of state pursuant to section 11.46.

Permits the DED to use the administrative cost appropriation for the payment of services provided by the Auditor of State

11 20 Notwithstanding section 8.33, moneys appropriated in this
11 21 section that remain unencumbered or unobligated at the close
11 22 of the fiscal year shall not revert but shall remain available
11 23 for expenditure for the purposes designated until the close of
11 24 the succeeding fiscal year.

CODE: Requires nonreversion of funds appropriated for process improvement and administrative costs related to the TSB Financial Assistance Program and the Iowa TSB Procurement Act.

11 25 Sec. 17. CERTIFICATION.

11 26 1. There is appropriated from the general fund of the
11 27 state to the department of inspections and appeals for the
11 28 fiscal year beginning July 1, 2006, and ending June 30, 2007,
11 29 the following amount, or so much thereof as is necessary, to
11 30 be used for the purposes designated:

General Fund FY 2007 supplemental appropriation of \$150,000 and 1.00 FTE position to the Department of Inspections and Appeals (DIA) for a dedicated TSB Certification Employee.

11 31 For purposes of a dedicated targeted small business
11 32 certification employee, including salaries, support,
11 33 maintenance, miscellaneous purposes, and for not more than the
11 34 following full-time equivalent positions:
11 35 \$ 150,000
12 1 FTEs 1.00

DETAIL: This is a new appropriation.

12 2 2. From moneys appropriated under this section, the
12 3 department shall create a full-time position for a targeted
12 4 small business certification employee. The position shall be
12 5 responsible, at a minimum, for processing applications for
12 6 targeted small business applications, conducting on-site
12 7 visits, maintaining a publicly available active directory of
12 8 certified targeted small businesses, organizing and
12 9 participating in educational meetings for certified targeted
12 10 small businesses and potential targeted small businesses,
12 11 coordinating activities with other state agencies to promote
12 12 the Iowa targeted small business procurement Act, and any

Requires the DIA to create a full-time position for a TSB certification employee.

12 13 other related responsibilities.

12 14 3. Notwithstanding section 8.33, moneys appropriated in
12 15 this section that remain unencumbered or unobligated at the
12 16 close of the fiscal year shall not revert but shall remain
12 17 available for expenditure for the purposes designated until
12 18 the close of the succeeding fiscal year.

CODE: Requires nonreversion of funds appropriated for a dedicated
TSB certification employee.

12 19 Sec. 18. EFFECTIVE DATE. This Act, being deemed of
12 20 immediate importance, takes effect upon enactment.

Specifies that the Bill takes effect upon enactment.

12 21 HF 890
12 22 tm:rj/jg/25

Economic Development

General Fund

	Actual FY 2006 <u>(1)</u>	Estimated FY 2007 <u>(2)</u>	Supp-House Floor FY 2007 <u>(3)</u>	Est. Net FY 2007 <u>(4)</u>	Page and Line Number <u>(5)</u>
<u>Economic Development, Dept. of</u>					
Economic Development, Department of					
TSB Advocate Service Providers	\$ 0	\$ 0	\$ 900,000	\$ 900,000	PG 9 LN 8
TSB Fin. Assistance Program	0	0	2,500,000	2,500,000	PG 9 LN 25
TSB marketing and Compliance	0	0	225,000	225,000	PG 10 LN 5
TSB Awareness	0	0	225,000	225,000	PG 11 LN 2
Total Economic Development, Dept. of	\$ 0	\$ 0	\$ 3,850,000	\$ 3,850,000	
<u>Inspections & Appeals, Department of</u>					
Inspections and Appeals, Department of					
TSB Certification	\$ 0	\$ 0	\$ 150,000	\$ 150,000	PG 11 LN 26
Total Inspections & Appeals, Department of	\$ 0	\$ 0	\$ 150,000	\$ 150,000	
Total Economic Development	\$ 0	\$ 0	\$ 4,000,000	\$ 4,000,000	

Economic Development

FTE

	Actual FY 2006 <u>(1)</u>	Estimated FY 2007 <u>(2)</u>	Supp-House Floor FY 2007 <u>(3)</u>	Est. Net FY 2007 <u>(4)</u>	Page and Line Number <u>(5)</u>
<u>Economic Development, Dept. of</u>					
Economic Development, Department of TSB marketing and Compliance	0.00	0.00	1.00	1.00	PG 10 LN 5
Total Economic Development, Dept. of	<u>0.00</u>	<u>0.00</u>	<u>1.00</u>	<u>1.00</u>	
<u>Inspections & Appeals, Department of</u>					
Inspections and Appeals, Department of TSB Certification	0.00	0.00	1.00	1.00	PG 11 LN 26
Total Inspections & Appeals, Department of	<u>0.00</u>	<u>0.00</u>	<u>1.00</u>	<u>1.00</u>	
Total Economic Development	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>2.00</u></u>	<u><u>2.00</u></u>	