SENATE/HOUSE FILE _____
BY (PROPOSED JOINT APPROPRIATIONS SUBCOMMITTEE ON ECONOMIC DEVELOPMENT BILL)

A BILL FOR

1 An Act relating to and making appropriations to the department
2 of cultural affairs, the economic development authority,
3 the department of workforce development, the Iowa finance
4 authority, the public employment relations board, and
5 the state board of regents and regents institutions, and
6 providing for other properly related matters.
7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DRAFT

DIVISION I

FY 2014-2015 APPROPRIATIONS

Section 1. 2013 Iowa Acts, chapter 137, section 16, subsection 1, is amended to read as follows:

SEC. 16. DEPARTMENT OF CULTURAL AFFAIRS.

1. There is appropriated from the general fund of the state to the department of cultural affairs for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

a. ADMINISTRATION

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

..... $ ~~85,907~~
176,882
..... FTEs 74.50

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

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

b. COMMUNITY CULTURAL GRANTS

For planning and programming for the community cultural grants program established under section 303.3:

..... $ ~~86,045~~
172,090

c. HISTORICAL DIVISION

For the support of the historical division:

..... $ ~~1,583,851~~
3,167,701

d. HISTORIC SITES

DRAFT

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

e. ARTS DIVISION

For the support of the arts division:
..... $ ~~616,882~~
1,233,764

Of the moneys appropriated in this paragraph, the department shall allocate $300,000 for purposes of the film office.

f. IOWA GREAT PLACES

For the Iowa great places program established under section 303.3C:
..... $ ~~75,000~~
150,000

g. ARCHIVE IOWA GOVERNORS´ RECORDS

For archiving the records of Iowa governors:
..... $ ~~32,967~~
65,933

h. RECORDS CENTER RENT

For payment of rent for the state records center:
..... $ ~~113,622~~
227,243

i. BATTLE FLAGS

For continuation of the project recommended by the Iowa battle flag advisory committee to stabilize the condition of the battle flag collection:
..... $ ~~47,000~~
94,000

Sec. 2. 2013 Iowa Acts, chapter 137, section 18, is amended to read as follows:

SEC. 18. ECONOMIC DEVELOPMENT AUTHORITY.

1. APPROPRIATION

a. There is appropriated from the general fund of the state to the economic development authority for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following

DRAFT

amount, or so much thereof as is necessary, to be used for the purposes designated in this subsection, and for not more than the following full-time equivalent positions:

..... $ ~~7,734,483~~
15,516,372

..... FTEs 149.00

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

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

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

(4) For transfer to the strategic investment fund created in section 15.313.

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

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

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

2. FINANCIAL ASSISTANCE RESTRICTIONS

a. A business creating jobs through moneys appropriated in

DRAFT

subsection 1 shall be subject to contract provisions requiring new and retained jobs to be filled by individuals who are citizens of the United States who reside within 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.

b. Any vendor who receives moneys appropriated in subsection 1 shall adhere to such contract provisions and provide periodic assurances as the state shall require that the jobs are filled solely by citizens of the United States who reside within 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.

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

3. USES OF APPROPRIATIONS

a. From the moneys appropriated in subsection 1, the authority may provide financial assistance 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 colleges and universities in the state to meet the needs of local employers.

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

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

DRAFT

advanced technology, or biotechnology.

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

4. WORLD FOOD PRIZE

There is appropriated from the general fund of the state to the economic development authority for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount for the world food prize and in lieu of the standing appropriation in section 15.368, subsection 1:

..... $ ~~400,000~~
800,000

5. IOWA COMMISSION ON VOLUNTEER SERVICE

There is appropriated from the general fund of the state to the economic development authority for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount for allocation to the Iowa commission on volunteer service for purposes of the Iowa state commission grant program, the Iowa's promise and Iowa mentoring partnership programs, and for not more than the following full-time equivalent positions:

..... $ ~~89,067~~
178,133

..... FTEs 7.00

Of the moneys appropriated in this subsection, the authority shall allocate ~~$37,500~~ $75,000 for purposes of the Iowa state commission grant program and ~~$51,567~~ $103,133 for purposes of the Iowa's promise and Iowa mentoring partnership programs.

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

DRAFT

6. COUNCILS OF GOVERNMENTS — ASSISTANCE

There is appropriated from the general fund of the state to the economic development authority for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount to be used for the purposes of providing financial assistance to Iowa's councils of governments:

..... $ ~~87,500~~
200,000

Sec. 3. 2013 Iowa Acts, chapter 137, section 21, is amended to read as follows:

SEC. 21. WORKFORCE DEVELOPMENT FUND. There is appropriated from the workforce development fund account created in section 15.342A to the workforce development fund created in section 15.343 for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount, for purposes of the workforce development fund:

..... $ ~~2,000,000~~
5,750,000

Sec. 4. 2013 Iowa Acts, chapter 137, section 22, is amended to read as follows:

SEC. 22. IOWA FINANCE AUTHORITY.

1. There is appropriated from the general fund of the state to the Iowa finance authority for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount, or so much thereof as is necessary, to be used to provide reimbursement for rent expenses to eligible persons under the rent subsidy program:

..... $ ~~329,000~~
658,000

2. Participation in the rent subsidy program shall be limited to only those persons who meet the requirements for the nursing facility level of care for home and community-based services waiver services as in effect on July 1, 2014, and to those individuals who are eligible for the federal money follows the person grant program under the medical assistance

DRAFT

program. Of the moneys appropriated in this section, not more than $35,000 may be used for administrative costs.

Sec. 5. 2013 Iowa Acts, chapter 137, section 24, is amended to read as follows:

SEC. 24. PUBLIC EMPLOYMENT RELATIONS BOARD.

1. There is appropriated from the general fund of the state to the public employment relations board for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount, or so much thereof as is necessary, for the purposes designated:

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

..... $ ~~670,963~~
1,342,452
..... FTEs 10.00

2. Of the moneys appropriated in this section, the board shall allocate $15,000 for maintaining a website that allows searchable access to a database of collective bargaining information.

Sec. 6. 2013 Iowa Acts, chapter 137, section 25, is amended to read as follows:

SEC. 25. DEPARTMENT OF WORKFORCE DEVELOPMENT. There is appropriated from the general fund of the state to the department of workforce development for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amounts, or so much thereof as is necessary, for the purposes designated:

1. DIVISION OF LABOR SERVICES

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

..... $ ~~1,774,360~~
3,823,539
..... FTEs 65.00

DRAFT

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

c. Of the moneys appropriated under this subsection, the department shall allocate $53,280 for the purpose of employing an additional investigator to investigate wage enforcement.

2. DIVISION OF WORKERS' COMPENSATION

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

..... $ ~~1,629,522~~
3,259,044
..... FTEs 30.00

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

3. WORKFORCE DEVELOPMENT OPERATIONS

a. For the operation of field offices, the workforce development board, and for not more than the following full-time equivalent positions:

..... $ ~~4,589,707~~
9,179,413
..... FTEs 130.00

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

DRAFT

c. Of the moneys appropriated in paragraph "a" of this subsection, the department shall allocate at least $1,130,602 for the operation of the three satellite field offices projected by the department to serve the most people from the offices located in Decorah, Fort Madison, Iowa City, or Webster City.

4. OFFENDER REENTRY PROGRAM

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

..... $ ~~142,232~~
358,464
..... FTEs 4.00

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

5. NONREVERSION

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

Sec. 7. 2013 Iowa Acts, chapter 137, section 26, is amended to read as follows:

SEC. 26. GENERAL FUND — EMPLOYEE MISCLASSIFICATION PROGRAM. There is appropriated from the general fund of the state to the department of workforce development for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

DRAFT

1 ..... $ ~~225,729~~
2 451,458
3 ..... FTEs 8.10
4 Sec. 8. 2013 Iowa Acts, chapter 137, section 27, is amended
5 to read as follows:
6 SEC. 27. SPECIAL EMPLOYMENT SECURITY CONTINGENCY FUND.
7 1. There is appropriated from the special employment
8 security contingency fund to the department of workforce
9 development for the fiscal year beginning July 1, 2014, and
10 ending June 30, 2015, the following amount, or so much thereof
11 as is necessary, to be used for field offices:
12 ..... $ ~~883,042~~
13 1,766,084
14 2. Any remaining additional penalty and interest revenue
15 collected by the department of workforce development is
16 appropriated to the department for the fiscal year beginning
17 July 1, 2014, and ending June 30, 2015, to accomplish the
18 mission of the department.
19 Sec. 9. 2013 Iowa Acts, chapter 137, section 28, is amended
20 to read as follows:
21 SEC. 28. UNEMPLOYMENT COMPENSATION RESERVE FUND ——
22 FIELD OFFICES. Notwithstanding section 96.9, subsection 8,
23 paragraph "e", there is appropriated from interest earned on
24 the unemployment compensation reserve fund to the department
25 of workforce development for the fiscal year beginning July 1,
26 2014, and ending June 30, 2015, the following amount or so much
27 thereof as is necessary, for the purposes designated:
28 For the operation of field offices:
29 ..... $ ~~247,000~~
30 400,000
31 Sec. 10. 2013 Iowa Acts, chapter 141, section 54,
32 subsections 2, 3, and 5, are amended to read as follows:
33 2. ECONOMIC DEVELOPMENT AUTHORITY
34 For the purposes of providing assistance under the high
35 quality jobs program as described in section 15.335B:

DRAFT

1 ..... $ ~~8,450,000~~
2 16,900,000
3 As a condition of receiving moneys appropriated in this
4 subsection, an entity shall testify upon the request of the
5 joint appropriations subcommittee on economic development
6 regarding the expenditure of such moneys.
7 3. REGENTS INSTITUTIONS
8 a. To the state board of regents for capacity
9 building infrastructure in areas related to technology
10 commercialization, marketing and business development
11 efforts in areas related to technology commercialization,
12 entrepreneurship, and business growth, and infrastructure
13 projects and programs needed to assist in implementation of
14 activities under chapter 262B:
15 ..... $ ~~1,500,000~~
16 3,000,000
17 Of the moneys appropriated pursuant to this paragraph,
18 35 percent shall be allocated for Iowa state university, 35
19 percent shall be allocated for the university of Iowa, and 30
20 percent shall be allocated for the university of northern Iowa.
21 (1) The institutions shall provide a one-to-one match
22 of additional moneys for the activities funded with moneys
23 appropriated under this paragraph.
24 (2) The state board of regents shall annually submit a
25 report by January 15 of each year to the governor, the general
26 assembly, and the legislative services agency regarding
27 the activities, projects, and programs funded with moneys
28 allocated under this paragraph. The report shall be provided
29 in an electronic format and shall include a list of metrics
30 and criteria mutually agreed to in advance by the board of
31 regents and the economic development authority. The metrics
32 and criteria shall allow the governor's office and the general
33 assembly to quantify and evaluate the progress of the board of
34 regents institutions with regard to their activities, projects,
35 and programs in the areas of technology commercialization,

DRAFT

entrepreneurship, regional development, and market research.

b. To Iowa state university of science and technology for small business development centers, the science and technology research park, and the institute for physical research and technology, and for not more than the following full-time equivalent positions:

..... $ ~~1,212,151~~
2,424,302
..... FTEs 56.63

(1) Of the moneys appropriated in this paragraph, Iowa state university of science and technology shall allocate at least ~~$367,864~~ $735,728 for purposes of funding small business development centers. Iowa state university of science and technology may allocate moneys appropriated in this paragraph to the various small business development centers in any manner necessary to achieve the purposes of this paragraph.

(2) Iowa state university of science and technology shall do all of the following:

(a) Direct expenditures for research toward projects that will provide economic stimulus for Iowa.

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

(3) It is 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, and that moneys for the institute for physical research and technology industrial incentive program shall be allocated only for projects which are matched by private sector moneys for directed contract research or for nondirected research. The match required of small businesses as defined in section 15.102, subsection 10, for directed contract research or for nondirected research shall be $1 for each $3 of state funds. The match required for other businesses for directed contract research or for nondirected research shall be $1 for each $1 of

DRAFT

state funds. The match required of industrial foundations or trade associations shall be $1 for each $1 of state funds.

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

c. To the state university of Iowa for the state university of Iowa research park and for the advanced drug development program at the Oakdale research park, including salaries, support, maintenance, equipment, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... $ ~~104,640~~
209,279

..... FTEs 6.00

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

(1) Direct expenditures for research toward projects that will provide economic stimulus for Iowa.

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

d. To the state university of Iowa for the purpose of implementing the entrepreneurship and economic growth initiative, and for not more than the following full-time equivalent positions:

..... $ ~~1,000,000~~
2,000,000

..... FTEs 8.00

e. To the university of northern Iowa for the metal casting institute, the MyEntreNet internet application, and the institute of decision making, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... $ ~~533,209~~

DRAFT

1 1,066,419
2 ..... FTEs 9.75
3 (1) Of the moneys appropriated pursuant to this paragraph,
4 the university of northern Iowa shall allocate at least
5 ~~$308,819~~ $617,639 for purposes of support of entrepreneurs
6 through the university's regional business center and economic
7 gardening program.
8 (2) The university of northern Iowa shall do all of the
9 following:
10 (a) Direct expenditures for research toward projects that
11 will provide economic stimulus for Iowa.
12 (b) Provide emphasis to providing services to Iowa-based
13 companies.
14 f. As a condition of receiving moneys appropriated in
15 this subsection, an entity shall testify upon the request of
16 the joint appropriations subcommittee on economic development
17 regarding the expenditure of such moneys.
18 5. DEPARTMENT OF WORKFORCE DEVELOPMENT
19 To develop a long-term sustained program to train unemployed
20 and underemployed central Iowans with skills necessary to
21 advance to higher-paying jobs with full benefits:
22 ..... $ ~~50,000~~
23 100,000
24 a. The department of workforce development shall begin
25 a request for proposals process, issued for purposes of this
26 subsection, no later than September 1, 2014.
27 b. As a condition of receiving moneys appropriated under
28 this subsection, an entity shall testify upon the request of
29 the joint appropriations subcommittee on economic development
30 regarding the expenditure of such moneys.
31 Sec. 11. SMALL BUSINESS DEVELOPMENT CENTERS. There is
32 appropriated from the general fund of the state to Iowa state
33 university of science and technology for the fiscal year
34 beginning July 1, 2014, and ending June 30, 2015, the following
35 amount, or so much thereof as is necessary, to be used for the

DRAFT

purposes of funding small business development centers:
..... $ 101,000

Sec. 12. SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS INTERNSHIPS —— APPROPRIATION. There is appropriated from the general fund of the state to the Iowa economic development authority for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount, or so much thereof as is necessary, for the purposes designated:

For the funding of internships for students studying in the fields of science, technology, engineering, and mathematics with eligible Iowa employers as provided in section 15.411, subsection 3, paragraph "c", if enacted by 2014 Iowa Acts, House File 2329, 2014 Iowa Acts, Senate File 2324, or 2014 successor legislation:
..... $ 1,000,000

No more than 3 percent of the moneys appropriated pursuant to this section may be used by the authority for costs associated with administration of the internship program as amended by 2014 Iowa Acts, House File 2329, 2014 Iowa Acts, Senate File 2324, or 2014 successor legislation, if enacted. Notwithstanding section 8.33, moneys appropriated in this section which remain unencumbered or unobligated at the end of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated in subsequent fiscal years.

DIVISION II

WORKFORCE DEVELOPMENT FUND ACCOUNT CHANGES

Sec. 13. Section 15.342A, Code 2014, is amended to read as follows:

15.342A Workforce development fund account.

A workforce development fund account is established in the office of the treasurer of state under the control of the authority. The account shall receive funds pursuant to section 422.16A up to a maximum of ~~four~~ five million seven hundred fifty thousand dollars per year.

DRAFT

Sec. 14. Section 422.16A, Code 2014, is amended to read as follows:

422.16A Job training withholding — certification and transfer.

Upon the completion by a business of its repayment obligation for a training project funded under chapter 260E, including a job training project funded under section 15A.8 or repaid in whole or in part by the supplemental new jobs credit from withholding under section 15A.7 or section 15E.197, the sponsoring community college shall report to the economic development authority the amount of withholding paid by the business to the community college during the final twelve months of withholding payments. The economic development authority shall notify the department of revenue of that amount. The department shall credit to the workforce development fund account established in section 15.342A twenty-five percent of that amount each quarter for a period of ten years. If the amount of withholding from the business or employer is insufficient, the department shall prorate the quarterly amount credited to the workforce development fund account. The maximum amount from all employers which shall be transferred to the workforce development fund account in any year is ~~four~~ five million seven hundred fifty thousand dollars.

EXPLANATION

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

This bill relates to and makes appropriations and transfers from the general fund of the state and other funds to the department of cultural affairs, the economic development authority, the department of workforce development, the Iowa finance authority, and the public employment relations board for the 2014-2015 fiscal year. The bill is organized by divisions.

FY 2014-2015 APPROPRIATIONS. The bill appropriates moneys from the workforce development fund account to the workforce

development fund.

The bill appropriates moneys to the department of workforce development for an employee misclassification program.

The bill appropriates moneys from the special employment security contingency fund to the department of workforce development for field offices.

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

The bill appropriates moneys to Iowa state university of science and technology for small business development centers.

The bill appropriates moneys to the economic development authority for the funding of internships for students studying in the fields of science, technology, engineering, or mathematics.

The bill appropriates moneys from the Iowa skilled worker and job creation fund to the economic development authority, the state board of regents and regents institutions, and the department of workforce development.

WORKFORCE DEVELOPMENT FUND ACCOUNT CHANGES. The bill increases the amount that can be transferred from job training withholding payments into the workforce development fund account from $4 million to $5.75 million.

DRAFT