

Economic Development Appropriations Bill House File 2337

Conference Committee Report

An Act relating to appropriations to the Department of Cultural Affairs, the Economic Development Authority, certain Board of Regents institutions, the Department of Workforce Development, the Iowa Finance Authority, the Rebuild Iowa Infrastructure Fund, and the Public Employment Relations Board, eliminating the Film Tax Credit Program, providing for other properly related matters, including effective date and retroactive and other applicability provisions.

**Fiscal Services Division
Legislative Services Agency**

NOTES ON BILLS AND AMENDMENTS (NOBA)

Available on line at <https://www.legis.iowa.gov/LSAReports/noba.aspx>

LSA Contacts: Kent Ohms (515-725-2200)

ECONOMIC DEVELOPMENT APPROPRIATIONS BILL

Conference Committee Report

HOUSE FILE 2337

Funding Summary: House File 2337, as proposed by the Conference Committee, appropriates a total of \$37.7 million from the General Fund and 552.3 FTE positions for FY 2013. This is an increase of \$1.5 million and 39.9 FTE positions compared to estimated net FY 2012. House File 2337 also appropriates \$24.5 million from other funds. This is an increase of \$14.9 million compared to estimated net FY 2012. **See the attached tracking document for funding totals and difference comparisons for individual budget unit items.**

NOTE: Total funding for FY 2013 includes the previously enacted appropriations for FY 2013 and changes to appropriation amounts proposed by both chambers. The *Homan v. Branstad* decision invalidated the enacted FY 2013 appropriations for Iowa Workforce Development. For the purposes of this document, the comparisons are to the complete proposed budget by each chamber without taking the specific appropriation language into account.

FUNDING SUMMARY HIGHLIGHTS: The Conference Committee recommends that the Senate amendment, H-8425, to House File 2337, as amended, passed, and reprinted by the House, is amended to read as follows:

- **Department of Cultural Affairs:**
 - Arts Division — \$1.1 million from the General Fund.

- **Economic Development Authority:**
 - Economic Development Appropriation — \$9.8 million from the General Fund.
 - World Food Prize — \$750,000 from the General Fund.
 - High Quality Jobs Program — \$15.0 million from the Rebuild Iowa Infrastructure Fund.

- **Board of Regents:**
 - ISU Economic Development — \$2.4 million from the General Fund.
 - UI Economic Development — \$209,000 from the General Fund.
 - Regents Innovation Fund — \$3.0 million from the Rebuild Iowa Infrastructure Fund.
 - Midwest Grape & Wine Industry Institute — \$250,000 from the Wine Gallonage Tax Fund.

- **Iowa Workforce Development:**
 - Workers' Compensation Division — \$3.3 million from the General Fund.
 - Operations – Field Offices — \$9.2 million from the General Fund.
 - Field Offices — \$1.6 million from the Special Contingency Fund.
 - Field Offices — \$633,000 from interest on the Unemployment Insurance Reserve Fund.

- **Public Employment Relations Board:**
 - General Office — \$1.3 million from the General Fund.

LANGUAGE SUMMARY:

NOTE: This language summary represents major language provisions and should not be considered an all-inclusive comprehensive listing.

- **Battle Flag Restoration Fund:** The Conference Committee recommends creating a Battle Flag Restoration Fund within the State Treasury under control of the Department of Cultural Affairs (DCA) for continuing the stabilization project recommended by the Battle Flag Advisory Committee. The Fund will also collect proceeds from insurance settlements relating to incidences involving Battle Flags that have been loaned to other states or entities.
- **Regents Innovation Fund Report:** In addition to the appropriation, the Conference Committee recommends requiring the Board of Regents to submit a report to the Governor, General Assembly, and the LSA, on the activities, projects, and programs funded by the Regents Innovation Fund Appropriation.
- **IWD Workers' Compensation Division Allocation:** The Conference Committee recommends allocating \$153,000 to hire a Chief Deputy Commissioner.
- **IWD Operation Allocation:** The Conference Committee recommends allocating \$1,130,602 for the operation of Satellite Field Offices in Decorah, Fort Madison, Iowa City, and Webster City, and allocates \$150,000 for the State Library for licensing LearningExpress Library.
- **Virtual Access of Workforce Development Offices:** The Conference Committee recommends requiring a unique login for all users that access Workforce Development Centers operated through electronic access points.
- **Film Office & Promotion Tax Credit:** The Conference Committee recommends repealing the Film Office within the IEDA, the Film, Television, and Video Project Promotion tax credit, and other references to the tax credit found in Code and establishes a Film Office within the DCA.
- **Iowans Helping Iowans:** The Conference Committee recommends amending the allocation for the Iowans Helping Iowa business assistance program in FY 2011.
- **Economic Development Fund:** The Conference Committee recommends allocating \$350,000 from interest earned on the Economic Development (formerly Grow Iowa Values) Fund for the Councils of Government for FY 2012 and requires nonreversion of these funds.
- **Wine Gallonage Tax Fund:** The Conference Committee recommends increasing the standing appropriation from the Wine Gallonage Tax Fund to the Iowa State University Midwest Grape and Wine Industry Institute.

Effective Date: The effective date for repealing the Film Tax Credit is effective on enactment and applies retroactively to January 1, 2012, and does not apply to contracts or agreements entered into on or before the effective date of the Bill.

Summary Data

General Fund

	<u>Estimated Net</u> <u>FY 2012</u>	<u>Gov Rec</u> <u>FY 2013</u>	<u>Total House</u> <u>FY 2013</u>	<u>Total Senate</u> <u>FY 2013</u>	<u>Total Conf.</u> <u>FY 2013</u>	<u>Conf. vs</u> <u>FY 2012</u>
Economic Development	<u>\$ 36,212,425</u>	<u>\$ 62,202,980</u>	<u>\$ 28,945,102</u>	<u>\$ 62,202,980</u>	<u>\$ 37,704,041</u>	<u>\$ 1,491,616</u>
Grand Total	<u>\$ 36,212,425</u>	<u>\$ 62,202,980</u>	<u>\$ 28,945,102</u>	<u>\$ 62,202,980</u>	<u>\$ 37,704,041</u>	<u>\$ 1,491,616</u>

Economic Development General Fund

	Estimated Net FY 2012	Gov Rec FY 2013	Total House FY 2013	Total Senate FY 2013	Total Conf. FY 2013	Conf. vs FY 2012
<u>Cultural Affairs, Dept. of</u>						
Cultural Affairs, Dept. of						
Administration Division	\$ 171,813	\$ 171,813	\$ 171,813	\$ 171,813	\$ 171,813	\$ 0
Community Cultural Grants	172,090	172,090	172,090	172,090	172,090	0
Historical Division	2,767,701	2,767,701	2,767,701	2,767,701	2,767,701	0
Historic Sites	426,398	426,398	426,398	426,398	426,398	0
Arts Division	933,764	933,764	933,764	933,764	1,133,764	200,000
Great Places	150,000	150,000	150,000	150,000	150,000	0
Archiving Former Governor's Papers	65,933	65,933	65,933	65,933	65,933	0
Records Center Rent	227,243	227,243	227,243	227,243	227,243	0
Battle Flag Stabilization	60,000	60,000	60,000	60,000	60,000	0
Film Office	0	400,000	0	200,000	0	0
Iowa Cultural Trust Fund	0	0	0	200,000	0	0
Total Cultural Affairs, Dept. of	\$ 4,974,942	\$ 5,374,942	\$ 4,974,942	\$ 5,374,942	\$ 5,174,942	\$ 200,000
<u>Economic Development Authority</u>						
Economic Development Authority						
Economic Development Appropriation	\$ 9,783,424	\$ 9,783,424	\$ 8,858,424	\$ 9,783,424	\$ 9,783,424	\$ 0
World Food Prize	500,000	1,000,000	250,000	750,000	750,000	250,000
Iowa Comm. Volunteer Ser.-Promise	178,133	178,133	178,133	178,133	178,133	0
Incentives	0	25,000,000	0	20,000,000	0	0
Main Street Grants	0	0	0	100,000	0	0
Total Economic Development Authority	\$ 10,461,557	\$ 35,961,557	\$ 9,286,557	\$ 30,811,557	\$ 10,711,557	\$ 250,000
<u>Regents, Board of</u>						
Regents, Board of						
ISU - Economic Development	\$ 2,424,302	\$ 2,424,302	\$ 843,832	\$ 2,424,302	\$ 2,424,302	\$ 0
UI - Economic Development	209,279	209,279	0	209,279	209,279	0
UNI - Economic Development	574,716	574,716	517,263	718,716	574,716	0
Regents Innovation Fund	0	0	0	3,800,000	0	0
Total Regents, Board of	\$ 3,208,297	\$ 3,208,297	\$ 1,361,095	\$ 7,152,297	\$ 3,208,297	\$ 0

Economic Development General Fund

	Estimated Net FY 2012	Gov Rec FY 2013	Total House FY 2013	Total Senate FY 2013	Total Conf. FY 2013	Conf. vs FY 2012
<u>Iowa Workforce Development</u>						
Iowa Workforce Development						
Labor Services Division	\$ 3,495,440	\$ 3,495,440	\$ 3,495,440	\$ 3,548,440	\$ 3,495,440	\$ 0
Workers' Compensation Division	2,949,044	2,949,044	2,949,044	3,102,044	3,262,044	313,000
Operations - Field Offices	8,671,352	8,671,352	4,335,676	9,671,352	9,179,413	508,061
Offender Reentry Program	284,464	284,464	284,464	284,464	284,464	0
Employee Misclassification Program	451,458	451,458	451,458	451,458	451,458	0
Total Iowa Workforce Development	\$ 15,851,758	\$ 15,851,758	\$ 11,516,082	\$ 17,057,758	\$ 16,672,819	\$ 821,061
<u>Iowa Finance Authority</u>						
Iowa Finance Authority						
Rent Subsidy Program	\$ 658,000	\$ 658,000	\$ 658,000	\$ 658,000	\$ 658,000	\$ 0
Total Iowa Finance Authority	\$ 658,000	\$ 658,000	\$ 658,000	\$ 658,000	\$ 658,000	\$ 0
<u>Public Employment Relations Board</u>						
Public Employment Relations						
General Office	\$ 1,057,871	\$ 1,148,426	\$ 1,148,426	\$ 1,148,426	\$ 1,278,426	\$ 220,555
Total Public Employment Relations Board	\$ 1,057,871	\$ 1,148,426	\$ 1,148,426	\$ 1,148,426	\$ 1,278,426	\$ 220,555
Total Economic Development	\$ 36,212,425	\$ 62,202,980	\$ 28,945,102	\$ 62,202,980	\$ 37,704,041	\$ 1,491,616

Summary Data

Other Fund

	<u>Estimated Net</u> <u>FY 2012</u>	<u>Gov Rec</u> <u>FY 2013</u>	<u>Total House</u> <u>FY 2013</u>	<u>Total Senate</u> <u>FY 2013</u>	<u>Total Conf.</u> <u>FY 2013</u>	<u>Conf. vs</u> <u>FY 2012</u>
Economic Development	\$ 9,575,344	\$ 9,455,344	\$ 5,837,084	\$ 7,460,084	\$ 24,510,084	\$ 14,934,740
Grand Total	<u>\$ 9,575,344</u>	<u>\$ 9,455,344</u>	<u>\$ 5,837,084</u>	<u>\$ 7,460,084</u>	<u>\$ 24,510,084</u>	<u>\$ 14,934,740</u>

Economic Development Other Fund

	Estimated Net FY 2012	Gov Rec FY 2013	Total House FY 2013	Total Senate FY 2013	Total Conf. FY 2013	Conf. vs FY 2012
<u>Economic Development Authority</u>						
Economic Development Authority						
Workforce Development Fund	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 0
High Quality Jobs Program - RIIF	0	0	0	0	15,000,000	15,000,000
Total Economic Development Authority	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 19,000,000	\$ 15,000,000
<u>Regents, Board of</u>						
Regents, Board of						
ISU - MW Grape & Wine Industry Institute Stnd	\$ 120,000	\$ 0	\$ 120,000	\$ 250,000	\$ 250,000	\$ 130,000
Regents Innovation Fund - RIIF	0	0	0	0	3,000,000	3,000,000
Total Regents, Board of	\$ 120,000	\$ 0	\$ 120,000	\$ 250,000	\$ 3,250,000	\$ 3,130,000
<u>Iowa Workforce Development</u>						
Iowa Workforce Development						
Field Offices - Spec Cont Fund	\$ 1,217,084	\$ 1,217,084	\$ 1,217,084	\$ 1,217,084	\$ 1,627,084	\$ 410,000
Field Offices - UI Reserve Interest	4,238,260	4,238,260	500,000	633,000	633,000	-3,605,260
Workers' Comp Div - Spec Cont Fund	0	0	0	160,000	0	0
Satellite Offices - Spec Cont Fund	0	0	0	1,200,000	0	0
Total Iowa Workforce Development	\$ 5,455,344	\$ 5,455,344	\$ 1,717,084	\$ 3,210,084	\$ 2,260,084	\$ -3,195,260
Total Economic Development	\$ 9,575,344	\$ 9,455,344	\$ 5,837,084	\$ 7,460,084	\$ 24,510,084	\$ 14,934,740

Summary Data

FTE

	<u>Estimated Net</u> <u>FY 2012</u>	<u>Gov Rec</u> <u>FY 2013</u>	<u>Total House</u> <u>FY 2013</u>	<u>Total Senate</u> <u>FY 2013</u>	<u>Total Conf.</u> <u>FY 2013</u>	<u>Conf. vs</u> <u>FY 2012</u>
Economic Development	<u>512.31</u>	<u>494.01</u>	<u>510.13</u>	<u>556.23</u>	<u>552.23</u>	<u>39.92</u>
Grand Total	<u><u>512.31</u></u>	<u><u>494.01</u></u>	<u><u>510.13</u></u>	<u><u>556.23</u></u>	<u><u>552.23</u></u>	<u><u>39.92</u></u>

Economic Development

FTE

	Estimated Net FY 2012	Gov Rec FY 2013	Total House FY 2013	Total Senate FY 2013	Total Conf. FY 2013	Conf. vs FY 2012
<u>Cultural Affairs, Dept. of</u>						
Cultural Affairs, Dept. of						
Administration Division	0.78	0.78	74.50	74.50	74.50	73.72
Historical Division	44.07	44.07	0.00	0.00	0.00	-44.07
Historic Sites	3.00	3.00	0.00	0.00	0.00	-3.00
Arts Division	10.25	10.25	0.00	0.00	0.00	-10.25
Great Places	3.05	3.05	0.00	0.00	0.00	-3.05
Archiving Former Governor's Papers	0.73	0.73	0.00	0.00	0.00	-0.73
Film Office	0.00	0.00	0.00	2.00	0.00	0.00
Total Cultural Affairs, Dept. of	61.88	61.88	74.50	76.50	74.50	12.62
<u>Economic Development Authority</u>						
Economic Development Authority						
Economic Development Appropriation	123.70	123.70	149.00	149.00	149.00	25.30
Iowa State Commission	7.00	7.00	7.00	7.00	7.00	0.00
Vision Iowa Program	2.25	2.25	2.25	2.25	2.25	0.00
Workforce Development Admin	4.00	4.00	4.00	4.00	4.00	0.00
Total Economic Development Authority	136.95	136.95	162.25	162.25	162.25	25.30
<u>Regents, Board of</u>						
Regents, Board of						
ISU - Economic Development	56.63	56.63	22.73	56.63	56.63	0.00
UI - Economic Development	6.00	6.00	0.00	6.00	6.00	0.00
UNI - Economic Development	6.75	6.75	5.55	6.75	6.75	0.00
Total Regents, Board of	69.38	69.38	28.28	69.38	69.38	0.00
<u>Iowa Workforce Development</u>						
Iowa Workforce Development						
Labor Services Division	64.00	60.40	64.00	65.00	64.00	0.00
Workers' Compensation Division	30.00	26.00	30.00	31.00	30.00	0.00
Field Office Operating Fund	130.00	120.40	130.00	130.00	130.00	0.00
Offender Reentry Program	3.00	3.00	3.00	4.00	4.00	1.00
Employee Misclassification Program	8.10	7.00	8.10	8.10	8.10	0.00
Total Iowa Workforce Development	235.10	216.80	235.10	238.10	236.10	1.00

Economic Development

FTE

	<u>Estimated Net FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Total House FY 2013</u>	<u>Total Senate FY 2013</u>	<u>Total Conf. FY 2013</u>	<u>Conf. vs FY 2012</u>
<u>Public Employment Relations Board</u>						
Public Employment Relations General Office	9.00	9.00	10.00	10.00	10.00	1.00
Total Public Employment Relations Board	9.00	9.00	10.00	10.00	10.00	1.00
Total Economic Development	512.31	494.01	510.13	556.23	552.23	39.92