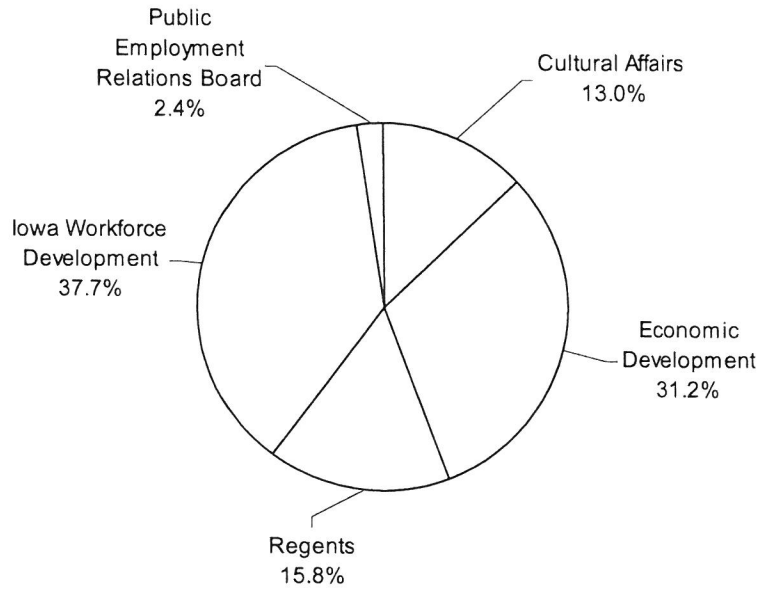


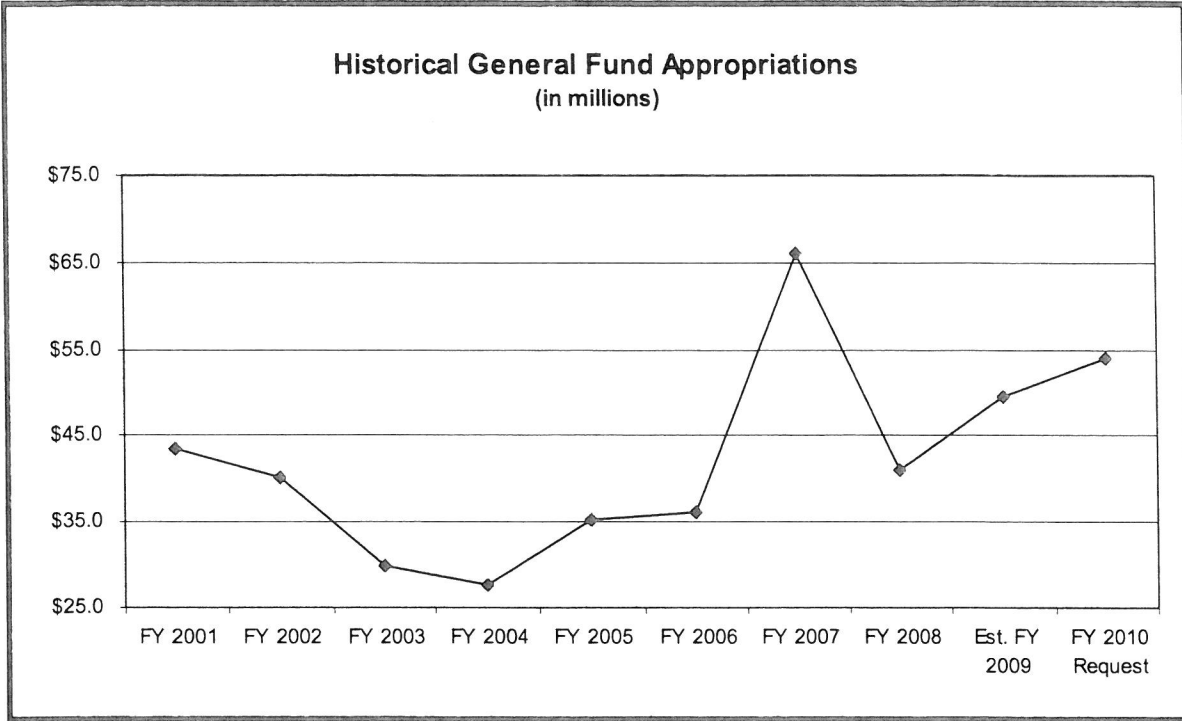
**ECONOMIC DEVELOPMENT APPROPRIATIONS
SUBCOMMITTEE**

FY 2010 General Fund Department Requests



FY 2010 General Fund Department Requests

Cultural Affairs	\$	7,011,062
Economic Development		16,857,739
Regents		8,532,904
Iowa Workforce Development		20,388,782
Public Employment Relations Board		1,271,841
	\$	<u>54,062,328</u>



FY 2010 DEPARTMENT REQUESTS

Department of Cultural Affairs

The Iowa Department of Cultural Affairs provides cultural leadership and direction for the State through the Iowa Arts Council and the State Historical Society of Iowa.

The Department is requesting FY 2010 General Fund appropriations totaling \$7.0 million. This is a decrease of \$20,000 compared to estimated FY 2008 to reflect one-time funding for the Iowa Cultural Caucus. The Caucus will not take place again until FY 2013.

General Fund Requests

	Estimated FY 2009	Dept Request FY 2010	Dept. Req. vs. Est. FY 2009
<u>Cultural Affairs, Dept. of</u>			
Administration Division	\$ 261,193	\$ 261,193	\$ 0
Community Cultural Grants	299,240	299,240	0
Historical Division	3,935,211	3,935,211	0
Historic Sites	594,853	594,853	0
Arts Division	1,260,842	1,260,842	0
Great Places	334,032	334,032	0
Archiving Former Governor's Papers	84,623	84,623	0
Records Center Rent	241,068	241,068	0
Iowa Cultural Caucus	20,000	0	-20,000
Total Cultural Affairs, Dept. of	\$ 7,031,062	\$ 7,011,062	\$ -20,000

Issues

Iowa Cultural Trust – At any time when the principal balance in the Iowa Cultural Trust Grant Account equals or exceeds \$3.0 million, the Board of Trustees of the Iowa Cultural Trust may use moneys for a Statewide educational program to promote participation in, expanded support of, and local endowment building for, Iowa nonprofit arts, history, and sciences and humanities organizations. The current balance in the Account, as of November 13, 2008, is \$4.3 million.

Department of Economic Development

The main products and services offered by the Iowa Department of Economic Development generally involve business development or community development. The types of products and services in both categories include the following:

- Marketing and promotion to encourage customers and partners to help achieve common development goals.
- Financial assistance to communities and businesses for specific development.
- Technical assistance to communities and community organizations and businesses.

The Department is requesting FY 2010 General Fund appropriations totaling \$16.9 million. This is a decrease of \$150,000 compared to estimated FY 2009 to reflect a one-time appropriation for the Center for Citizen Diplomacy. The Department is also requesting other fund appropriations totaling \$57.3 million for FY 2010. This is no change compared to estimated FY 2009.

General Fund Requests

	<u>Estimated FY 2009</u>	<u>Dept Request FY 2010</u>	<u>Dept. Req. vs. Est. FY 2009</u>
<u>Economic Development, Dept. of</u>			
Economic Dev. Administration	\$ 2,266,462	\$ 2,266,462	\$ 0
Business Development	6,754,868	6,754,868	0
Community Development Division	6,636,409	6,636,409	0
World Food Prize	1,000,000	1,000,000	0
Center for Citizen Diplomacy	150,000	0	-150,000
Historic Preservation Challenge Grants	200,000	200,000	0
Total Economic Development, Dept. of	\$ 17,007,739	\$ 16,857,739	\$ -150,000

Other Fund Requests

	<u>Estimated FY 2009</u>	<u>Dept Request FY 2010</u>	<u>Dept. Req. vs. Est. FY 2009</u>
<u>Economic Development, Dept. of</u>			
River Enhan. Comm. Attract. & Tourism-FES	\$ 2,000,000	\$ 2,000,000	\$ 0
Comm. Microenterprise Dev. Grants-FES	475,000	475,000	0
Sustainable Community Development-GIVF	500,000	500,000	0
Councils of Government (COGs - GIVF Int)	160,000	160,000	0
Workforce Development Fund	4,000,000	4,000,000	0

Economic Development Appropriations Subcommittee

	Estimated FY 2009	Dept Request FY 2010	Dept. Req. vs. Est. FY 2009
<u>Economic Development, Dept. of, cont.</u>			
Renewable Fuels Infrastructure-GIVF	2,000,000	2,000,000	0
DED Programs-GIVF	30,000,000	30,000,000	0
Regents Institutions-GIVF	5,000,000	5,000,000	0
State Parks-GIVF	1,000,000	1,000,000	0
Cultural Trust Fund-GIVF	1,000,000	1,000,000	0
Workforce and Econ. Dev.-GIVF	7,000,000	7,000,000	0
Regional Financial Assistance-GIVF	1,000,000	1,000,000	0
Iowa Comm Volunteer Ser.-HITT	125,000	125,000	0
Innovation & Commercialization-GIVF	3,000,000	3,000,000	0
Total Economic Development, Dept. of	\$ 57,260,000	\$ 57,260,000	\$ 0

Issues

Vision Iowa and Community Attraction and Tourism – The Subcommittee may want to review the operation, administration, and current status of the Vision Iowa and Community Attraction and Tourism Programs. The Programs were created to provide financial assistance to communities for the construction of recreational, cultural, educational, or entertainment facilities that enhance the quality of life in Iowa. The projects have taken place in 92 counties and 215 communities. A total of 318 projects have been funded as of November 12, 2008, and \$336.4 million has been invested in projects totaling \$1.784 billion. The Programs have funded approximately 18.9% of the total project costs.

Targeted Small Business (TSB) Funding – The Subcommittee may want to review the historic funding for TSB programs. House File 890 (Targeted Small Business FY 2007 Supplemental Appropriations Act) made General Fund appropriations totaling \$4.0 million for efforts to support the Targeted Small Business (TSB) Taskforce Recommendations. The funding was allocated as follows:

- \$900,000 to the Department of Economic Development (DED) for the establishment of TSB advocate service providers.
- \$2.5 million to the DED for deposit in the TSB Financial Assistance Program Account of the Strategic Investment Fund.
- \$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.
- \$225,000 to the DED for process improvement and administrative costs related to the TSB Financial Assistance Program and the Iowa TSB Procurement Act.
- \$150,000 and 1.0 FTE position to the Department of Inspections and Appeals (DIA) for a dedicated TSB Certification Employee.

Approximately half of the appropriations are being used during FY 2009 and all of the appropriations will be exhausted by the end of FY 2009.

Board of Regents

The Economic Development Appropriations Subcommittee appropriates funds to the Board of Regents universities for the following purposes:

- University of Iowa (SUI) Economic Development appropriation includes Advanced Drug Development, Oakdale Research Park, and the Technology Innovation Center.
- Iowa State University (ISU) Economic Development appropriation includes the Institute for Physical Research and Technology, Small Business Development Centers, and the ISU Research Park.
- University of Northern Iowa (UNI) Economic Development appropriation includes the Institute for Decision Making, Metal Casting Center, and MyEntrenet.

The Board is requesting FY 2010 General Fund appropriations totaling \$8.5 million. This is an increase of \$4.7 million compared to estimated FY 2009.

General Fund Requests

	<u>Estimated FY 2009</u>	<u>Dept Request FY 2010</u>	<u>Dept. Req. vs. Est. FY 2009</u>
<u>Regents, Board of</u>			
ISU - Economic Development	\$ 3,019,446	\$ 0	\$ -3,019,446
SUI - Economic Development	271,181	0	-271,181
UNI - Economic Development	592,277	0	-592,277
BOR Economic Development	0	8,532,904	8,532,904
Total Regents, Board of	\$ 3,882,904	\$ 8,532,904	\$ 4,650,000

The increase of \$4.7 million is to expand direct service to Iowa entrepreneurs through the Small Business Development Centers; increase the number of projects the Institute for Physical Research and Technology supports; assist start-up companies through the Oakdale Research Park and Technology Innovation Center to commercialize technology discoveries; and increase job creation and retention in rural communities through the Institute for Decision Making.

- Iowa State University – \$6.6 million
- University of Iowa – \$596,000
- University of Northern Iowa – \$1.3 million

Iowa Workforce Development

The Department of Iowa Workforce Development (IWD) strives to improve the income, productivity, and safety of all Iowans. In conjunction with State and local economic development efforts, the IWD also assists businesses in fulfilling workforce needs. The IWD major products and services include:

- Workforce Center Services
- Compliance Assistance and Enforcement
- Unemployment Insurance
- Workforce Information and Analysis
- Adjudication, Compliance, and Education
- Resource Management

The IWD is requesting FY 2010 General Fund appropriations totaling \$20.4 million. This is no change compared to estimated FY 2009. The IWD is also requesting other fund appropriations totaling \$7.0 million for FY 2010. This is no change compared to estimated FY 2009.

General Fund Requests

	<u>Estimated FY 2009</u>	<u>Dept Request FY 2010</u>	<u>Dept. Req. vs. Est. FY 2009</u>
<u>Iowa Workforce Development</u>			
IWD Workers Comp Operations (GF)	\$ 2,943,474	\$ 2,943,474	\$ 0
IWD General Fund - Operations	3,930,817	3,930,817	0
Workforce Development Field Offices	12,624,491	12,624,491	0
Integrated Basic Ed. & Skills Training	500,000	500,000	0
Security Employee Training Program	15,000	15,000	0
Offender Reentry Program	375,000	375,000	0
Total Iowa Workforce Development	\$ 20,388,782	\$ 20,388,782	\$ 0

Other Fund Requests

	<u>Estimated FY 2009</u>	<u>Dept Request FY 2010</u>	<u>Dept. Req. vs. Est. FY 2009</u>
<u>Iowa Workforce Development</u>			
Workers' Comp. Div.-Sp. Cont. Fund	\$ 471,000	\$ 471,000	\$ 0
IWD Field Offices (UI Reserve Interest)	6,500,000	6,500,000	0
Total Iowa Workforce Development	\$ 6,971,000	\$ 6,971,000	\$ 0

Issues

Workforce Development Field Offices Funding – The Subcommittee may want to review the funding streams for the Workforce Development Field Offices. The total estimated FY 2009 appropriation, and the FY 2010 department request, is \$19.1 million, with \$12.6 million appropriated from the General Fund and \$6.5 million from interest on the Unemployment Compensation Reserve Fund. The current balance in the fund is approximately \$149.6 million. The current projections indicate that the payment of benefits will not require the use of the Reserve Fund balance. The estimated FY 2009 interest revenue on the balance is \$5.5 million and the estimate for FY 2010 is \$5.0 million. If the annual appropriation of \$6.5 million continues each year, interest rates do not change substantially, and the balance in the fund is not needed to pay benefits, the IWD estimates the interest revenue balance in the fund will be \$7.4 million at the close of FY 2009 and \$5.8 million at the close of FY 2010. Therefore, the interest revenue balance in the fund will continue to be depleted at the rate of approximately \$1.6 million annually.

Public Employment Relations Board

The Public Employment Relations Board (PERB) is responsible for implementing the provisions of the Public Employment Relations Act (PERA), and for adjudicating and conciliating labor/management disputes involving public employers and employee organizations throughout the State.

The Board is requesting an FY 2010 General Fund appropriation of \$1.3 million. This is no change compared to estimated FY 2009.

General Fund Requests

	<u>Estimated FY 2009</u>	<u>Dept Request FY 2010</u>	<u>Dept. Req. vs. Est. FY 2009</u>
<u>Public Employment Relations Board</u>			
PER Board - General Office	\$ 1,271,841	\$ 1,271,841	\$ 0
Total Public Employment Relations Board	<u>\$ 1,271,841</u>	<u>\$ 1,271,841</u>	<u>\$ 0</u>

INTERIM COMMITTEES, MEETINGS, AND PUBLICATIONS

LSA Publications

The following *Fiscal Topics* related to the Economic Development Appropriations Subcommittee have been issued by the LSA:

- Iowa’s Gross State Product
- Workforce Development Training Programs

Staff Contact: Ron Robinson (1-6256)

Economic Development

General Fund

	Actual FY 2008 (1)	Estimated FY 2009 (2)	Dept Request FY 2010 (3)	Dept. Req. vs. Est. FY 2009 (4)
Cultural Affairs, Dept. of				
Cultural Affairs, Dept. of				
Administration Division	\$ 255,418	\$ 261,193	\$ 261,193	\$ 0
Community Cultural Grants	299,240	299,240	299,240	0
Historical Division	3,763,782	3,935,211	3,935,211	0
Historic Sites	576,395	594,853	594,853	0
Arts Division	1,246,392	1,260,842	1,260,842	0
Great Places	322,231	334,032	334,032	0
Archiving Former Governor's Papers	82,171	84,623	84,623	0
Records Center Rent	185,768	241,068	241,068	0
Iowa Cultural Caucus	0	20,000	0	-20,000
Total Cultural Affairs, Dept. of	\$ 6,731,397	\$ 7,031,062	\$ 7,011,062	\$ -20,000
Economic Development, Dept. of				
Economic Development, Dept. of				
Economic Dev. Administration	\$ 2,125,661	\$ 2,266,462	\$ 2,266,462	\$ 0
Business Development	6,611,964	6,754,868	6,754,868	0
Community Development Division	6,448,716	6,636,409	6,636,409	0
World Food Prize	450,000	1,000,000	1,000,000	0
Endow Iowa Grants	50,000	0	0	0
Center for Citizen Diplomacy	0	150,000	0	-150,000
Historic Preservation Challenge Grants	0	200,000	200,000	0
Total Economic Development, Dept. of	\$ 15,686,341	\$ 17,007,739	\$ 16,857,739	\$ -150,000
Iowa Finance Authority				
Iowa Finance Authority				
Entrepreneurs with Disabilities	\$ 200,000	\$ 0	\$ 0	\$ 0
Total Iowa Finance Authority	\$ 200,000	\$ 0	\$ 0	\$ 0
Iowa Workforce Development				
Iowa Workforce Development				
IWD Workers Comp Operations (GF)	\$ 0	\$ 2,943,474	\$ 2,943,474	\$ 0
IWD General Fund - Operations	6,341,284	3,930,817	3,930,817	0
Workforce Development Field Offices	7,216,792	12,624,491	12,624,491	0
Integrated Basic Ed. & Skills Training	0	500,000	500,000	0
Security Employee Training Program	0	15,000	15,000	0
Offender Reentry Program	0	375,000	375,000	0
Total Iowa Workforce Development	\$ 13,558,076	\$ 20,388,782	\$ 20,388,782	\$ 0

Economic Development General Fund

	Actual FY 2008 (1)	Estimated FY 2009 (2)	Dept Request FY 2010 (3)	Dept. Req. vs. Est. FY 2009 (4)
Public Employment Relations Board				
Public Employment Relations PER Board - General Office	\$ 1,233,283	\$ 1,271,841	\$ 1,271,841	\$ 0
Total Public Employment Relations Board	\$ 1,233,283	\$ 1,271,841	\$ 1,271,841	\$ 0
Regents, Board of				
Regents, Board of				
ISU - Economic Development	\$ 2,789,625	\$ 3,019,446	\$ 0	\$ -3,019,446
SUI - Economic Development	259,206	271,181	0	-271,181
UNI - Economic Development	578,608	592,277	0	-592,277
BOR Economic Development	0	0	8,532,904	8,532,904
Total Regents, Board of	\$ 3,627,439	\$ 3,882,904	\$ 8,532,904	\$ 4,650,000
Total Economic Development	\$ 41,036,536	\$ 49,582,328	\$ 54,062,328	\$ 4,480,000

Economic Development Other Funds

	Actual FY 2008 (1)	Estimated FY 2009 (2)	Dept Request FY 2010 (3)	Dept. Req. vs. Est. FY 2009 (4)
Economic Development, Dept. of				
Economic Development, Dept. of				
River Enhanc. Comm. Attract. & Tourism-FES	\$ 0	\$ 2,000,000	\$ 2,000,000	\$ 0
Comm. Microenterprise Dev. Grants-FES	0	475,000	475,000	0
Sustainable Community Development-GIVF	0	500,000	500,000	0
Councils of Government (COGs - GIVF Int)	0	160,000	160,000	0
Workforce Development Fund	4,000,000	4,000,000	4,000,000	0
Renewable Fuels Infrastructure-GIVF	2,000,000	2,000,000	2,000,000	0
Renewable Fuels Infrastructure-UST	3,500,000	0	0	0
DED Programs-GIVF	30,000,000	30,000,000	30,000,000	0
Regents Institutions-GIVF	5,000,000	5,000,000	5,000,000	0
State Parks-GIVF	1,000,000	1,000,000	1,000,000	0
Cultural Trust Fund-GIVF	1,000,000	1,000,000	1,000,000	0
Workforce and Econ. Dev.-GIVF	7,000,000	7,000,000	7,000,000	0
Regional Financial Assistance-GIVF	1,000,000	1,000,000	1,000,000	0
Iowa Comm Volunteer Ser.-HITT	125,000	125,000	125,000	0
Innovation & Commercialization-GIVF	3,000,000	3,000,000	3,000,000	0
Total Economic Development, Dept. of	\$ 57,625,000	\$ 57,260,000	\$ 57,260,000	\$ 0
Iowa Workforce Development				
Iowa Workforce Development				
Workers' Comp. Div.-Sp. Cont. Fund	\$ 471,000	\$ 471,000	\$ 471,000	\$ 0
IWD Field Offices (UI Reserve Interest)	5,800,000	6,500,000	6,500,000	0
Total Iowa Workforce Development	\$ 6,271,000	\$ 6,971,000	\$ 6,971,000	\$ 0
Total Economic Development	\$ 63,896,000	\$ 64,231,000	\$ 64,231,000	\$ 0

Economic Development

General Fund

	Actual FY 2008 (1)	Estimated FY 2009 (2)	ATB Reduction FY 2009 (3)	Est. Net FY 2009 (4)	Dept Request FY 2010 (5)
Cultural Affairs, Dept. of					
Cultural Affairs, Dept. of					
Administration Division	\$ 255,418	\$ 261,193	\$ -3,919	\$ 257,274	\$ 261,193
Community Cultural Grants	299,240	299,240	0	299,240	299,240
Historical Division	3,763,782	3,935,211	-59,029	3,876,182	3,935,211
Historic Sites	576,395	594,853	-8,923	585,930	594,853
Arts Division	1,246,392	1,260,842	-18,913	1,241,929	1,260,842
Great Places	322,231	334,032	-5,228	328,804	334,032
Archiving Former Governor's Papers	82,171	84,623	-1,269	83,354	84,623
Records Center Rent	185,768	241,068	-3,616	237,452	241,068
Hist. Resource Dev. Emerg. Grants	0	0	-1,470	-1,470	0
Cultural Grants	0	0	-674	-674	0
Iowa Cultural Caucus	0	20,000	-300	19,700	0
Total Cultural Affairs, Dept. of	\$ 6,731,397	\$ 7,031,062	\$ -103,341	\$ 6,927,721	\$ 7,011,062
Economic Development, Dept. of					
Economic Development, Dept. of					
Economic Dev. Administration	\$ 2,125,661	\$ 2,266,462	\$ -33,997	\$ 2,232,465	\$ 2,266,462
Business Development	6,611,964	6,754,868	-105,200	6,649,668	6,754,868
Community Development Division	6,448,716	6,636,409	-130,141	6,506,268	6,636,409
World Food Prize	450,000	1,000,000	0	1,000,000	1,000,000
Endow Iowa Grants	50,000	0	0	0	0
TSB Marketing and Compliance	0	0	-2,173	-2,173	0
TSB Process Improvement & Admin.	0	0	-3,374	-3,374	0
TSB Advocacy Centers	0	0	-13,104	-13,104	0
Center for Citizen Diplomacy	0	150,000	-2,250	147,750	0
Historic Preservation Challenge Grants	0	200,000	-3,000	197,000	200,000
Total Economic Development, Dept. of	\$ 15,686,341	\$ 17,007,739	\$ -293,239	\$ 16,714,500	\$ 16,857,739
Iowa Finance Authority					
Iowa Finance Authority					
Entrepreneurs with Disabilities	\$ 200,000	\$ 0	\$ 0	\$ 0	\$ 0
Total Iowa Finance Authority	\$ 200,000	\$ 0	\$ 0	\$ 0	\$ 0

Economic Development

General Fund

	Actual FY 2008 (1)	Estimated FY 2009 (2)	ATB Reduction FY 2009 (3)	Est. Net FY 2009 (4)	Dept Request FY 2010 (5)
<u>Iowa Workforce Development</u>					
<u>Iowa Workforce Development</u>					
IWD Workers Comp Operations (GF)	0	2,943,474	\$ -44,152	\$ 2,899,322	\$ 2,943,474
IWD General Fund - Operations	6,341,284	3,930,817	-65,735	3,865,082	3,930,817
Workforce Development Field Offices	7,216,792	12,624,491	-189,367	12,435,124	12,624,491
Integrated Basic Ed. & Skills Training	0	500,000	-7,500	492,500	500,000
Security Employee Training Program	0	15,000	-225	14,775	15,000
Offender Reentry Program	0	375,000	-5,625	369,375	375,000
Total Iowa Workforce Development	\$ 13,558,076	\$ 20,388,782	\$ -312,604	\$ 20,076,178	\$ 20,388,782
<u>Public Employment Relations Board</u>					
<u>Public Employment Relations</u>					
PER Board - General Office	1,233,283	1,271,841	\$ -19,098	\$ 1,252,743	\$ 1,271,841
Total Public Employment Relations Board	\$ 1,233,283	\$ 1,271,841	\$ -19,098	\$ 1,252,743	\$ 1,271,841
<u>Regents, Board of</u>					
<u>Regents, Board of</u>					
ISU - Economic Development	2,789,625	3,019,446	\$ -45,292	\$ 2,974,154	\$ 0
SUI - Economic Development	259,206	271,181	-4,068	267,113	0
UNI - Economic Development	578,608	592,277	-8,884	583,393	0
BOR Economic Development	0	0	0	0	8,532,904
Total Regents, Board of	\$ 3,627,439	\$ 3,882,904	\$ -58,244	\$ 3,824,660	\$ 8,532,904
Total Economic Development	\$ 41,036,536	\$ 49,582,328	\$ -786,526	\$ 48,795,802	\$ 54,062,328