

of Administrative Services (DAS) to implement a policy that will require every executive department of the Culver-Judge Administration to institute cost-effective and transparent practices that will track reimbursements paid to state employees for meals, travel and other work-related costs.

I disapprove the item designated as Section 23 of this bill in its entirety. Section 23 delays the implementation date of the requirement to begin having septic tanks inspected at the time of property transfer from July 1, 2009 to July 1, 2010. With over 550 unsewered communities and over 100,000 leaking and/or malfunctioning septic systems in Iowa, this language is inconsistent with the objective of Senate File 261⁵ that I signed last year to protect and improve water quality and to assure home buyers that they are purchasing a property that has a functioning septic tank. Importantly, we now have funds available through the IJOBS Program that I proposed for helping unsewered communities, and as July 1, 2009, over 200 inspectors will be certified to inspect septic tanks.

For the above reasons, I respectfully disapprove the designated items in accordance with Article III, Section 16 of the Constitution of the State of Iowa. All other items in Senate File 467 are hereby approved this date.

Sincerely,
CHESTER J. CULVER, Governor

CHAPTER 176

APPROPRIATIONS — ECONOMIC DEVELOPMENT

S.F. 469

AN ACT relating to and making appropriations to the department of cultural affairs, the department of economic development, certain board of regents institutions, the department of workforce development, and the public employment relations board, and related matters.

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

Section 1. DEPARTMENT OF CULTURAL AFFAIRS. There is appropriated from the general fund of the state to the department of cultural affairs for the fiscal year beginning July 1, 2009, and ending June 30, 2010, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADMINISTRATION

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

.....	\$	235,632
.....	FTEs	82.77

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

Full-time equivalent positions authorized under this subsection shall be funded, in full or in part, using moneys appropriated under this subsection and subsections 3 through 7.

⁵ 2008 Iowa Acts, chapter 1033

2. COMMUNITY CULTURAL GRANTS

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

..... \$ 279,159

3. HISTORICAL DIVISION

For the support of the historical division:

..... \$ 3,550,119

From the moneys appropriated under this subsection, the department shall use \$50,000 for purposes of planning commemoration activities for the sesquicentennial anniversary of the civil war and Iowa's participation in the civil war. Such activities may include activities in Iowa, activities through partnerships with other states, and activities on a national level.

4. HISTORIC SITES

For the administration and support of historic sites:

..... \$ 547,845

5. ARTS DIVISION

For the support of the arts division:

..... \$ 1,137,458

6. GREAT PLACES

For the great places program:

..... \$ 248,060

7. ARCHIVE IOWA GOVERNORS' RECORDS

For archiving the records of Iowa governors:

..... \$ 77,936

8. RECORDS CENTER RENT

For payment of rent for the state records center:

..... \$ 222,018

Sec. 2. GOALS AND ACCOUNTABILITY — ECONOMIC DEVELOPMENT.

1. For the fiscal year beginning July 1, 2009, the goals for the department of economic development shall be to expand and stimulate the state economy, increase the wealth of Iowans, and increase the population of the state.

2. To achieve the goals in subsection 1, the department of economic development shall do all of the following for the fiscal year beginning July 1, 2009:

- a. Concentrate its efforts on programs and activities that result in commercially viable products and services.
- b. Adopt practices and services consistent with free market, private sector philosophies.
- c. Ensure economic growth and development throughout the state.

Sec. 3. DEPARTMENT OF ECONOMIC DEVELOPMENT. There is appropriated from the general fund of the state to the department of economic development for the fiscal year beginning July 1, 2009, and ending June 30, 2010, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADMINISTRATION DIVISION

a. General administration

For salaries, support, maintenance, miscellaneous purposes, and programs; for transfer to the Iowa state commission grant program; and for not more than the following full-time equivalent positions for the department's three divisions:

..... \$ 2,044,671

..... FTEs 149.00

b. The department shall work with businesses and communities to continually improve the economic development climate along with the economic well-being and quality of life for Iowans. The administration division shall coordinate with other state agencies to ensure that all state departments are attentive to the needs of an entrepreneurial culture.

c. Full-time equivalent positions authorized under this subsection shall be funded, in full or

in part, using moneys appropriated under this subsection and subsections 2 and 3 and by certain federal moneys or other moneys received by the department.

d. 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.

2. BUSINESS DEVELOPMENT DIVISION

a. Business development operations

For business development operations and programs, the film office, international trade, export assistance, workforce recruitment, and the partner state program; for transfer to the strategic investment fund; for transfer to the value-added agricultural products and processes financial assistance fund, if 2009 Iowa Acts, Senate File 344,¹ is not enacted; for transfer to the grow Iowa values fund, if 2009 Iowa Acts, Senate File 344² is enacted; and for the support of the business development division:

..... \$ 5,965,227

The department shall utilize 1.0 of the full-time equivalent positions authorized under subsection 1 for marketing and compliance activities of the targeted small business program.

b. The department shall establish a strong and aggressive marketing image to showcase Iowa's workforce, existing industry, and potential. A priority shall be placed on recruiting new businesses, business expansion, and retaining existing Iowa businesses. Emphasis shall also be placed on entrepreneurial development through helping to secure capital for entrepreneurs, and developing networks and a business climate conducive to entrepreneurs and small business.

c. A business creating jobs with economic development assistance through moneys appropriated in this subsection shall be subject to contract provisions stating that new and retained jobs shall 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. Any vendor who receives such public moneys 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. A business that receives financial assistance from the department from moneys appropriated in this bill shall only employ individuals legally authorized to work in this state. In addition to any and all other applicable penalties provided by current law, all or a portion of the assistance received by a business which has received financial assistance and is found to knowingly employ individuals not legally authorized to work in this state is subject to recapture by the department.

d. From the moneys appropriated in this subsection, the department 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.

e. From the moneys appropriated in this subsection, the department may provide financial assistance to early-stage industry companies being established by women entrepreneurs.

f. From the moneys appropriated in this subsection, the department may provide financial assistance in the form of grants, loans, or forgivable loans for advanced research and commercialization projects involving value-added agriculture, advanced technology, or biotechnology.

g. 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.

3. COMMUNITY DEVELOPMENT DIVISION

a. Community development programs

For support, maintenance, miscellaneous purposes, community economic development programs, tourism operations, community assistance, plans for Iowa green corps and summer

¹ Chapter 123 herein

² Chapter 123 herein

youth programs, the mainstreet and rural mainstreet programs, the school-to-career program, the community development block grant, and housing and shelter-related programs:

..... \$ 5,833,379

b. The department shall encourage development of communities and quality of life to foster economic growth. The department shall prepare communities for future growth and development through development, expansion, and modernization of infrastructure.

c. The department shall develop public-private partnerships with Iowa businesses in the tourism industry, Iowa tour groups, Iowa tourism organizations, and political subdivisions in this state to assist in the development of advertising efforts. The department shall, to the fullest extent possible, develop cooperative efforts for advertising with contributions from other sources.

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

4. For allocating moneys for the world food prize and notwithstanding section 15.368, subsection 1:

..... \$ 750,000

5. For use as matching funds for the United States department of housing and urban development's main street challenge grants for historic building preservation:

..... \$ 184,195

6. For allocation to the Iowa commission on volunteer service for the Iowa's promise and mentoring partnership program and for not more than the following full-time equivalent positions:

..... \$ 125,000
..... FTEs 1.00

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.

Sec. 4. VISION IOWA PROGRAM — FTE AUTHORIZATION. For purposes of administrative duties associated with the vision Iowa program, the department of economic development is authorized an additional 2.25 full-time equivalent positions above those otherwise authorized in this Act.

Sec. 5. COUNCILS OF GOVERNMENTS. There is appropriated from the federal economic stimulus and jobs holding account to the department of economic development for the fiscal year beginning July 1, 2009, and ending June 30, 2010, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For providing financial assistance to Iowa's councils of governments that provide technical and planning assistance to local governments:

..... \$ 144,000

Sec. 6. INSURANCE ECONOMIC DEVELOPMENT. From the moneys collected by the division of insurance in excess of the anticipated gross revenues under section 505.7, subsection 3, during the fiscal year beginning July 1, 2009, \$100,000 shall be transferred to the department of economic development for insurance economic development and international insurance economic development.

Sec. 7. COMMUNITY DEVELOPMENT LOAN FUND. Notwithstanding section 15E.120, subsection 5, there is appropriated from the Iowa community development loan fund all the moneys available during the fiscal year beginning July 1, 2009, and ending June 30, 2010, to the department of economic development for the community development program to be used by the department for the purposes of the program.

Sec. 8. 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, 2009, and ending June 30, 2010, the following amount, for the purposes of the workforce development fund, and for not more than the following full-time equivalent positions:

.....	\$	4,000,000
.....	FTEs	4.00

Sec. 9. WORKFORCE DEVELOPMENT ADMINISTRATION. From funds appropriated or transferred to or receipts credited to the workforce development fund created in section 15.343, up to \$400,000 for the fiscal year beginning July 1, 2009, and ending June 30, 2010, may be used for the administration of workforce development activities including salaries, support, maintenance, and miscellaneous purposes, and for not more than 4.00 full-time equivalent positions.

Sec. 10. JOB TRAINING FUND. Notwithstanding section 15.251, all remaining moneys in the job training fund on July 1, 2009, and any moneys appropriated or credited to the fund during the fiscal year beginning July 1, 2009, shall be transferred to the workforce development fund established pursuant to section 15.343.

Sec. 11. IOWA STATE UNIVERSITY.

1. There is appropriated from the general fund of the state to Iowa state university of science and technology for the fiscal year beginning July 1, 2009, and ending June 30, 2010, the following amount, or so much thereof as is necessary, to be used 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:

.....	\$	2,751,092
.....	FTEs	56.63

2. Of the moneys appropriated in subsection 1, Iowa state university of science and technology shall allocate at least \$976,234 for purposes of funding small business development centers. Iowa state university of science and technology may allocate moneys appropriated in subsection 1 to the various small business development centers in any manner necessary to achieve the purposes of this subsection.

3. 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.

4. 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 6, 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 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.

Notwithstanding section 8.33, moneys appropriated in this section that remain unencum-

bered 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. 12. UNIVERSITY OF IOWA.

1. There is appropriated from the general fund of the state to the state university of Iowa for the fiscal year beginning July 1, 2009, and ending June 30, 2010, the following amount, or so much thereof as is necessary, to be used 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:

.....	\$	247,080
.....	FTEs	6.00

2. The state university of Iowa 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. 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. 13. UNIVERSITY OF NORTHERN IOWA.

1. There is appropriated from the general fund of the state to the university of northern Iowa for the fiscal year beginning July 1, 2009, and ending June 30, 2010, the following amount, or so much thereof as is necessary, to be used for the metal casting institute, for the MyEntreNet internet application, and for the institute of decision making, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	539,638
.....	FTEs	6.75

2. The university of northern Iowa 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. 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. 14. BOARD OF REGENTS REPORT. The state board of regents shall submit a report on the progress of regents institutions in meeting the strategic plan for technology transfer and economic development to the secretary of the senate, the chief clerk of the house of representatives, and the legislative services agency by January 15, 2010.

Sec. 15. 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, 2009, and ending June 30, 2010, the following amounts, or so much thereof as is necessary, for the purposes designated:

1. DIVISION OF LABOR SERVICES

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

.....	\$	3,851,643
.....	FTEs	68.15

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.

2. DIVISION OF WORKERS' COMPENSATION

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

.....	\$	2,884,187
.....	FTEs	30.00

The division of workers' compensation shall continue charging a \$65³ 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

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

.....	\$	12,010,167
.....	FTEs	88.04

Of the moneys appropriated in this subsection, the department shall allocate \$11,832,989 for the operation of field offices. The department shall not reduce the number of field offices below the number of field offices being operated as of January 1, 2009.

The department of workforce development shall make every effort to maintain new Iowans centers that offer one-stop services to deal with the multiple issues related to immigration and employment. The centers shall be designed to support workers, businesses, and communities with information, referrals, job placement assistance, translation, language training, and resettlement, as well as technical and legal assistance on such issues as forms and documentation. Through the coordination of local, state, and federal service providers, and through the development of partnerships with public, private, and nonprofit entities with established records of international service, these centers shall seek to provide a seamless service delivery system for new Iowans.

4. OFFENDER REENTRY PROGRAM

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:

.....	\$	367,447
.....	FTEs	2.00

The department 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. PILOT PROJECT

For purposes of administration of a security employee pilot project training program:

.....	\$	15,000
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6. NONREVERSION OF MONEYS

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. 16. ACCOUNTABILITY — AUDIT. The auditor of state shall annually conduct an audit of the department of workforce development and shall report the findings of such annual audit, including the accountability of programs of the department, to the chairpersons and ranking members of the joint appropriations subcommittee on economic development. The department shall pay for the costs associated with the audit.

Sec. 17. EMPLOYMENT SECURITY CONTINGENCY FUND. There is appropriated from the special employment security contingency fund to the department of workforce development for the fiscal year beginning July 1, 2009, and ending June 30, 2010, the following amounts, or so much thereof as is necessary, for the purposes designated:

³ See chapter 179, §194 herein

For the division of workers' compensation, salaries, support, maintenance, and miscellaneous purposes:

..... \$ 471,000

Any remaining additional penalty and interest revenue is appropriated to and may be allocated and used to accomplish the mission of the department.

Sec. 18. UNEMPLOYMENT COMPENSATION RESERVE FUND. Notwithstanding section 96.9, subsection 8, paragraph "e", there is appropriated from interest earned on the unemployment compensation reserve fund to the department of workforce development for the fiscal year beginning July 1, 2009, and ending June 30, 2010, the following amount for the operation of field offices:

..... \$ 6,500,000

Sec. 19. PUBLIC EMPLOYMENT RELATIONS BOARD. There is appropriated from the general fund of the state to the public employment relations board for the fiscal year beginning July 1, 2009, and ending June 30, 2010, 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:

..... \$ 1,168,781
..... FTEs 10.00

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. 20. VALUE-ADDED AGRICULTURE FINANCIAL ASSISTANCE. For the fiscal year beginning July 1, 2009, the office of renewable fuels and coproducts may apply to the department of economic development for moneys in the value-added agricultural products and processes financial assistance fund, if 2009 Iowa Acts, Senate File 344,⁴ is not enacted or for moneys in the grow Iowa values fund, if 2009 Iowa Acts, Senate File 344,⁵ is enacted, for deposit in the renewable fuels and coproducts fund created in section 159A.7.

Sec. 21. IOWA FINANCE AUTHORITY AUDIT. The auditor of state is requested to review the audit of the Iowa finance authority performed by the auditor hired by the authority.

Sec. 22. APPLICATION FOR DEPARTMENT OF ECONOMIC DEVELOPMENT MON- EYS. For the fiscal year beginning July 1, 2009, any entity that was specifically identified in 2001 Iowa Acts, chapter 188, to receive funding from the department of economic development, excluding any entity identified to receive a direct appropriation beginning July 1, 2009, may apply to the department for assistance through the appropriate program. The department shall provide application criteria necessary to implement this section.

Sec. 23. SHELTER ASSISTANCE FUND. In providing moneys from the shelter assistance fund to homeless shelter programs in the fiscal year beginning July 1, 2009, and ending June 30, 2010, the department of economic development shall explore the potential of allocating moneys to homeless shelter programs based in part on their ability to move their clients toward self-sufficiency.

Sec. 24. UNEMPLOYMENT COMPENSATION PROGRAM. Notwithstanding section 96.9, subsection 4, paragraph "a", moneys credited to the state by the secretary of the treasury of the United States pursuant to section 903 of the Social Security Act are appropriated to the department of workforce development and shall be used by the department for the administration of the unemployment compensation program only. This appropriation shall not apply to any fiscal year beginning after December 31, 2009.

⁴ Chapter 123 herein

⁵ Chapter 123 herein

Sec. 25. EXPENSE REIMBURSEMENT — REQUIREMENTS. Notwithstanding any provision to the contrary, for the fiscal year beginning July 1, 2009, and ending June 30, 2010, the director of a department or state agency to which appropriations are made pursuant to the provisions of this Act shall require employees, in order to receive reimbursement for expense, to submit actual receipts for meals and other costs and reimbursement up to the maximum amount shall only be allowed in an amount equal to the sum of the actual receipts submitted.

Approved May 26, 2009, with exception noted.

CHESTER J. CULVER, *Governor*

Dear Mr. Secretary:

I hereby transmit Senate File 469, an Act relating to and making appropriations to the department of cultural affairs, the department of economic development, certain board of regents institutions, the department of workforce development, and the public employment relations board, and related matters. Senate File 469 is approved on this date, with the exception noted below, which I hereby disapprove.

I am unable to approve the item designated as Section 25 in its entirety. Section 25 of the bill directs employees to submit actual receipts for meals and other costs and requires that reimbursement up to the maximum amount shall only be allowed in an amount equal to the sum of the actual receipts submitted. While I agree with the general intent of this section and believe that employees should be reimbursed for actual expenses, this language would be particularly difficult to administer because similar language has not been included for every state agency or department or for the Legislature's own employees. Accordingly, I have issued Executive Order Thirteen⁶ to require the Department of Administrative Services (DAS) to implement a policy that will require every executive department of the Culver-Judge Administration to institute cost-effective and transparent practices that will track reimbursements paid to state employees for meals, travel and other work-related costs.

For the above reasons, I respectfully disapprove of the designated item in accordance with Article III, Section 16 of the Constitution of the State of Iowa. All other items in Senate File 469 are hereby approved this date.

Sincerely,
CHESTER J. CULVER, *Governor*

* Item veto; see message at end of the Act

⁶ Published in IAB, Vol. XXXII, No. 5, (8/26/09), p. 596