

REPRINTED

MAR 23 2001

Place On Calendar

HOUSE FILE 697  
BY COMMITTEE ON ECONOMIC  
DEVELOPMENT

(SUCCESSOR TO HF 474)

Passed House, <sup>(P. 948)</sup> Date 3-28-01 Passed Senate, Date \_\_\_\_\_  
Vote: Ayes 97 Nays 0 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to an Iowa new economy council.  
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 697

1 Section 1. Section 15.108, Code 2001, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 12. SCIENCE AND TECHNOLOGY. To provide,  
4 through the science and technology advisor appointed by the  
5 governor pursuant to section 15E.45, advice to state  
6 governmental entities, academia, the business community, and  
7 other constituencies regarding science and technology issues.

8 Sec. 2. NEW SECTION. 15E.41 SHORT TITLE.

9 This division shall be known and may be cited as the "Iowa  
10 New Economy Act".

11 Sec. 3. NEW SECTION. 15E.42 PURPOSE.

12 The purpose of the Iowa new economy Act is to establish a  
13 structure for coordinating the development and implementation  
14 of a technology-led economic development strategic plan to  
15 competitively position Iowa as a world leader in the new  
16 economy and create high-wage, high-growth jobs in targeted  
17 industry clusters. The Iowa new economy council shall work  
18 with the board and the state board of regents to create  
19 regional technology innovation networks in areas of the state  
20 with a high concentration of technology-intensive businesses  
21 within the targeted industry clusters.

22 Sec. 4. NEW SECTION. 15E.43 DEFINITIONS.

23 As used in this division, unless the context otherwise  
24 requires:

25 1. "Board" means the Iowa economic development board  
26 created in section 15.103.

27 2. "Department" means the Iowa department of economic  
28 development created in chapter 15.

29 3. "Industry clusters" means a group of companies that  
30 operate in the same or a related field, are linked by buyer-  
31 seller relationships, common customers, or other  
32 relationships, and rely on an active set of relationships  
33 among themselves for individual efficiency and  
34 competitiveness.

35 Sec. 5. NEW SECTION. 15E.44 INDUSTRY CLUSTERS.

1 The Iowa new economy council shall define industry clusters  
2 identified in section 15.329.

3 Sec. 6. NEW SECTION. 15E.45 IOWA NEW ECONOMY COUNCIL.

4 1. An Iowa new economy council is created.

5 2. A science and technology advisor shall be appointed by  
6 the governor and employed by the department of economic  
7 development. The advisor shall have significant, extensive  
8 expertise in the fields of science and technology. The  
9 advisor shall advise state governmental entities, academia,  
10 the business community, and other constituencies regarding  
11 science and technology issues.

12 3. The council shall initially consist of ten senior-level  
13 decision makers, who are voting members, and five ex officio,  
14 nonvoting members. With the exception of the members  
15 designated in paragraphs "c" and "f", the ten senior-level  
16 decision makers shall be appointed by the governor. The ten  
17 senior-level decision makers include all of the following:

18 a. One representative from each of the industry leadership  
19 councils identified by the council pursuant to section 15E.47.

20 b. Two additional representatives of the business  
21 community. Representation under this paragraph shall be from  
22 various size companies and from different geographic areas of  
23 the state.

24 c. One president, or the president's designee, of the  
25 university of Iowa, the university of northern Iowa, or Iowa  
26 state university of science and technology designated by the  
27 state board of regents on a rotating basis.

28 d. One representative from the community college system.

29 e. One representative of a labor union.

30 f. The director of the department of economic development,  
31 or the director's designee.

32 g. The science and technology advisor appointed pursuant  
33 to subsection 2.

34 4. The ex officio members of the council shall include all  
35 of the following:

1 a. One representative of the primary and secondary  
2 educational system appointed by the governor.

3 b. The president of the senate, or a member of the senate  
4 appointed by the president.

5 c. The minority leader of the senate, or a member of the  
6 senate appointed by the minority leader.

7 d. The speaker of the house of representatives, or a  
8 member of the house of representatives appointed by the  
9 speaker.

10 e. The minority leader of the house of representatives, or  
11 a member of the house of representatives appointed by the  
12 minority leader.

13 5. Appointees to the council shall be senior-level  
14 decision makers within their organizations. Any designee  
15 serving on the council shall also be a senior-level decision  
16 maker who has the ability to make a decision on behalf of the  
17 appointee. The appointee or designee shall not designate a  
18 substitute to participate in council meetings and activities.

19 6. The administration of the council shall be coordinated  
20 by the science and technology advisor appointed pursuant to  
21 subsection 2.

22 7. The initial appointments to the council made pursuant  
23 to subsection 3, paragraph "a", shall be made after the Iowa  
24 leadership councils are established pursuant to section  
25 15E.47.

26 8. The Iowa new economy council shall annually elect a  
27 chairperson from among its members.

28 9. If more than three industry leadership councils are  
29 established pursuant to section 15E.47, the voting membership  
30 of the council shall be expanded to allow one representative  
31 of each industry leadership council to serve on the council.

32 Sec. 7. NEW SECTION. 15E.46 STRATEGIC FOCUS AND  
33 ACTIVITIES.

34 1. The strategic focus of the Iowa new economy council  
35 shall be to support and strengthen the competitiveness of Iowa

1 businesses within each of the industry clusters. At a  
2 minimum, the council shall perform all of the following  
3 duties:

4 a. Develop collaborative industry-led projects in the  
5 industry clusters.

6 b. Lead efforts to improve Iowa's competitive position in  
7 the industry cluster areas.

8 c. Facilitate activities designed to strengthen  
9 relationships and advocate collaboration among Iowa research  
10 institutions and Iowa's technology intensive businesses.

11 d. Develop a three-year strategic plan with an annual  
12 operating plan to share with the board for consideration in  
13 developing the department-wide strategic plan.

14 2. The Iowa new economy council shall develop and  
15 implement activities addressing all of the following economic  
16 foundation issues of the new economy:

17 a. Skilled and adaptable human resources.

18 b. Access to technologies on which new products and  
19 processes are based.

20 c. Availability of financial capital to support new  
21 ventures, expansion of existing companies, and reinvestment in  
22 transition industries.

23 d. Support of advanced physical infrastructure for  
24 transportation, communications, energy and water, and waste  
25 handling.

26 e. A review of the regulatory and taxation environment and  
27 business climate resulting in recommendations to balance  
28 competitiveness.

29 Sec. 8. NEW SECTION. 15E.47 INDUSTRY LEADERSHIP  
30 COUNCILS.

31 In conjunction with the creation of the Iowa new economy  
32 council, leadership councils shall be established in the  
33 advanced manufacturing, information solutions, and life  
34 science industry clusters as well as other industry clusters  
35 identified by the Iowa new economy council. The leadership

1 councils shall be comprised of representatives of business and  
2 industry, academia, government, and other representatives  
3 identified by the Iowa new economy council. The leadership  
4 councils shall be established to address issues specific to  
5 the industry clusters. The ongoing structure, membership, and  
6 operational objectives of the industry leadership councils  
7 shall be determined by the Iowa new economy council.

8 Sec. 9. NEW SECTION. 15E.48 FUNDING.

9 The Iowa new economy council and the industry leadership  
10 councils shall not receive any moneys directly from the state.  
11 Public resources allocated for the operation of the Iowa new  
12 economy council and the industry leadership councils or for  
13 specific projects sponsored by the Iowa new economy council  
14 and the industry leadership councils shall be received through  
15 appropriate performance agreements administered by the  
16 department or other appropriate public entities. Private  
17 moneys secured through contributions, contracts, or other  
18 means would be administered and accounted for as determined by  
19 the Iowa new economy council.

20 Sec. 10. NEW SECTION. 15E.49 REPORTS.

21 The Iowa new economy council shall annually submit a report  
22 to the governor and the general assembly concerning the use of  
23 resources and the results derived from investments in the  
24 activities sponsored by the council. Copies of status reports  
25 provided under any performance agreement with the department  
26 or other public entity shall be provided to the governor and  
27 the general assembly.

28 Sec. 11. NEW SECTION. 15E.50 COUNCIL COORDINATION.

29 The council shall work with the board and state board of  
30 regents to review, evaluate, and monitor business outreach and  
31 assistance programs, including university technology transfer  
32 programs on an ongoing basis. In reviewing, evaluating, and  
33 monitoring programs and activities, the council shall seek  
34 input from business, academia, government, and other  
35 constituencies. The council shall make recommendations to the

1 board and state board of regents with respect to each of the  
2 following:

3 1. Strengthening collaboration among business and industry  
4 and Iowa's research institutions.

5 2. Coordinating activities to facilitate the growth of the  
6 industry clusters.

7 EXPLANATION

8 This bill establishes an Iowa new economy council.

9 The bill provides that the council shall consist of eight  
10 senior-level decision makers appointed by the governor, the  
11 director of the department of economic development, and a  
12 state university president, or their designees, and five ex  
13 officio, nonvoting members. The bill provides that the  
14 strategic focus of the council shall be to support and  
15 strengthen the competitiveness of Iowa businesses within each  
16 of the industry clusters. The bill provides that "industry  
17 clusters" means a group of companies that rely on an active  
18 set of relationships among themselves for individual  
19 efficiency and competitiveness.

20 The bill provides that the new economy council shall define  
21 the industry clusters identified in the new jobs and income  
22 program in Code section 15.329.

23 The bill provides that the council shall develop and  
24 implement activities addressing skilled and adaptable human  
25 resources; access to technologies on which new products and  
26 processes are based; availability of financial capital to  
27 support new ventures, expansion of existing companies, and  
28 reinvestment in transition industries; support of advanced  
29 physical infrastructure for transportation, communications,  
30 energy and water, and waste handling; and a review of the  
31 regulatory and taxation environment and business climate.

32 The bill provides that leadership councils shall be  
33 established by the Iowa new economy council to address issues  
34 specific to the industry clusters of advanced manufacturing,  
35 information solutions, and life sciences as well as any other

1 industry cluster identified by the Iowa new economy council.

2 The bill provides that the Iowa new economy council and the  
3 industry leadership councils shall not receive any moneys  
4 directly from the state. The bill provides that public  
5 resources allocated for the operation of the Iowa new economy  
6 council and the industry leadership councils or for specific  
7 projects sponsored by the Iowa new economy council and the  
8 industry leadership councils shall be received through  
9 appropriate performance agreements administered by the  
10 department of economic development or other appropriate public  
11 entities. The bill provides that private moneys secured  
12 through contributions, contracts, or other means would be  
13 administered and accounted for as determined by the Iowa new  
14 economy council.

15 The bill provides certain reporting requirements relating  
16 to the use of resources and the results derived from  
17 investments in the activities sponsored by the council. The  
18 bill also requires copies of status reports provided under any  
19 performance agreement with the department of economic  
20 development or other public entity to be provided to the  
21 governor and the general assembly.

22 The bill provides that the Iowa new economy council shall  
23 work with the Iowa economic development board and the state  
24 board of regents to review, evaluate, and monitor business  
25 outreach and assistance programs. The bill provides that the  
26 council shall make recommendations regarding strengthening  
27 collaboration among business and industry and Iowa's research  
28 institutions and regarding the coordination of activities to  
29 facilitate the growth of industry clusters.

30 The bill creates a science and technology advisor to be  
31 appointed by the governor and employed by the department of  
32 economic development. The bill provides that the advisor  
33 shall advise state governmental entities, academia, the  
34 business community, and other constituencies regarding science  
35 and technology issues.

## HOUSE FILE 697

H-1356

1 Amend House File 697 as follows:  
2 1. Page 2, line 12, by striking the word "ten"  
3 and inserting the following: "eleven".  
4 2. Page 2, lines 14 and 15, by striking the words  
5 "members designated in paragraphs "c" and" and  
6 inserting the following: "member designated in  
7 paragraph".  
8 3. Page 2, line 15, by striking the word "ten"  
9 and inserting the following: "eleven".  
10 4. Page 2, line 16, by striking the word "ten"  
11 and inserting the following: "eleven".  
12 5. Page 2, line 20, by striking the word "Two"  
13 and inserting the following: "Three".  
14 6. Page 2, line 24, by striking the words  
15 "president, or the president's designee," and  
16 inserting the following: "representative".  
17 7. Page 2, lines 30 and 31 by striking the words  
18 "development, or the director's designee" and  
19 inserting the following: "development".  
20 8. Page 3, by inserting after line 31 the  
21 following:  
22 "10. The council shall be subject to the open  
23 meetings law in chapter 21 and all meetings of the  
24 council shall be conducted in the presence of a  
25 representative of the department."  
26 9. Page 4, by inserting after line 28 the  
27 following:  
28 "3. The council shall focus on nondiscriminatory  
29 market expansion and shall foster a competitive and  
30 open environment. The council shall not be a  
31 mechanism to allocate markets, fix prices, or stifle  
32 competition."  
33 10. Page 5, line 10, by striking the words "any  
34 moneys directly from the state" and inserting the  
35 following: "a direct appropriation from the state.  
36 The department may allocate to the council moneys that  
37 have been appropriated to the department for purposes  
38 identified by the council to support council  
39 activities".

By JENKINS of Black Hawk

H-1356 FILED MARCH 27, 2001

*Adopted*  
*3/28/01*  
*(p. 947)*

S-3/28/01 Small Business + Etc  
S-4/5/01 Do Pass  
S-4/12/01 UNFINISHED BUSINESS CALENDAR

HOUSE FILE 697  
BY COMMITTEE ON ECONOMIC  
DEVELOPMENT

(SUCCESSOR TO HF 474)

(As Amended and Passed by the House March 28, 2001)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to an Iowa new economy council.  
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

House Amendments \_\_\_\_\_

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10 New Economy Act".

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35 Sec. 5. NEW SECTION. 15E.44 INDUSTRY CLUSTERS.

1 The Iowa new economy council shall define industry clusters  
2 identified in section 15.329.

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8 expertise in the fields of science and technology. The  
9 advisor shall advise state governmental entities, academia,  
10 the business community, and other constituencies regarding  
11 science and technology issues.

12 3. The council shall initially consist of eleven senior-  
13 level decision makers, who are voting members, and five ex  
14 officio, nonvoting members. With the exception of the member  
15 designated in paragraph "f", the eleven senior-level decision  
16 makers shall be appointed by the governor. The eleven senior-  
17 level decision makers include all of the following:

18 a. One representative from each of the industry leadership  
19 councils identified by the council pursuant to section 15E.47.

20 b. Three additional representatives of the business  
21 community. Representation under this paragraph shall be from  
22 various size companies and from different geographic areas of  
23 the state.

24 c. One representative of the university of Iowa, the  
25 university of northern Iowa, or Iowa state university of  
26 science and technology designated by the state board of  
27 regents on a rotating basis.

28 d. One representative from the community college system.

29 e. One representative of a labor union.

30 f. The director of the department of economic development.

31 g. The science and technology advisor appointed pursuant  
32 to subsection 2.

33 4. The ex officio members of the council shall include all  
34 of the following:

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1 educational system appointed by the governor.

2 b. The president of the senate, or a member of the senate  
3 appointed by the president.

4 c. The minority leader of the senate, or a member of the  
5 senate appointed by the minority leader.

6 d. The speaker of the house of representatives, or a  
7 member of the house of representatives appointed by the  
8 speaker.

9 e. The minority leader of the house of representatives, or  
10 a member of the house of representatives appointed by the  
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12 5. Appointees to the council shall be senior-level  
13 decision makers within their organizations. Any designee  
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16 appointee. The appointee or designee shall not designate a  
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19 by the science and technology advisor appointed pursuant to  
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23 leadership councils are established pursuant to section  
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26 chairperson from among its members.

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28 established pursuant to section 15E.47, the voting membership  
29 of the council shall be expanded to allow one representative  
30 of each industry leadership council to serve on the council.

31 10. The council shall be subject to the open meetings law  
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33 conducted in the presence of a representative of the  
34 department.

35 Sec. 7. NEW SECTION. 15E.46 STRATEGIC FOCUS AND

## 1 ACTIVITIES.

2 1. The strategic focus of the Iowa new economy council  
3 shall be to support and strengthen the competitiveness of Iowa  
4 businesses within each of the industry clusters. At a  
5 minimum, the council shall perform all of the following  
6 duties:

7 a. Develop collaborative industry-led projects in the  
8 industry clusters.

9 b. Lead efforts to improve Iowa's competitive position in  
10 the industry cluster areas.

11 c. Facilitate activities designed to strengthen  
12 relationships and advocate collaboration among Iowa research  
13 institutions and Iowa's technology intensive businesses.

14 d. Develop a three-year strategic plan with an annual  
15 operating plan to share with the board for consideration in  
16 developing the department-wide strategic plan.

17 2. The Iowa new economy council shall develop and  
18 implement activities addressing all of the following economic  
19 foundation issues of the new economy:

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21 b. Access to technologies on which new products and  
22 processes are based.

23 c. Availability of financial capital to support new  
24 ventures, expansion of existing companies, and reinvestment in  
25 transition industries.

26 d. Support of advanced physical infrastructure for  
27 transportation, communications, energy and water, and waste  
28 handling.

29 e. A review of the regulatory and taxation environment and  
30 business climate resulting in recommendations to balance  
31 competitiveness.

32 3. The council shall focus on nondiscriminatory market  
33 expansion and shall foster a competitive and open environment.  
34 The council shall not be a mechanism to allocate markets, fix  
35 prices, or stifle competition.

1     Sec. 8. NEW SECTION. 15E.47 INDUSTRY LEADERSHIP  
2 COUNCILS.

3     In conjunction with the creation of the Iowa new economy  
4 council, leadership councils shall be established in the  
5 advanced manufacturing, information solutions, and life  
6 science industry clusters as well as other industry clusters  
7 identified by the Iowa new economy council. The leadership  
8 councils shall be comprised of representatives of business and  
9 industry, academia, government, and other representatives  
10 identified by the Iowa new economy council. The leadership  
11 councils shall be established to address issues specific to  
12 the industry clusters. The ongoing structure, membership, and  
13 operational objectives of the industry leadership councils  
14 shall be determined by the Iowa new economy council.

15     Sec. 9. NEW SECTION. 15E.48 FUNDING.

16     The Iowa new economy council and the industry leadership  
17 councils shall not receive a direct appropriation from the  
18 state. The department may allocate to the council moneys that  
19 have been appropriated to the department for purposes  
20 identified by the council to support council activities.

21 Public resources allocated for the operation of the Iowa new  
22 economy council and the industry leadership councils or for  
23 specific projects sponsored by the Iowa new economy council  
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29 the Iowa new economy council.

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31     The Iowa new economy council shall annually submit a report  
32 to the governor and the general assembly concerning the use of  
33 resources and the results derived from investments in the  
34 activities sponsored by the council. Copies of status reports  
35 provided under any performance agreement with the department

1 or other public entity shall be provided to the governor and  
2 the general assembly.

3 Sec. 11. NEW SECTION. 15E.50 COUNCIL COORDINATION.

4 The council shall work with the board and state board of  
5 regents to review, evaluate, and monitor business outreach and  
6 assistance programs, including university technology transfer  
7 programs on an ongoing basis. In reviewing, evaluating, and  
8 monitoring programs and activities, the council shall seek  
9 input from business, academia, government, and other  
10 constituencies. The council shall make recommendations to the  
11 board and state board of regents with respect to each of the  
12 following:

13 1. Strengthening collaboration among business and industry  
14 and Iowa's research institutions.

15 2. Coordinating activities to facilitate the growth of the  
16 industry clusters.

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HOUSE FILE 697

S-3397

1 Amend House File 697, as amended, passed, and  
2 reprinted by the House, as follows:  
3 1. Page 2, by striking lines 24 through 27, and  
4 inserting the following:  
5 "c. One representative designated by the state  
6 board of regents."

By KITTY REHBERG

S-3397 FILED APRIL 19, 2001

HOUSE FILE 697

S-3599

1 Amend House File 697, as amended, passed, and  
2 reprinted by the House, as follows:  
3 1. Page 2, line 12, by striking the word "eleven"  
4 and inserting the following: "twelve".  
5 2. Page 2, line 14, by striking the word "member"  
6 and inserting the following: "members".  
7 3. Page 2, line 15, by striking the words and  
8 letter "paragraph "f", the eleven" and inserting the  
9 following: "paragraphs "f" and "h", the twelve".  
10 4. Page 2, line 16, by striking the word "eleven"  
11 and inserting the following: "twelve".  
12 5. Page 2, by inserting after line 32 the  
13 following:  
14 "h. One representative designated by the Iowa  
15 association of independent colleges."

By MARY LOU FREEMAN

S-3599 FILED MAY 1, 2001