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ECONOMIC DEVELOPMENT

HOUSE FILE 2389

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(COMPANION TO SF 455 BY SHEARER)

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

HF-2389

**A BILL FOR**

1 An Act establishing a new economy council.  
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. 15E.41 SHORT TITLE.

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

4 Sec. 2. NEW SECTION. 15E.42 DEFINITIONS.

5 As used in this division, unless the context otherwise  
6 requires:

7 1. "Board" means the Iowa economic development board  
8 created in section 15.103.

9 2. "Department" means the Iowa department of economic  
10 development created in chapter 15.

11 3. "Industry cluster" means a group of companies that  
12 operate in the same or a related field, are linked by buyer-  
13 seller relationships, common customers, or other  
14 relationships, and rely on an active set of relationships  
15 among themselves for individual efficiency and  
16 competitiveness.

17 Sec. 3. NEW SECTION. 15E.43 IOWA NEW ECONOMY COUNCIL.

18 1. An Iowa new economy council is created. Except as  
19 provided in subsection 5, the council shall initially consist  
20 of ten senior level decision makers and five ex officio,  
21 nonvoting members. With the exception of paragraphs "c" and  
22 "f", the ten senior level decision makers serving on the  
23 council shall be appointed by the governor and include the  
24 following:

25 a. Two representatives of the business community  
26 representing different size businesses from different  
27 geographic areas of the state.

28 b. One representative from each of the Iowa leadership  
29 councils established in section 15E.45.

30 c. One president, or the president's designee, of the  
31 university of Iowa, the university of northern Iowa, or Iowa  
32 state university of science and technology designated by the  
33 state board of regents on a rotating basis.

34 d. One representative of the community college system.

35 e. One representative of a labor union.

1 f. The director of the department of economic development,  
2 or the director's designee.

3 g. A person who is employed with the department of  
4 economic development and is an expert on science and  
5 technology issues.

6 2. The ex officio members of the council shall include the  
7 following:

8 a. One representative of the primary and secondary  
9 educational system appointed by the governor.

10 b. The president of the senate, or the president's  
11 designee.

12 c. The senate minority leader, or the minority leader's  
13 designee.

14 d. The speaker of the house of representatives, or the  
15 speaker's designee.

16 e. The house minority leader, or the minority leader's  
17 designee.

18 3. The initial appointments required under subsection 1,  
19 paragraph "b", shall be made after the Iowa leadership  
20 councils are established pursuant to section 15E.45.

21 4. The council shall annually elect a chairperson from  
22 among its members.

23 5. If more than three industry leadership councils are  
24 created pursuant to section 15E.45, the voting membership of  
25 the council shall be expanded to allow one representative of  
26 each industry leadership council to serve on the council.

27 Sec. 4. NEW SECTION. 15E.44 STRATEGIC FOCUS AND  
28 ACTIVITIES.

29 1. The focus of the Iowa new economy council shall be to  
30 develop a three-year strategic plan with an annual operating  
31 plan to support and strengthen the competitiveness of Iowa  
32 businesses within each industry cluster. The council shall  
33 share the council's strategic plan with the board for the  
34 purpose of the board's consideration in developing its own  
35 strategic plan for the department. At a minimum, the council

1 shall address all of the following in the council's strategic  
2 plan:

3 a. Developing collaborative industry-led projects in each  
4 identified industry cluster.

5 b. Leading efforts to improve Iowa's competitive position  
6 in each industry cluster.

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

10 2. The Iowa new economy council shall develop and  
11 implement activities addressing all of the following issues:

12 a. Skilled and adaptable human resources.

13 b. Access to technology on which new products and  
14 processes are based.

15 c. Availability of financial capital to support new  
16 ventures, expansion of existing companies, and reinvestment in  
17 transition industries.

18 d. Support of advanced physical infrastructure for  
19 transportation, communications, energy and water, and waste  
20 handling.

21 e. A review of the regulatory and taxation environment and  
22 business climate resulting in recommendations to balance  
23 competitiveness.

24 Sec. 5. NEW SECTION. 15E.45 INDUSTRY LEADERSHIP  
25 COUNCILS.

26 In conjunction with its own creation, the council shall  
27 establish leadership councils in the advanced manufacturing,  
28 information solutions, and life sciences industry clusters, as  
29 well as any other industry cluster identified by the Iowa new  
30 economy council. The leadership councils shall be comprised  
31 of business and industry, academic, government, and other  
32 representatives identified by the Iowa new economy council.  
33 The leadership councils shall be established to address issues  
34 specific to each industry cluster. The Iowa new economy  
35 council shall determine the ongoing structure, membership, and

1 operational objectives of the leadership councils.

2 Sec. 6. NEW SECTION. 15E.46 FUNDING.

3 The Iowa new economy council and the leadership councils  
4 shall not receive any moneys directly from the state. The  
5 Iowa new economy council may seek and obtain moneys from  
6 federal and private sources. Public resources allocated for  
7 the operation of the Iowa new economy council and the  
8 leadership councils or for specific projects sponsored by the  
9 Iowa new economy council and the leadership councils shall be  
10 received through appropriate performance agreements  
11 administered by the department or other appropriate public  
12 entities. Private moneys secured through contributions,  
13 contracts, or other means shall be administered and accounted  
14 for as determined by the Iowa new economy council. The  
15 department shall provide the Iowa new economy council with  
16 staffing services.

17 Sec. 7. NEW SECTION. 15E.47 REPORTS.

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

25 EXPLANATION

26 This bill establishes an Iowa new economy council.

27 The bill provides that the council shall consist of 10  
28 senior level decision makers appointed by the governor and  
29 five ex officio, nonvoting members. The bill provides that  
30 the focus of the council shall be to develop a three-year  
31 strategic plan with an annual operating plan to support and  
32 strengthen the competitiveness of Iowa businesses within each  
33 industry cluster. The bill provides that an "industry  
34 cluster" is a group of companies that rely on an active set of  
35 relationships among themselves for individual efficiency and

1 competitiveness.

2 The bill provides that the council shall develop and  
3 implement activities addressing issues relating to skilled and  
4 adaptable human resources; access to technology on which new  
5 products and processes are based; availability of financial  
6 capital to support new ventures, expansion of existing  
7 companies, and reinvestment in transition industries; support  
8 of advanced physical infrastructure for transportation,  
9 communications, energy and water, and waste handling; and a  
10 review of the regulatory and taxation environment and business  
11 climate resulting in recommendations to balance  
12 competitiveness.

13 The bill provides that the Iowa new economy council shall  
14 establish leadership councils in the advanced manufacturing,  
15 information solutions, and life sciences industry clusters, as  
16 well as any other industry cluster identified by the Iowa new  
17 economy council, to address issues specific to each industry  
18 cluster.

19 The bill provides that the Iowa new economy council and the  
20 leadership councils shall not receive any moneys directly from  
21 the state but may seek and obtain moneys from federal and  
22 private sources. The bill provides that public resources  
23 allocated for the operation of the Iowa new economy council  
24 and the leadership councils or for specific projects sponsored  
25 by the Iowa new economy council and the leadership councils  
26 shall be received through appropriate performance agreements  
27 administered by the department or other appropriate public  
28 entities. The bill provides that private moneys secured  
29 through contributions, contracts, or other means would be  
30 administered and accounted for as determined by the Iowa new  
31 economy council.

32 The bill provides certain reporting requirements relating  
33 to the use of resources and the results derived from  
34 investments in the activities sponsored by the council. The  
35 bill also requires copies of status reports provided under any

1 performance agreement with the department or other public  
2 entity to be provided to the governor and the general  
3 assembly.

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