

CHAPTER 1002

**WORKFORCE AND ECONOMIC DEVELOPMENT APPROPRIATIONS
AND RELATED CHANGES**

S.F. 2311

AN ACT relating to appropriations for economic development purposes, workforce development field offices, workforce training and economic development funds of community colleges, and including effective date and retroactive applicability provisions.

Be It Enacted by the General Assembly of the State of Iowa:

**DIVISION I
APPROPRIATION RELATED**

Section 1. **CONTRACT OR APPROVED PROJECT OR ACTIVITY VALIDATION.** Any contract or approved project or activity originally funded or intended to be funded in whole or in part with moneys from the grow Iowa values fund, and entered into or approved by the department of economic development or the grow Iowa values board after June 30, 2003, and before June 16, 2004, in reliance on the publication of law implementing the grow Iowa values fund in the 2003 Code Supplement and 2003 Iowa Acts, is valid and enforceable to the full extent of the law. The Iowa supreme court decision in *Rants and Iverson v. Vilsack*, No. 60/03-1948, June 16, 2004, and the provisions of this Act shall not in themselves constitute grounds for rescission or modification of such contracts or approved projects or activities. This Act provides appropriations to fund these contracts or approved projects or activities.

Sec. 2. **ECONOMIC DEVELOPMENT APPROPRIATIONS.**

1. There is appropriated from the fund created in subsection 2, to the following designated entities and funds for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

a. (1) To the department of economic development for marketing strategies for the state:
..... \$ 6,782,949

(2) Of the amount appropriated in subparagraph (1), \$6,771,417 shall be expended pursuant to contracts or approved projects or activities validated in this division of this Act.

b. (1) To the department of economic development for financial assistance and incentives to businesses under programs currently existing which are administered by the department:
..... \$ 61,045,652

(2) Of the amount appropriated in subparagraph (1), \$36,915,343 shall be expended pursuant to contracts or approved projects or activities validated in this division of this Act.

(3) In addition to the amount appropriated in subparagraph (1), \$700,000 of any interest or earnings on moneys in the fund created in subsection 2 which are credited to the fund shall be appropriated to the department for the purposes specified in subparagraph (1).

c. To the department of economic development for providing financial assistance for projects in targeted state parks and destination parks pursuant to contracts or approved projects or activities validated in this division of this Act:
..... \$ 475,806

d. (1) For deposit in the loan and credit guarantee fund created in section 15E.227:
..... \$ 5,728,402

(2) Of the amount appropriated in subparagraph (1), \$1,785 shall be expended pursuant to contracts or approved projects or activities validated in this division of this Act.

e. To the department of economic development for financial assistance for institutions of higher learning under the control of the board of regents and for accredited private institutions pursuant to contracts or approved projects or activities validated in this division of this Act:
..... \$ 10,058,162

f. (1) To the department of economic development for deposit into the workforce training and economic development funds of the community colleges pursuant to section 260C.18A:

..... \$ 3,848,668

(2) Of the amount appropriated in subparagraph (1), \$742,608 shall be expended pursuant to contracts or approved projects or activities validated in this division of this Act.

g. To the department of economic development for deposit into the workforce training and economic development funds of the community colleges created in section 260C.18A for purposes of the job retention program pursuant to section 260F.9:

..... \$ 1,000,000

h. To the department of economic development for endow Iowa grants to lead philanthropic entities pursuant to section 15E.304:

..... \$ 155,303

i. To the department of economic development for deposit into the general fund of the state for lost revenue due to endow Iowa tax credits granted pursuant to section 15E.305:

..... \$ 155,303

j. For deposit into the cash reserve fund to replace claims paid from the general fund of the state by the state appeal board as affirmed in section 3 of this division of this Act:

..... \$ 10,749,754

2. A federal economic stimulus and jobs holding fund is created in the state treasury under the control of the department of management consisting of moneys received from the federal government for state and local government fiscal relief under the federal Jobs and Growth Tax Relief Reconciliation Act of 2003. Notwithstanding section 12C.7, interest or earnings on moneys in the fund shall be credited to the fund. Moneys appropriated from the fund in this section shall be expended as provided in the federal law making the moneys available and in conformance with chapter 17A.

3. Notwithstanding section 8.33, moneys that remain unexpended at the end of a fiscal year shall not revert to any fund but shall remain available for expenditure for the designated purposes during the succeeding fiscal year.

Sec. 3. PAYMENT OF CLAIMS. The general assembly affirms the action by the state appeal board on August 27, 2004, approving payment of claims against the state for moneys appropriated from the grow Iowa values fund and obligated prior to the Iowa supreme court decision of Rants and Iverson v. Vilsack, No. 60/03-1948, June 16, 2004, that invalidated the proper enactment of the appropriations.

Sec. 4. REPEAL. 2003 Iowa Acts, First Extraordinary Session, chapter 2, sections 65 through 75, are repealed.

Sec. 5. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES. This division of this Act, being deemed of immediate importance, takes effect upon enactment and applies retroactively to July 1, 2003.

DIVISION II
WORKFORCE DEVELOPMENT FIELD OFFICES
APPROPRIATIONS

Sec. 6. NEW SECTION. 96.7A APPROPRIATIONS FOR WORKFORCE DEVELOPMENT FIELD OFFICES.

There is appropriated from the general fund of the state to the department of workforce development for the fiscal period beginning July 1, 2004, and ending June 30, 2007, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

For workforce development field offices, including salaries, support, maintenance, conducting labor market surveys, and miscellaneous purposes:

1. FY 2004-2005 \$ 6,525,000

2. FY 2005-2006	\$	6,525,000
3. FY 2006-2007	\$	3,262,500

Notwithstanding section 8.33, moneys that remain unexpended at the end of the fiscal year shall not revert but shall remain available for expenditure for the designated purposes during the succeeding fiscal year.

Sec. 7. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION III WORKFORCE TRAINING AND ECONOMIC DEVELOPMENT FUNDS

Sec. 8. Section 260C.18A, subsection 2, unnumbered paragraph 1, Code Supplement 2003, as amended by 2004 Iowa Acts, Senate File 2298,¹ section 370, is amended to read as follows:

~~On July 1 of each year for the fiscal year beginning July 1, 2003, and for every fiscal year thereafter, moneys from the grow Iowa values fund created in section 15G.108 are appropriated to the department of economic development for deposit in the workforce training and economic development funds in amounts determined pursuant to subsection 4. Moneys deposited in the funds and disbursed to community colleges for a fiscal year shall be expended for the following purposes, provided seventy percent of the moneys shall be used on projects in the areas of advanced manufacturing, information technology and insurance, and life sciences which include the areas of biotechnology, health care technology, and nursing care technology:~~

Sec. 9. Section 260C.18A, subsections 3, 4, and 7, Code Supplement 2003, as amended by 2004 Iowa Acts, Senate File 2298,² section 330, are amended by striking the subsections.

Sec. 10. Section 260C.18A, subsection 6, paragraph d, Code Supplement 2003, is amended to read as follows:

~~d. Annually submit the two-year plan and progress report to the department of economic development in a manner prescribed by rules adopted by the department pursuant to chapter 17A and annually file a copy of the plan and progress report with the grow Iowa values board. For the fiscal year beginning July 1, 2004, and each fiscal year thereafter, a community college shall not have moneys deposited in the workforce training and economic development fund of that community college unless the grow Iowa values board approves the annual progress report of the community college.~~

Sec. 11. Section 260C.18A, subsection 8, as enacted by 2004 Iowa Acts, Senate File 2298,³ section 331, is amended by striking the subsection.

Sec. 12. Section 260C.18A, Code Supplement 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 9. This section is repealed effective June 30, 2010.

Sec. 13. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES. This division of this Act, being deemed of immediate importance, takes effect upon enactment and applies retroactively to June 30, 2004.

Approved September 7, 2004

¹ 2004 Iowa Acts, Regular Session, chapter 1175 herein

² 2004 Iowa Acts, Regular Session, chapter 1175 herein

³ 2004 Iowa Acts, Regular Session, chapter 1175 herein