

FEB 22 2006  
APPROPRIATIONS CALENDAR

HOUSE FILE 2459  
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HSB 706)

Passed House, Date 3-6-06 Passed Senate, Date \_\_\_\_\_  
Vote: Ayes 90 Nays 9 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to and making appropriations to the department of  
2 economic development, certain board of regents institutions,  
3 the department of workforce development, the Iowa finance  
4 authority, and the public employment relations board, and  
5 related matters, and providing effective and retroactive  
6 applicability dates.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2459

**HOUSE FILE 2459**

**H-8062**

1 Amend House File 2459 as follows:  
2 1. Page 6, line 30, by striking the figure  
3 "2,363,557" and inserting the following: "2,563,557".  
4 2. Page 6, line 33, by striking the figure  
5 "550,000" and inserting the following: "750,000".  
By MILLER of Webster Tjepkes of Webster  
WENDT of Woodbury Soderberg of Plymouth  
HOFFMAN of Crawford

H-8062 FILED MARCH 1, 2006

TL5B 5191HV 81

tm/cf/24



1 a. Business development operations

2 For business development operations and programs,  
3 international trade, export assistance, workforce recruitment,  
4 the partner state program, for transfer to the strategic  
5 investment fund, for transfer to the value-added agricultural  
6 products and processes financial assistance fund, salaries,  
7 support, maintenance, miscellaneous purposes, and for not more  
8 than the following full-time equivalent positions:

9 .....	\$	6,215,394
10 .....	FTEs	57.00

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

19 c. A business creating jobs with economic development  
20 assistance through moneys appropriated in this subsection  
21 shall be subject to contract provisions stating that new and  
22 retained jobs shall be filled by individuals who are citizens  
23 of the United States who reside within the United States, or  
24 any person authorized to work in the United States pursuant to  
25 federal law, including legal resident aliens in the United  
26 States. Any vendor who receives such public moneys shall  
27 adhere to such contract provisions and provide periodic  
28 assurances as the state shall require, that the jobs are  
29 filled solely by citizens of the United States who reside  
30 within the United States, or any person authorized to work in  
31 the United States pursuant to federal law, including legal  
32 resident aliens in the United States.

33 d. From the moneys appropriated in this subsection, the  
34 department may provide financial assistance in the form of a  
35 grant to a community economic development entity for

1 conducting a local workforce recruitment effort designed to  
2 recruit former citizens of the state and former students at  
3 colleges and universities in the state to meet the needs of  
4 local employers.

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

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

13 g. Notwithstanding section 8.33, moneys appropriated in  
14 this subsection that remain unencumbered or unobligated at the  
15 close of the fiscal year shall not revert but shall remain  
16 available for expenditure for the purposes designated until  
17 the close of the succeeding fiscal year.

18 3. COMMUNITY DEVELOPMENT DIVISION

19 a. Community development programs

20 For salaries, support, maintenance, miscellaneous purposes,  
21 community economic development programs, tourism operations,  
22 community assistance, the film office, the mainstreet and  
23 rural mainstreet programs, the school-to-career program, the  
24 community development block grant, and housing and shelter-  
25 related programs and for not more than the following full-time  
26 equivalent positions:

27 .....	\$	5,654,173
28 .....	FTEs	61.26

29 b. For purposes of providing cooperative marketing  
30 opportunities for tourism:

31 .....	\$	250,000
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32 c. The department shall encourage development of  
33 communities and quality of life to foster economic growth.  
34 The department shall prepare communities for future growth and  
35 development through development, expansion, and modernization

1 of infrastructure.

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

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

14 f. The department shall not charge a nonprofit, public  
15 entity a fee for placement of informational materials in a  
16 welcome center.

17 4. For allocating moneys for the world food prize:  
18 ..... \$ 285,000

19 Sec. 3. WORLD FOOD PRIZE. In addition to moneys allocated  
20 to the world food prize in section 2 of this Act,  
21 notwithstanding section 8.39, the department of economic  
22 development shall allocate an additional \$115,000 to the world  
23 food prize from moneys appropriated to the department from the  
24 general fund of the state in this Act.

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

30 Sec. 5. RURAL COMMUNITY 2000 PROGRAM. There is  
31 appropriated from loan repayments on loans under the former  
32 rural community 2000 program, sections 15.281 through 15.288,  
33 Code 2001, to the department of economic development for the  
34 fiscal year beginning July 1, 2006, and ending June 30, 2007,  
35 the following amounts, or so much thereof as is necessary, to

1 be used for the purposes designated:

2 1. For providing financial assistance to Iowa's councils  
3 of governments that provide technical and planning assistance  
4 to local governments:

5 ..... \$ 150,000

6 2. For the rural development program for the purposes of  
7 the program including the rural enterprise fund and  
8 collaborative skills development training:

9 ..... \$ 120,000

10 Sec. 6. INSURANCE ECONOMIC DEVELOPMENT. There is  
11 appropriated from moneys collected by the division of  
12 insurance in excess of the anticipated gross revenues under  
13 section 505.7, subsection 3, to the department of economic  
14 development for the fiscal year beginning July 1, 2006, and  
15 ending June 30, 2007, the following amount, or so much thereof  
16 as is necessary, for insurance economic development and  
17 international insurance economic development:

18 ..... \$ 100,000

19 Sec. 7. COMMUNITY DEVELOPMENT LOAN FUND. Notwithstanding  
20 section 15E.120, subsection 5, there is appropriated from the  
21 Iowa community development loan fund all the moneys available  
22 during the fiscal year beginning July 1, 2006, and ending June  
23 30, 2007, to the department of economic development for the  
24 community development program to be used by the department for  
25 the purposes of the program.

26 Sec. 8. WORKFORCE DEVELOPMENT FUND. There is appropriated  
27 from the workforce development fund account created in section  
28 15.342A, to the workforce development fund created in section  
29 15.343, for the fiscal year beginning July 1, 2006, and ending  
30 June 30, 2007, the following amount, for the purposes of the  
31 workforce development fund, and for not more than the  
32 following full-time equivalent positions:

33 ..... \$ 4,000,000

34 ..... FTEs 4.00

35 Sec. 9. WORKFORCE DEVELOPMENT ADMINISTRATION. From funds

1 appropriated or transferred to or receipts credited to the  
2 workforce development fund created in section 15.343, up to  
3 \$400,000 for the fiscal year beginning July 1, 2006, and  
4 ending June 30, 2007, may be used for the administration of  
5 workforce development activities including salaries, support,  
6 maintenance, and miscellaneous purposes and for not more than  
7 4.00 full-time equivalent positions.

8 Sec. 10. JOB TRAINING FUND. Notwithstanding section  
9 15.251, all remaining moneys in the job training fund on July  
10 1, 2006, and any moneys appropriated or credited to the fund  
11 during the fiscal year beginning July 1, 2006, shall be  
12 transferred to the workforce development fund established  
13 pursuant to section 15.343.

14 Sec. 11. IOWA FINANCE AUTHORITY. There is appropriated  
15 from the general fund of the state to the Iowa finance  
16 authority for the fiscal year beginning July 1, 2006, and  
17 ending June 30, 2007, the following amount, or so much thereof  
18 as is necessary, to be used for the purpose designated:

19 For the entrepreneurs with disabilities program:  
20 ..... \$ 200,000

21 Sec. 12. IOWA STATE UNIVERSITY.

22 1. There is appropriated from the general fund of the  
23 state to the Iowa state university of science and technology  
24 for the fiscal year beginning July 1, 2006, and ending June  
25 30, 2007, the following amount, or so much thereof as is  
26 necessary, to be used for small business development centers,  
27 the science and technology research park, the institute for  
28 physical research, and for not more than the following full-  
29 time equivalent positions:

30 ..... \$ 2,363,557  
31 ..... FTEs 56.63

32 2. Of the moneys appropriated in subsection 1, Iowa state  
33 university shall allocate at least \$550,000 for purposes of  
34 funding small business development centers. Iowa state  
35 university may allocate moneys appropriated in subsection 1 to

1 the various small business development centers in any manner  
2 necessary to achieve the purposes of this subsection.

3 3. Iowa state university of science and technology shall  
4 do all of the following:

5 a. Direct expenditures for research toward projects that  
6 will provide economic stimulus for Iowa.

7 b. Provide emphasis to providing services to Iowa-based  
8 companies.

9 4. It is the intent of the general assembly that the  
10 industrial incentive program focus on Iowa industrial sectors  
11 and seek contributions and in-kind donations from businesses,  
12 industrial foundations, and trade associations and that moneys  
13 for the institute for physical research and technology  
14 industrial incentive program shall only be allocated for  
15 projects which are matched by private sector moneys for  
16 directed contract research or for nondirected research. The  
17 match required of small businesses as defined in section  
18 15.102, subsection 4, for directed contract research or for  
19 nondirected research shall be \$1 for each \$3 of state funds.  
20 The match required for other businesses for directed contract  
21 research or for nondirected research shall be \$1 for each \$1  
22 of state funds. The match required of industrial foundations  
23 or trade associations shall be \$1 for each \$1 of state funds.

24 Iowa state university of science and technology shall  
25 report annually to the joint appropriations subcommittee on  
26 economic development and the legislative services agency the  
27 total amount of private contributions, the proportion of  
28 contributions from small businesses and other businesses, and  
29 the proportion for directed contract research and nondirected  
30 research of benefit to Iowa businesses and industrial sectors.

31 Notwithstanding section 8.33, moneys appropriated in this  
32 section that remain unencumbered or unobligated at the close  
33 of the fiscal year shall not revert but shall remain available  
34 for expenditure for the purposes designated until the close of  
35 the succeeding fiscal year.

1     Sec. 13. UNIVERSITY OF IOWA.

2     1. There is appropriated from the general fund of the  
3 state to the state university of Iowa for the fiscal year  
4 beginning July 1, 2006, and ending June 30, 2007, the  
5 following amount, or so much thereof as is necessary, to be  
6 used for the university of Iowa research park and for the  
7 advanced drug development program at the Oakdale research  
8 park, including salaries, support, maintenance, equipment,  
9 miscellaneous purposes, and for not more than the following  
10 full-time equivalent positions:

11 .....	\$	247,005
12 .....	FTEs	6.00

13     2. The university of Iowa shall do all of the following:

14     a. Direct expenditures for research toward projects that  
15 will provide economic stimulus for Iowa.

16     b. Provide emphasis to providing services to Iowa-based  
17 companies.

18     3. Notwithstanding section 8.33, moneys appropriated in  
19 this section that remain unencumbered or unobligated at the  
20 close of the fiscal year shall not revert but shall remain  
21 available for expenditure for the purposes designated until  
22 the close of the succeeding fiscal year.

23     Sec. 14. UNIVERSITY OF NORTHERN IOWA.

24     1. There is appropriated from the general fund of the  
25 state to the university of northern Iowa for the fiscal year  
26 beginning July 1, 2006, and ending June 30, 2007, the  
27 following amount, or so much thereof as is necessary, to be  
28 used for the metal casting institute, and for the institute of  
29 decision making, including salaries, support, maintenance,  
30 miscellaneous purposes, and for not more than the following  
31 full-time equivalent positions:

32 .....	\$	361,291
33 .....	FTEs	4.75

34     2. The university of northern Iowa shall do all of the  
35 following:

1 a. Direct expenditures for research toward projects that  
2 will provide economic stimulus for Iowa.

3 b. Provide emphasis to providing services to Iowa-based  
4 companies.

5 3. Notwithstanding section 8.33, moneys appropriated in  
6 this section that remain unencumbered or unobligated at the  
7 close of the fiscal year shall not revert but shall remain  
8 available for expenditure for the purposes designated until  
9 the close of the succeeding fiscal year.

10 Sec. 15. BOARD OF REGENTS REPORT. The state board of  
11 regents shall submit a report on the progress of regents  
12 institutions in meeting the strategic plan for technology  
13 transfer and economic development to the secretary of the  
14 senate, the chief clerk of the house of representatives, and  
15 the legislative services agency by January 15, 2007.

16 Sec. 16. DEPARTMENT OF WORKFORCE DEVELOPMENT.

17 1. There is appropriated from the general fund of the  
18 state to the department of workforce development for the  
19 fiscal year beginning July 1, 2006, and ending June 30, 2007,  
20 the following amount, or so much thereof as is necessary, for  
21 the division of labor services, the division of workers'  
22 compensation, the workforce development state and regional  
23 boards, the new employment opportunity fund, immigration  
24 services centers, for transfer to the elevator safety fund,  
25 salaries, support, maintenance, miscellaneous purposes, and  
26 for not more than the following full-time equivalent  
27 positions:

28 .....	\$	5,278,800
29 .....	FTEs	89.45

30 Of the moneys appropriated in this subsection, the  
31 department shall allocate \$225,000 for purposes of reducing  
32 the backlog of cases before the commissioner of workers'  
33 compensation and for increasing support for the voluntary  
34 compliance program.

35 2. There is appropriated from the general fund of the

1 state to the department of workforce development for the  
2 fiscal year beginning July 1, 2006, and ending June 30, 2007,  
3 the following amount, or so much thereof as is necessary, to  
4 be used for the purpose designated:

5 For deposit in the field office operating fund and for not  
6 more than the following full-time equivalent positions:  
7 ..... \$ 6,856,655  
8 ..... FTEs 86.04

9 3. From the contractor registration fees, the division of  
10 labor services shall reimburse the department of inspections  
11 and appeals for all costs associated with hearings under  
12 chapter 91C, relating to contractor registration.

13 4. The division of workers' compensation shall continue  
14 charging a \$65 filing fee for workers' compensation cases.  
15 The filing fee shall be paid by the petitioner of a claim.  
16 However, the fee can be taxed as a cost and paid by the losing  
17 party, except in cases where it would impose an undue hardship  
18 or be unjust under the circumstances. The moneys generated by  
19 the filing fee allowed under this subsection are appropriated  
20 to the department of workforce development to be used for  
21 purposes of administering the division of workers'  
22 compensation.

23 5. The department of workforce development shall maintain  
24 pilot immigration services centers that offer one-stop  
25 services to deal with the multiple issues related to  
26 immigration and employment. The pilot centers shall be  
27 designed to support workers, businesses, and communities with  
28 information, referrals, job placement assistance, translation,  
29 language training, resettlement, as well as technical and  
30 legal assistance on such issues as forms and documentation.  
31 Through the coordination of local, state, and federal service  
32 providers, and through the development of partnerships with  
33 public, private, and nonprofit entities with established  
34 records of international service, these pilot centers shall  
35 seek to provide a seamless service delivery system for new

1 Iowans.

2 6. Notwithstanding section 8.33, moneys appropriated in  
3 this section that remain unencumbered or unobligated at the  
4 close of the fiscal year shall not revert but shall remain  
5 available for expenditure for the purposes designated until  
6 the close of the succeeding fiscal year.

7 Sec. 17. EMPLOYMENT SECURITY CONTINGENCY FUND. There is  
8 appropriated from the special employment security contingency  
9 fund to the department of workforce development for the fiscal  
10 year beginning July 1, 2006, and ending June 30, 2007, the  
11 following amounts, or so much thereof as is necessary, for the  
12 purposes designated:

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

15 ..... \$ 471,000

16 Any remaining additional penalty and interest revenue may  
17 be allocated and used to accomplish the mission of the  
18 department.

19 Sec. 18. PUBLIC EMPLOYMENT RELATIONS BOARD. There is  
20 appropriated from the general fund of the state to the public  
21 employment relations board for the fiscal year beginning July  
22 1, 2006, and ending June 30, 2007, the following amount, or so  
23 much thereof as is necessary, for the purposes designated:

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

27 ..... \$ 1,030,607

28 ..... FTEs 10.00

29 Sec. 19. Section 15G.111, subsection 6, paragraph b, Code  
30 Supplement 2005, is amended to read as follows:

31 b. Of the moneys appropriated in this subsection, the  
32 department shall transfer three hundred fifty thousand dollars  
33 each fiscal year for the fiscal period beginning July 1, 2005,  
34 and ending June 30, 2015, to Iowa state university of science  
35 and technology, for purposes of providing financial assistance

1 to establish small business development centers in areas of  
2 the state previously served by a small business development  
3 center, to develop business succession plans, and to maintain  
4 existing small business development centers. Financial  
5 assistance for a small business development center shall not  
6 be awarded unless the city or county where the center is  
7 located or scheduled to be located demonstrates the ability to  
8 obtain local matching moneys ~~on-a-dollar-for-dollar-basis~~. An  
9 ~~award-of-financial-assistance-to-a-small-business-development~~  
10 ~~center-under-this-paragraph-shall-not-exceed-twenty-thousand~~  
11 ~~dollars~~.

12 Sec. 20. Section 91C.1, Code 2005, is amended to read as  
13 follows:

14 91C.1 DEFINITION -- EXEMPTION.

15 1. As used in this chapter, unless the context otherwise  
16 requires, "contractor" means a person who engages in the  
17 business of construction, as the term "construction" is  
18 defined in the Iowa administrative code for purposes of the  
19 Iowa employment security law. However, a person who earns  
20 less than one ten thousand dollars annually or who performs  
21 work or has work performed on the person's own property is not  
22 a contractor for purposes of this chapter. The state, its  
23 boards, commissions, agencies, departments, and its political  
24 subdivisions including school districts and other special  
25 purpose districts, are not contractors for purposes of this  
26 chapter.

27 2. If a contractor's registration application shows that  
28 the contractor is self-employed, does not pay more than one  
29 ten thousand dollars annually to employ other persons in the  
30 business, and does not work with or for other contractors in  
31 the same phases of construction, the contractor is exempt from  
32 the fee requirements under this chapter.

33 Sec. 21. Section 96.7A, subsection 3, Code 2005, is  
34 amended to read as follows:

35 3. FY 2006-2007 ..... \$ 3,262,500

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Sec. 22. TRAVEL POLICY.

1. For the fiscal year beginning July 1, 2006, each department or independent agency receiving an appropriation in this Act shall review the employee policy for daily or short-term travel including but not limited to the usage of motor pool vehicles under the department of administrative services, employee mileage reimbursement for the use of a personal vehicle, and the usage of private automobile rental companies. Following the review, the department or agency shall implement revisions in the employee policy for daily or short-term travel as necessary to minimize oil consumption and maximize cost savings.

2. Each department or independent agency subject to subsection 1 shall report to the general assembly's standing committees on government oversight regarding the policy revisions implemented and the consumption reduction and savings realized from the changes. An initial report shall be submitted on or before December 1, 2006, and a follow-up report shall be submitted on or before December 1, 2007.

Sec. 23. VALUE-ADDED AGRICULTURAL PRODUCTS AND PROCESSES FINANCIAL ASSISTANCE FUND MONEYS. 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 for deposit in the renewable fuels and coproducts fund created in section 159A.7.

Sec. 24. 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. The auditor of state is also requested to conduct a performance audit of the authority to determine the effectiveness of the authority and the programs of the authority.

Sec. 25. APPLICATION FOR DEPARTMENT OF ECONOMIC

1 DEVELOPMENT MONEYS. For the fiscal year beginning July 1,  
2 2006, any entity that was specifically identified in 2001 Iowa  
3 Acts, chapter 188, to receive funding from the department of  
4 economic development, excluding any entity identified to  
5 receive a direct appropriation beginning July 1, 2006, may  
6 apply to the department for assistance through the appropriate  
7 program. The department shall provide application criteria  
8 necessary to implement this section.

9 Sec. 26. SHELTER ASSISTANCE FUND. In providing moneys  
10 from the shelter assistance fund to homeless shelter programs  
11 in the fiscal year beginning July 1, 2006, and ending June 30,  
12 2007, the department of economic development shall explore the  
13 potential of allocating moneys to homeless shelter programs  
14 based in part on their ability to move their clients toward  
15 self-sufficiency.

16 Sec. 27. UNEMPLOYMENT COMPENSATION PROGRAM.  
17 Notwithstanding section 96.9, subsection 4, paragraph "a",  
18 moneys credited to the state by the secretary of the treasury  
19 of the United States pursuant to section 903 of the Social  
20 Security Act shall be appropriated to the department of  
21 workforce development and shall be used by the department for  
22 the administration of the unemployment compensation program  
23 only. This appropriation shall not apply to any fiscal year  
24 beginning after December 31, 2006.

25 Sec. 28. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.  
26 The section of this Act amending section 15G.111, relating to  
27 business succession plans at small business development  
28 centers, being deemed of immediate importance, takes effect  
29 upon enactment and is retroactively applicable to June 9,  
30 2005.

31 EXPLANATION

32 This bill makes appropriations and transfers from the  
33 general fund of the state to the department of economic  
34 development, the university of Iowa, the university of  
35 northern Iowa, Iowa state university, the department of

1 workforce development, and the public employment relations  
2 board for the 2006-2007 fiscal year.

3 The bill provides that the goals for the department of  
4 economic development shall be to expand and stimulate the  
5 state economy, increase the wealth of Iowans, and increase the  
6 population of the state.

7 The bill appropriates from loan repayments on loans under  
8 the former rural community 2000 program to the department of  
9 economic development moneys for providing financial assistance  
10 to Iowa's councils of governments that provide technical and  
11 planning assistance to local governments and for the rural  
12 development program for the purposes of the program including  
13 the rural enterprise fund and collaborative skills development  
14 training.

15 The bill appropriates moneys collected by the division of  
16 insurance in excess of the anticipated gross revenues to the  
17 department of economic development for purposes of insurance  
18 economic development and international insurance economic  
19 development.

20 The bill appropriates moneys from the Iowa community  
21 development loan fund to the department of economic  
22 development for purposes of the community development program.

23 The bill appropriates moneys from the workforce development  
24 fund account to the workforce development fund.

25 The bill provides that moneys appropriated or transferred  
26 to or receipts credited to the workforce development fund may  
27 be used for administration of workforce development  
28 activities.

29 The bill appropriates moneys from the general fund of the  
30 state to the Iowa finance authority for the entrepreneurs with  
31 disabilities program.

32 The bill provides that all moneys remaining in the job  
33 training fund on July 1, 2006, and any moneys appropriated or  
34 credited to the fund during the fiscal year beginning July 1,  
35 2006, shall be transferred to the workforce development fund.

1 The bill requires the state board of regents to submit a  
2 report on the progress of regents institutions in meeting the  
3 strategic plan for technology transfer and economic  
4 development.

5 The bill appropriates moneys from the special employment  
6 security contingency fund to the department of workforce  
7 development for the division of workers' compensation.

8 The bill provides that, in addition to other purposes, Iowa  
9 state university shall use moneys from the grow Iowa values  
10 fund for purposes of developing business succession plans at  
11 small business development centers. The bill eliminates a  
12 dollar-for-dollar local match requirement for financial  
13 assistance for small business development centers and only  
14 requires local matching moneys to be obtained. The bill  
15 eliminates a limit of \$20,000 for such financial assistance.  
16 These provisions take effect upon enactment and apply  
17 retroactively to June 9, 2005.

18 The bill provides that a person who earns less than \$10,000  
19 annually or who performs work or has work performed on the  
20 person's own property is not a contractor for purposes of Code  
21 chapter 91C and is exempt from contractor fee requirements.

22 The bill eliminates an appropriation from the general fund  
23 of the state to the department of workforce development for FY  
24 2006-2007 for workforce development field offices.

25 The bill includes a directive for the departments and  
26 independent agencies receiving an appropriation in the bill to  
27 review employee policy for daily or short-term travel and to  
28 implement policy revisions to maximize cost savings and  
29 minimize oil consumption. The directive includes requirements  
30 for reporting to the committees on government oversight.

31 The bill allows the office of renewable fuels and  
32 coproducts to apply to the department of economic development  
33 for moneys in the value-added agricultural products and  
34 processes financial assistance fund for deposit in the  
35 renewable fuels and coproducts fund.

1 The bill provides that, for the fiscal year beginning July  
2 1, 2006, any entity that was specifically identified in 2001  
3 Iowa Acts, chapter 188, to receive funding from the department  
4 of economic development, excluding any entity identified to  
5 receive a direct appropriation beginning July 1, 2006, may  
6 apply to the department for assistance through the appropriate  
7 program.

8 The bill provides that, in providing moneys from the  
9 shelter assistance fund to homeless shelter programs, the  
10 department of economic development shall explore the potential  
11 of allocating moneys to programs based in part on their  
12 ability to move their clients toward self-sufficiency.

13 The bill appropriates moneys from moneys credited to the  
14 state by the secretary of the treasury of the United States  
15 pursuant to the Social Security Act to the department of  
16 workforce development for the administration of the  
17 unemployment compensation program only.

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**EIGHTY-FIRST GENERAL ASSEMBLY  
2006 REGULAR SESSION  
DAILY  
HOUSE CLIP SHEET**

MARCH 3, 2006

**HOUSE FILE 2459**

**H-8065**

1 Amend House File 2459 as follows:

2 1. Page 14, by inserting after line 24 the  
3 following:

4 "Sec. \_\_\_\_ . TAX INCREMENT FINANCING STUDY. The  
5 department of economic development shall contract with  
6 members of the faculty of one or more Iowa  
7 institutions of higher education under the control of  
8 the state board of regents for the purpose of  
9 evaluating the use of tax increment financing for  
10 economic development outside of areas designated as  
11 slum and blighted areas as opposed to areas designated  
12 as slum and blighted areas. The evaluation shall  
13 include an analysis as to whether approved projects  
14 were likely to have been financially feasible or  
15 likely to have occurred without the use of tax  
16 increment financing outside of areas designated as  
17 slum and blighted areas as opposed to areas designated  
18 as slum and blighted areas and whether availability of  
19 tax increment financing for economic development  
20 projects outside of areas designated as slum and  
21 blighted areas diminishes the ability to promote the  
22 economic recovery of slum and blighted areas."

23 2. By renumbering as necessary.

**By FORD of Polk**

**H-8065 FILED MARCH 2, 2006**

HOUSE FILE 2459

H-8069

1 Amend House File 2459 as follows:  
2 1. Page 5, by inserting after line 18 the  
3 following:

4 "Sec. \_\_\_\_ MAINSTREET PROGRAM. There is  
5 appropriated from the federal economic stimulus and  
6 jobs holding fund to the department of economic  
7 development for the fiscal year beginning July 1,  
8 2006, and ending June 30, 2007, the following amount,  
9 or so much thereof as is necessary, for purposes of  
10 the mainstreet program, and for not more than the  
11 following full-time equivalent positions:

12 ..... \$ 200,000  
13 ..... FTEs 1.50

14 The moneys appropriated in this section shall be in  
15 addition to, and not in lieu of, moneys appropriated  
16 to the department for purposes of the mainstreet  
17 program under section 2 of this Act.

18 Notwithstanding section 8.33, moneys appropriated  
19 in this section that remain unencumbered or  
20 unobligated at the close of the fiscal year shall not  
21 revert but shall remain available for expenditure for  
22 the purposes designated until the close of the  
23 succeeding fiscal year."

24 2. By renumbering as necessary.

**By** KRESSIG of Black Hawk REICHERT of Muscatine  
SWAIM of Davis D. OLSON of Boone  
WESSEL-KROESCHELL of Story PETTENGILL of Benton  
GASKILL of Wapello KUHN of Floyd  
JOCHUM of Dubuque MERTZ of Kossuth  
HOGG of Linn

H-8069 FILED MARCH 2, 2006

**EIGHTY-FIRST GENERAL ASSEMBLY  
2006 REGULAR SESSION  
DAILY  
HOUSE CLIP SHEET**

MARCH 6, 2006

**HOUSE FILE 2459**

**H-8080**

1 Amend House File 2459 as follows:

2 1. Page 12, by striking lines 8 through 11 and  
3 inserting the following: "obtain local matching  
4 moneys on a dollar-for-dollar basis. An award of  
5 financial assistance to a small business development  
6 center under this paragraph shall not exceed twenty  
7 thousand dollars."

**By** STRUYK of Pottawattamie

**H-8080** FILED MARCH 3, 2006

**HOUSE FILE 2459**

**H-8081**

1 Amend House File 2459 as follows:

2 1. Page 4, by inserting after line 18 the  
3 following:  
4 "Sec. \_\_\_\_ . BIOSCIENCE. There is appropriated from  
5 the general fund of the state to the department of  
6 economic development for the fiscal year beginning  
7 July 1, 2006, and ending June 30, 2007, four million  
8 eight hundred thousand dollars to be used for purposes  
9 of providing financial assistance to a single  
10 bioscience development organization determined by the  
11 department to possess expertise in the promotion and  
12 commercialization of biotechnology entrepreneurship.  
13 The recipient of the financial assistance shall use  
14 the moneys for purposes of advancing the technology  
15 platforms of bioeconomy, advanced food and feed,  
16 animal systems, integrated post-geometric medicine,  
17 integrated drug discovery, integrated biosecurity, and  
18 biomedical imaging."

19 2. By renumbering as necessary.

**By** MURPHY of Dubuque

**H-8081** FILED MARCH 3, 2006

HOUSE FILE 2459

H-8082

1 Amend House File 2459 as follows:

2 1. Page 6, by inserting after line 20 the  
3 following:

4 "Sec. \_\_\_\_ HOUSING TRUST FUND. There is  
5 appropriated from the general fund of the state to the  
6 Iowa finance authority for the fiscal year beginning  
7 July 1, 2006, and ending June 30, 2007, the following  
8 amount, or so much thereof as is necessary, for  
9 deposit in the state housing trust fund created in  
10 section 16.181:

11 ..... \$ 1,000,000

12 Notwithstanding section 8.33, moneys appropriated  
13 in this section that remain unencumbered or  
14 unobligated at the close of the fiscal year shall not  
15 revert but shall remain available for expenditure for  
16 the purposes designated until the close of the  
17 succeeding fiscal year."

18 2. By renumbering as necessary.

By REICHERT of Muscatine

H-8082 FILED MARCH 3, 2006

HOUSE FILE 2459

H-8083

1 Amend House File 2459 as follows:

2 1. Page 5, by inserting after line 18 the  
3 following:

4 "Sec. \_\_\_\_ TARGETED SMALL BUSINESSES. There is  
5 appropriated from any interest or earnings on moneys  
6 in the federal economic stimulus and jobs holding fund  
7 to the department of economic development for the  
8 fiscal year beginning July 1, 2006, and ending June  
9 30, 2007, the following amount, or so much thereof as  
10 is necessary, to be deposited in the targeted small  
11 business financial assistance program account  
12 established within the strategic investment fund  
13 created in section 15.313:

14 ..... \$ 200,000

15 Notwithstanding section 8.33, moneys appropriated  
16 in this section that remain unencumbered or  
17 unobligated at the close of the fiscal year shall not  
18 revert but shall remain available for expenditure for  
19 the purpose designated until the close of the  
20 succeeding fiscal year."

21 2. By renumbering as necessary.

By FORD of Polk

H-8083 FILED MARCH 3, 2006

HOUSE FILE 2459

H-8084

1 Amend House File 2459 as follows:  
 2 1. Page 12, by inserting after line 32 the  
 3 following:  
 4 "Sec. \_\_\_\_\_. Section 91D.1, subsection 1, paragraph  
 5 a, Code 2005, is amended to read as follows:  
 6 a. The hourly wage stated in the federal minimum  
 7 wage law, pursuant to 29 U.S.C. § 206, shall be  
 8 increased to ~~-\$3.85 on January 1 of 1990, \$4.25 on~~  
 9 ~~January 1 of 1991, and \$4.65~~ \$6.15 on January 1 of  
 10 ~~1992, 2007.~~  
 11 Sec. \_\_\_\_\_. Section 91D.1, subsection 1, paragraph  
 12 d, Code 2005, is amended by striking the paragraph."  
 13 2. By renumbering as necessary.

By MURPHY of Dubuque

H-8084 FILED MARCH 3, 2006

HOUSE FILE 2459

H-8085

1 Amend House File 2459 as follows:  
 2 1. Page 6, line 28, by inserting after the word  
 3 "research," the following: "advanced renewable energy  
 4 research and development,".  
 5 2. Page 6, by striking line 30 and inserting the  
 6 following:  
 7 "..... \$ 4,363,557"  
 8 3. Page 6, by inserting after line 31 the  
 9 following:  
 10 "From the moneys appropriated in this subsection,  
 11 Iowa state university of science and technology shall  
 12 allocate \$2,000,000 for competitive grants to  
 13 organizations, businesses, colleges, and universities  
 14 located in the state for purposes of encouraging  
 15 research, development, and commercialization of  
 16 cellulose-based fuels, biodiesel, and other advanced  
 17 renewable energy conversion systems and processes that  
 18 may reduce the dependence of Iowans on petroleum or  
 19 other fossil fuels, create jobs and economic growth in  
 20 Iowa, and reduce emissions of greenhouse gases."  
 21 4. By renumbering as necessary.

By HOGG of Linn

H-8085 FILED MARCH 3, 2006

HOUSE FILE 2459

H-8086

1 Amend House File 2459 as follows:

2 1. Page 2, by striking line 9 and inserting the  
3 following:

4 "..... \$ 6,515,394"

5 2. Page 3, by inserting after line 12 the  
6 following:

7 "ff. From the moneys appropriated under this  
8 subsection, \$300,000 shall be used for purposes of  
9 providing financial assistance in the form of grants  
10 and loans of not more than \$20,000 per applicant under  
11 the entrepreneurial ventures assistance program  
12 established in section 15.339. Notwithstanding the  
13 requirements in section 15.339, any small business  
14 meeting the criteria in this paragraph is eligible for  
15 financial assistance from moneys allocated under this  
16 paragraph. In order to be eligible, an applicant must  
17 be located in Iowa, have not more than twenty-five  
18 employees, be owned, operated, and actively managed by  
19 a resident of Iowa, and have a business plan developed  
20 with the assistance of a small business development  
21 center or a business accelerator."

22 3. By renumbering and relettering as necessary.

By HOGG of Linn

H-8086 FILED MARCH 3, 2006

HOUSE FILE 2459

H-8087

1 Amend House File 2459 as follows:

2 1. Page 4, by inserting after line 18 the  
3 following:

4 "Sec. \_\_\_\_ . LEAN MANUFACTURING INSTITUTE. There is  
5 appropriated from the general fund of the state to the  
6 department of economic development for the fiscal year  
7 beginning July 1, 2006, and ending June 30, 2007, the  
8 following amount, or so much thereof as is necessary,  
9 to be used for the purposes designated:

10 For purposes of establishing a lean manufacturing  
11 institute designed to provide executive level, in-  
12 depth training assistance to manufacturing entities in  
13 the state:

14 ..... \$ 250,000

15 The department of economic development shall  
16 consult with the department of management regarding  
17 the establishment of a lean manufacturing institute.

18 The department of economic development may seek  
19 private sector moneys for purposes of supporting a  
20 lean manufacturing institute."

21 2. By renumbering as necessary.

By HOGG of Linn

H-8087 FILED MARCH 3, 2006

HOUSE FILE 2459

H-8106

1 Amend the amendment, H-8080, to House File 2459 as  
2 follows:

3 1. Page 1, by striking lines 2 through 7 and  
4 inserting the following:

5 "\_\_\_\_. Page 12, line 4, by inserting after the  
6 word "centers." the following: "Of the three hundred  
7 fifty thousand dollars transferred each fiscal year  
8 pursuant to this paragraph, not more than one hundred  
9 thousand dollars shall be used for business succession  
10 activities."

11 \_\_\_\_\_. Page 12, line 5, by inserting after the word  
12 "not" the following: "exceed fifty thousand dollars  
13 per fiscal year and shall not".

14 \_\_\_\_\_. Page 12, line 8, by striking the words "~~on a~~  
15 ~~dollar-for-dollar basis~~", and inserting the following:  
16 "on a dollar-for-dollar basis for at least twenty-five  
17 percent of the cost of the center"."

By STRUYK of Pottawattamie

H-8106 FILED MARCH 6, 2006

ADOPTED

HOUSE FILE 2459

H-8090

1 Amend the amendment, H-8085, to House File 2459 as  
2 follows:

3 1. Page 1, line 7, by striking the figure  
4 "4,363,557" and inserting the following: "4,563,557".

5 2. Page 1, by inserting after line 20 the  
6 following:

7 "\_\_\_\_. Page 6, line 33, by striking the figure  
8 "550,000" and inserting the following: "750,000"."

By HOGG of Linn

H-8090 FILED MARCH 6, 2006

WITHDRAWN

HOUSE FILE 2459

H-8093

1 Amend the amendment, H-8069, to House File 2459 as  
2 follows:

3 1. Page 1, line 5, by inserting after the word  
4 "from" the following: "any interest or earnings on  
5 moneys in".

By KRESSIG of Black Hawk

H-8093 FILED MARCH 6, 2006

ADOPTED

HOUSE FILE 2459

H-8094

1 Amend the amendment, H-8085, to House File 2459 as  
2 follows:  
3 1. Page 1, line 7, by striking the figure  
4 "4,363,557" and inserting the following: "7,563,557".  
5 2. Page 1, line 12, by striking the figure  
6 "2,000,000" and inserting the following: "5,000,000".  
7 3. Page 1, by inserting after line 20 the  
8 following:  
9 "\_\_\_\_". Page 6, line 33, by striking the figure  
10 "550,000" and inserting the following: "750,000"."

By HOGG of Linn

H-8094 FILED MARCH 6, 2006  
WITHDRAWN

HOUSE FILE 2459

H-8105

1 Amend the amendment, H-8062, to House File 2459 as  
2 follows:  
3 1. Page 1, line 3, by striking the figure  
4 "2,563,557" and inserting the following: "2,463,557".  
5 2. Page 1, line 5, by striking the figure  
6 "750,000" and inserting the following: "650,000".  
7 3. Page 1, by inserting after line 5 the  
8 following:  
9 "\_\_\_\_". Page 6, line 34, by inserting after the  
10 word "centers" the following: ", including a small  
11 business development center in Fort Dodge"."

By LUKAN of Dubuque  
TJEPKES of Webster  
EICHHORN of Hamilton

H-8105 FILED MARCH 6, 2006  
ADOPTED

HOUSE FILE 2459

H-8128

1 Amend the amendment, H-8065, to House File 2459 as  
2 follows:

3 1. Page 1, by inserting after line 1 the  
4 following:

5 "    . Page 12, by inserting after line 32 the  
6 following:

7 "Sec.     . Section 91D.1, subsection 1, paragraph  
8 a, Code 2005, is amended to read as follows:

9 a. The hourly wage stated in the federal minimum  
10 wage law, pursuant to 29 U.S.C. § 206, shall be  
11 increased to ~~-\$3.85 on January 1 of 1990, \$4.25 on~~  
12 ~~January 1 of 1991, and \$4.65~~ \$6.15 on January 1 of  
13 ~~1992, 2007.~~

14 Sec.     . Section 91D.1, subsection 1, paragraph  
15 d, Code 2005, is amended by striking the paragraph."

16 2. By renumbering as necessary.

By MURPHY of Dubuque

H-8128 FILED MARCH 6, 2006

ADOPTED

HOUSE FILE 2459

H-8129

1 Amend the amendment, H-8065, to House File 2459 as  
2 follows:

3 1. Page 1, by striking lines 2 through 22 and  
4 inserting the following:

5 "    . Page 12, by inserting after line 32 the  
6 following:

7 "Sec.     . Section 91D.1, subsection 1, paragraph  
8 a, Code 2005, is amended to read as follows:

9 a. The hourly wage stated in the federal minimum  
10 wage law, pursuant to 29 U.S.C. § 206, shall be  
11 increased to ~~-\$3.85 on January 1 of 1990, \$4.25 on~~  
12 ~~January 1 of 1991, and \$4.65~~ \$6.15 on January 1 of  
13 ~~1992, 2007.~~

14 Sec.     . Section 91D.1, subsection 1, paragraph  
15 d, Code 2005, is amended by striking the paragraph."

16 2. By renumbering as necessary.

By MURPHY of Dubuque

H-8129 FILED MARCH 6, 2006

WITHDRAWN

HOUSE FILE 2459

H-8118

1 Amend the amendment, H-8084, to House File 2459 as  
2 follows:

3 1. Page 1, by striking lines 6 through 10 and  
4 inserting the following:

5 "a. (1) The hourly wage stated in the federal  
6 minimum wage law, pursuant to 29 U.S.C. § 206, shall  
7 be increased to \$3.85 on January 1 of 1990, \$4.25 on  
8 January 1 of 1991, and \$4.65 on January 1 of 1992.

9 (2) Notwithstanding the minimum wage specified in  
10 subparagraph (1), if there is enacted by the Eighty-  
11 first General Assembly, 2006 Session, an amendment to  
12 section 85.3, subsection 1, to provide that for the  
13 purposes of chapter 85, an employer is required to pay  
14 workers' compensation benefits for a personal injury  
15 sustained by an employee in the course of employment  
16 if the employment activity was the predominant factor  
17 causing the injury; an amendment to section 441.21  
18 that provides that the increase in the assessed values  
19 for residential, agricultural, commercial, and  
20 industrial property shall be limited to the percentage  
21 increase of that class of property that has the lowest  
22 percentage increase for the applicable assessment year  
23 under the allowable limit adjusted to include the  
24 applicable and current values as equalized by the  
25 director of revenue; and amendments to section 730.5  
26 in House File 703 relating to private sector employee  
27 drug testing, then the hourly wage stated in the  
28 federal minimum wage law, pursuant to 29 U.S.C. § 206,  
29 shall be increased to \$6.15 on January 1, 2007."

By LUKAN of Dubuque

H-8118 FILED MARCH 6, 2006

OUT OF ORDER

HOUSE FILE 2459  
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HSB 706)

(As Amended and Passed by the House March 6, 2006)

Re- Passed House, Date 5-3-06 Passed Senate, Date 5-3-06  
Vote: Ayes 93 Nays 0 Vote: Ayes 44 Nays 5  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to and making appropriations to the department of  
2 economic development, certain board of regents institutions,  
3 the department of workforce development, the Iowa finance  
4 authority, and the public employment relations board, and  
5 related matters, and providing effective and retroactive  
6 applicability dates.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

8

9

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

10

11

12

13

14

15

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17

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21

TLSB 5191HV 81

tm/cf/24



1 a. Business development operations

2 For business development operations and programs,  
3 international trade, export assistance, workforce recruitment,  
4 the partner state program, for transfer to the strategic  
5 investment fund, for transfer to the value-added agricultural  
6 products and processes financial assistance fund, salaries,  
7 support, maintenance, miscellaneous purposes, and for not more  
8 than the following full-time equivalent positions:

9 .....	\$	6,215,394
10 .....	FTEs	57.00

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

19 c. A business creating jobs with economic development  
20 assistance through moneys appropriated in this subsection  
21 shall be subject to contract provisions stating that new and  
22 retained jobs shall be filled by individuals who are citizens  
23 of the United States who reside within the United States, or  
24 any person authorized to work in the United States pursuant to  
25 federal law, including legal resident aliens in the United  
26 States. Any vendor who receives such public moneys shall  
27 adhere to such contract provisions and provide periodic  
28 assurances as the state shall require, that the jobs are  
29 filled solely by citizens of the United States who reside  
30 within the United States, or any person authorized to work in  
31 the United States pursuant to federal law, including legal  
32 resident aliens in the United States.

33 d. From the moneys appropriated in this subsection, the  
34 department may provide financial assistance in the form of a  
35 grant to a community economic development entity for

1 conducting a local workforce recruitment effort designed to  
2 recruit former citizens of the state and former students at  
3 colleges and universities in the state to meet the needs of  
4 local employers.

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

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

13 g. Notwithstanding section 8.33, moneys appropriated in  
14 this subsection that remain unencumbered or unobligated at the  
15 close of the fiscal year shall not revert but shall remain  
16 available for expenditure for the purposes designated until  
17 the close of the succeeding fiscal year.

18 3. COMMUNITY DEVELOPMENT DIVISION

19 a. Community development programs

20 For salaries, support, maintenance, miscellaneous purposes,  
21 community economic development programs, tourism operations,  
22 community assistance, the film office, the mainstreet and  
23 rural mainstreet programs, the school-to-career program, the  
24 community development block grant, and housing and shelter-  
25 related programs and for not more than the following full-time  
26 equivalent positions:

27 .....	\$	5,654,173
28 .....	FTEs	61.26

29 b. For purposes of providing cooperative marketing  
30 opportunities for tourism:

31 .....	\$	250,000
----------	----	---------

32 c. The department shall encourage development of  
33 communities and quality of life to foster economic growth.  
34 The department shall prepare communities for future growth and  
35 development through development, expansion, and modernization

1 of infrastructure.

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

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

14 f. The department shall not charge a nonprofit, public  
15 entity a fee for placement of informational materials in a  
16 welcome center.

17 4. For allocating moneys for the world food prize:

18 ..... \$ 285,000

19 Sec. 3. WORLD FOOD PRIZE. In addition to moneys allocated  
20 to the world food prize in section 2 of this Act,  
21 notwithstanding section 8.39, the department of economic  
22 development shall allocate an additional \$115,000 to the world  
23 food prize from moneys appropriated to the department from the  
24 general fund of the state in this Act.

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

30 Sec. 5. RURAL COMMUNITY 2000 PROGRAM. There is  
31 appropriated from loan repayments on loans under the former  
32 rural community 2000 program, sections 15.281 through 15.288,  
33 Code 2001, to the department of economic development for the  
34 fiscal year beginning July 1, 2006, and ending June 30, 2007,  
35 the following amounts, or so much thereof as is necessary, to

1 be used for the purposes designated:

2 1. For providing financial assistance to Iowa's councils  
3 of governments that provide technical and planning assistance  
4 to local governments:

5 ..... \$ 150,000

6 2. For the rural development program for the purposes of  
7 the program including the rural enterprise fund and  
8 collaborative skills development training:

9 ..... \$ 120,000

10 Sec. 6. INSURANCE ECONOMIC DEVELOPMENT. There is  
11 appropriated from moneys collected by the division of  
12 insurance in excess of the anticipated gross revenues under  
13 section 505.7, subsection 3, to the department of economic  
14 development for the fiscal year beginning July 1, 2006, and  
15 ending June 30, 2007, the following amount, or so much thereof  
16 as is necessary, for insurance economic development and  
17 international insurance economic development:

18 ..... \$ 100,000

19 Sec. 7. COMMUNITY DEVELOPMENT LOAN FUND. Notwithstanding  
20 section 15E.120, subsection 5, there is appropriated from the  
21 Iowa community development loan fund all the moneys available  
22 during the fiscal year beginning July 1, 2006, and ending June  
23 30, 2007, to the department of economic development for the  
24 community development program to be used by the department for  
25 the purposes of the program.

26 Sec. 8. WORKFORCE DEVELOPMENT FUND. There is appropriated  
27 from the workforce development fund account created in section  
28 15.342A, to the workforce development fund created in section  
29 15.343, for the fiscal year beginning July 1, 2006, and ending  
30 June 30, 2007, the following amount, for the purposes of the  
31 workforce development fund, and for not more than the  
32 following full-time equivalent positions:

33 ..... \$ 4,000,000

34 ..... FTEs 4.00

35 Sec. 9. WORKFORCE DEVELOPMENT ADMINISTRATION. From funds

1 appropriated or transferred to or receipts credited to the  
2 workforce development fund created in section 15.343, up to  
3 \$400,000 for the fiscal year beginning July 1, 2006, and  
4 ending June 30, 2007, may be used for the administration of  
5 workforce development activities including salaries, support,  
6 maintenance, and miscellaneous purposes and for not more than  
7 4.00 full-time equivalent positions.

8 Sec. 10. JOB TRAINING FUND. Notwithstanding section  
9 15.251, all remaining moneys in the job training fund on July  
10 1, 2006, and any moneys appropriated or credited to the fund  
11 during the fiscal year beginning July 1, 2006, shall be  
12 transferred to the workforce development fund established  
13 pursuant to section 15.343.

14 Sec. 11. IOWA FINANCE AUTHORITY. There is appropriated  
15 from the general fund of the state to the Iowa finance  
16 authority for the fiscal year beginning July 1, 2006, and  
17 ending June 30, 2007, the following amount, or so much thereof  
18 as is necessary, to be used for the purpose designated:

19 For the entrepreneurs with disabilities program:  
20 ..... \$ 200,000

21 Sec. 12. IOWA STATE UNIVERSITY.

22 1. There is appropriated from the general fund of the  
23 state to the Iowa state university of science and technology  
24 for the fiscal year beginning July 1, 2006, and ending June  
25 30, 2007, the following amount, or so much thereof as is  
26 necessary, to be used for small business development centers,  
27 the science and technology research park, the institute for  
28 physical research, and for not more than the following full-  
29 time equivalent positions:

30 ..... \$ 2,463,557  
31 ..... FTEs 56.63

32 2. Of the moneys appropriated in subsection 1, Iowa state  
33 university shall allocate at least \$650,000 for purposes of  
34 funding small business development centers, including a small  
35 business development center in Fort Dodge. Iowa state

1 university may allocate moneys appropriated in subsection 1 to  
2 the various small business development centers in any manner  
3 necessary to achieve the purposes of this subsection.

4 3. Iowa state university of science and technology shall  
5 do all of the following:

6 a. Direct expenditures for research toward projects that  
7 will provide economic stimulus for Iowa.

8 b. Provide emphasis to providing services to Iowa-based  
9 companies.

10 4. It is the intent of the general assembly that the  
11 industrial incentive program focus on Iowa industrial sectors  
12 and seek contributions and in-kind donations from businesses,  
13 industrial foundations, and trade associations and that moneys  
14 for the institute for physical research and technology  
15 industrial incentive program shall only be allocated for  
16 projects which are matched by private sector moneys for  
17 directed contract research or for nondirected research. The  
18 match required of small businesses as defined in section  
19 15.102, subsection 4, for directed contract research or for  
20 nondirected research shall be \$1 for each \$3 of state funds.  
21 The match required for other businesses for directed contract  
22 research or for nondirected research shall be \$1 for each \$1  
23 of state funds. The match required of industrial foundations  
24 or trade associations shall be \$1 for each \$1 of state funds.

25 Iowa state university of science and technology shall  
26 report annually to the joint appropriations subcommittee on  
27 economic development and the legislative services agency the  
28 total amount of private contributions, the proportion of  
29 contributions from small businesses and other businesses, and  
30 the proportion for directed contract research and nondirected  
31 research of benefit to Iowa businesses and industrial sectors.

32 Notwithstanding section 8.33, moneys appropriated in this  
33 section that remain unencumbered or unobligated at the close  
34 of the fiscal year shall not revert but shall remain available  
35 for expenditure for the purposes designated until the close of

1 the succeeding fiscal year.

2 Sec. 13. UNIVERSITY OF IOWA.

3 1. There is appropriated from the general fund of the  
4 state to the state university of Iowa for the fiscal year  
5 beginning July 1, 2006, and ending June 30, 2007, the  
6 following amount, or so much thereof as is necessary, to be  
7 used for the university of Iowa research park and for the  
8 advanced drug development program at the Oakdale research  
9 park, including salaries, support, maintenance, equipment,  
10 miscellaneous purposes, and for not more than the following  
11 full-time equivalent positions:

12 .....	\$	247,005
13 .....	FTEs	6.00

14 2. The university of Iowa shall do all of the following:

15 a. Direct expenditures for research toward projects that  
16 will provide economic stimulus for Iowa.

17 b. Provide emphasis to providing services to Iowa-based  
18 companies.

19 3. Notwithstanding section 8.33, moneys appropriated in  
20 this section that remain unencumbered or unobligated at the  
21 close of the fiscal year shall not revert but shall remain  
22 available for expenditure for the purposes designated until  
23 the close of the succeeding fiscal year.

24 Sec. 14. UNIVERSITY OF NORTHERN IOWA.

25 1. There is appropriated from the general fund of the  
26 state to the university of northern Iowa for the fiscal year  
27 beginning July 1, 2006, and ending June 30, 2007, the  
28 following amount, or so much thereof as is necessary, to be  
29 used for the metal casting institute, and for the institute of  
30 decision making, including salaries, support, maintenance,  
31 miscellaneous purposes, and for not more than the following  
32 full-time equivalent positions:

33 .....	\$	361,291
34 .....	FTEs	4.75

35 2. The university of northern Iowa shall do all of the

1 following:

2 a. Direct expenditures for research toward projects that  
3 will provide economic stimulus for Iowa.

4 b. Provide emphasis to providing services to Iowa-based  
5 companies.

6 3. Notwithstanding section 8.33, moneys appropriated in  
7 this section that remain unencumbered or unobligated at the  
8 close of the fiscal year shall not revert but shall remain  
9 available for expenditure for the purposes designated until  
10 the close of the succeeding fiscal year.

11 Sec. 15. BOARD OF REGENTS REPORT. The state board of  
12 regents shall submit a report on the progress of regents  
13 institutions in meeting the strategic plan for technology  
14 transfer and economic development to the secretary of the  
15 senate, the chief clerk of the house of representatives, and  
16 the legislative services agency by January 15, 2007.

17 Sec. 16. DEPARTMENT OF WORKFORCE DEVELOPMENT.

18 1. There is appropriated from the general fund of the  
19 state to the department of workforce development for the  
20 fiscal year beginning July 1, 2006, and ending June 30, 2007,  
21 the following amount, or so much thereof as is necessary, for  
22 the division of labor services, the division of workers'  
23 compensation, the workforce development state and regional  
24 boards, the new employment opportunity fund, immigration  
25 services centers, for transfer to the elevator safety fund,  
26 salaries, support, maintenance, miscellaneous purposes, and  
27 for not more than the following full-time equivalent  
28 positions:

29 .....	\$	5,278,800
30 .....	FTEs	89.45

31 Of the moneys appropriated in this subsection, the  
32 department shall allocate \$225,000 for purposes of reducing  
33 the backlog of cases before the commissioner of workers'  
34 compensation and for increasing support for the voluntary  
35 compliance program.

1 2. There is appropriated from the general fund of the  
2 state to the department of workforce development for the  
3 fiscal year beginning July 1, 2006, and ending June 30, 2007,  
4 the following amount, or so much thereof as is necessary, to  
5 be used for the purpose designated:

6 For deposit in the field office operating fund and for not  
7 more than the following full-time equivalent positions:  
8 ..... \$ 6,856,655  
9 ..... FTEs 86.04

10 3. From the contractor registration fees, the division of  
11 labor services shall reimburse the department of inspections  
12 and appeals for all costs associated with hearings under  
13 chapter 91C, relating to contractor registration.

14 4. The division of workers' compensation shall continue  
15 charging a \$65 filing fee for workers' compensation cases.  
16 The filing fee shall be paid by the petitioner of a claim.  
17 However, the fee can be taxed as a cost and paid by the losing  
18 party, except in cases where it would impose an undue hardship  
19 or be unjust under the circumstances. The moneys generated by  
20 the filing fee allowed under this subsection are appropriated  
21 to the department of workforce development to be used for  
22 purposes of administering the division of workers'  
23 compensation.

24 5. The department of workforce development shall maintain  
25 pilot immigration services centers that offer one-stop  
26 services to deal with the multiple issues related to  
27 immigration and employment. The pilot centers shall be  
28 designed to support workers, businesses, and communities with  
29 information, referrals, job placement assistance, translation,  
30 language training, resettlement, as well as technical and  
31 legal assistance on such issues as forms and documentation.  
32 Through the coordination of local, state, and federal service  
33 providers, and through the development of partnerships with  
34 public, private, and nonprofit entities with established  
35 records of international service, these pilot centers shall

1 seek to provide a seamless service delivery system for new  
2 Iowans.

3 6. Notwithstanding section 8.33, moneys appropriated in  
4 this section that remain unencumbered or unobligated at the  
5 close of the fiscal year shall not revert but shall remain  
6 available for expenditure for the purposes designated until  
7 the close of the succeeding fiscal year.

8 Sec. 17. EMPLOYMENT SECURITY CONTINGENCY FUND. There is  
9 appropriated from the special employment security contingency  
10 fund to the department of workforce development for the fiscal  
11 year beginning July 1, 2006, and ending June 30, 2007, the  
12 following amounts, or so much thereof as is necessary, for the  
13 purposes designated:

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

16 ..... \$ 471,000

17 Any remaining additional penalty and interest revenue may  
18 be allocated and used to accomplish the mission of the  
19 department.

20 Sec. 18. PUBLIC EMPLOYMENT RELATIONS BOARD. There is  
21 appropriated from the general fund of the state to the public  
22 employment relations board for the fiscal year beginning July  
23 1, 2006, and ending June 30, 2007, the following amount, or so  
24 much thereof as is necessary, for the purposes designated:

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

28 ..... \$ 1,030,607

29 ..... FTEs 10.00

30 Sec. 19. Section 15G.111, subsection 6, paragraph b, Code  
31 Supplement 2005, is amended to read as follows:

32 b. Of the moneys appropriated in this subsection, the  
33 department shall transfer three hundred fifty thousand dollars  
34 each fiscal year for the fiscal period beginning July 1, 2005,  
35 and ending June 30, 2015, to Iowa state university of science

1 and technology, for purposes of providing financial assistance  
2 to establish small business development centers in areas of  
3 the state previously served by a small business development  
4 center, to develop business succession plans, and to maintain  
5 existing small business development centers. Of the three  
6 hundred fifty thousand dollars transferred each fiscal year  
7 pursuant to this paragraph, not more than one hundred thousand  
8 dollars shall be used for business succession activities.

9 Financial assistance for a small business development center  
10 shall not exceed fifty thousand dollars per fiscal year and  
11 shall not be awarded unless the city or county where the  
12 center is located or scheduled to be located demonstrates the  
13 ability to obtain local matching moneys on a dollar-for-dollar  
14 basis for at least twenty-five percent of the cost of the  
15 center. An-award-of-financial-assistance-to-a-small-business  
16 development-center-under-this-paragraph-shall-not-exceed  
17 twenty-thousand-dollars.

18 Sec. 20. Section 91C.1, Code 2005, is amended to read as  
19 follows:

20 91C.1 DEFINITION -- EXEMPTION.

21 1. As used in this chapter, unless the context otherwise  
22 requires, "contractor" means a person who engages in the  
23 business of construction, as the term "construction" is  
24 defined in the Iowa administrative code for purposes of the  
25 Iowa employment security law. However, a person who earns  
26 less than one ten thousand dollars annually or who performs  
27 work or has work performed on the person's own property is not  
28 a contractor for purposes of this chapter. The state, its  
29 boards, commissions, agencies, departments, and its political  
30 subdivisions including school districts and other special  
31 purpose districts, are not contractors for purposes of this  
32 chapter.

33 2. If a contractor's registration application shows that  
34 the contractor is self-employed, does not pay more than one  
35 ten thousand dollars annually to employ other persons in the

1 business, and does not work with or for other contractors in  
2 the same phases of construction, the contractor is exempt from  
3 the fee requirements under this chapter.

4 Sec. 21. Section 96.7A, subsection 3, Code 2005, is  
5 amended to read as follows:

6 3. FY 2006-2007 ..... \$ 372627500  
7 0

8 Sec. 22. TRAVEL POLICY.

9 1. For the fiscal year beginning July 1, 2006, each  
10 department or independent agency receiving an appropriation in  
11 this Act shall review the employee policy for daily or short-  
12 term travel including but not limited to the usage of motor  
13 pool vehicles under the department of administrative services,  
14 employee mileage reimbursement for the use of a personal  
15 vehicle, and the usage of private automobile rental companies.  
16 Following the review, the department or agency shall implement  
17 revisions in the employee policy for daily or short-term  
18 travel as necessary to minimize oil consumption and maximize  
19 cost savings.

20 2. Each department or independent agency subject to  
21 subsection 1 shall report to the general assembly's standing  
22 committees on government oversight regarding the policy  
23 revisions implemented and the consumption reduction and  
24 savings realized from the changes. An initial report shall be  
25 submitted on or before December 1, 2006, and a follow-up  
26 report shall be submitted on or before December 1, 2007.

27 Sec. 23. VALUE-ADDED AGRICULTURAL PRODUCTS AND PROCESSES  
28 FINANCIAL ASSISTANCE FUND MONEYS. The office of renewable  
29 fuels and coproducts may apply to the department of economic  
30 development for moneys in the value-added agricultural  
31 products and processes financial assistance fund for deposit  
32 in the renewable fuels and coproducts fund created in section  
33 159A.7.

34 Sec. 24. IOWA FINANCE AUTHORITY AUDIT. The auditor of  
35 state is requested to review the audit of the Iowa finance

1 authority performed by the auditor hired by the authority.  
2 The auditor of state is also requested to conduct a  
3 performance audit of the authority to determine the  
4 effectiveness of the authority and the programs of the  
5 authority.

6 Sec. 25. APPLICATION FOR DEPARTMENT OF ECONOMIC  
7 DEVELOPMENT MONEYS. For the fiscal year beginning July 1,  
8 2006, any entity that was specifically identified in 2001 Iowa  
9 Acts, chapter 188, to receive funding from the department of  
10 economic development, excluding any entity identified to  
11 receive a direct appropriation beginning July 1, 2006, may  
12 apply to the department for assistance through the appropriate  
13 program. The department shall provide application criteria  
14 necessary to implement this section.

15 Sec. 26. SHELTER ASSISTANCE FUND. In providing moneys  
16 from the shelter assistance fund to homeless shelter programs  
17 in the fiscal year beginning July 1, 2006, and ending June 30,  
18 2007, the department of economic development shall explore the  
19 potential of allocating moneys to homeless shelter programs  
20 based in part on their ability to move their clients toward  
21 self-sufficiency.

22 Sec. 27. UNEMPLOYMENT COMPENSATION PROGRAM.  
23 Notwithstanding section 96.9, subsection 4, paragraph "a",  
24 moneys credited to the state by the secretary of the treasury  
25 of the United States pursuant to section 903 of the Social  
26 Security Act shall be appropriated to the department of  
27 workforce development and shall be used by the department for  
28 the administration of the unemployment compensation program  
29 only. This appropriation shall not apply to any fiscal year  
30 beginning after December 31, 2006.

31 Sec. 28. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.  
32 The section of this Act amending section 15G.111, relating to  
33 business succession plans at small business development  
34 centers, being deemed of immediate importance, takes effect  
35 upon enactment and is retroactively applicable to June 9,

S.F. \_\_\_\_\_ H.F. 2459

1 2005.

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HF 2459

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HOUSE FILE 2459

S-5267

1 Amend House File 2459 as amended, passed, and  
2 reprinted by the House, as follows:

3 1. Page 3, by striking lines 29 through 31.

4 2. Page 4, by striking lines 18 through 24 and  
5 inserting the following:

6 "..... \$ 400,000"

7 3. Page 6, by striking lines 34 and 35 and  
8 inserting the following: "funding small business  
9 development centers. Iowa state".

10 4. Page 10, by striking line 8 and inserting the  
11 following:

12 "..... \$ 5,856,655"

13 5. Page 11, by inserting after line 7 the  
14 following:

15 "Sec. \_\_\_\_ . ACCOUNTABILITY -- AUDIT.

16 1. The department of workforce development shall  
17 establish accountability measures for all  
18 subcontractors. By January 15, 2007, the department  
19 shall submit a written report to the chairpersons and  
20 ranking members of the joint appropriations  
21 subcommittee on economic development which shall  
22 include a list of contracts held by the department and  
23 accountability measures in effect for each contract.

24 2. The auditor of state shall annually conduct an  
25 audit of the department of workforce development and  
26 shall report the findings of such annual audit,  
27 including the accountability of programs of the  
28 department, to the chairpersons and ranking members of  
29 the joint appropriations subcommittee on economic  
30 development. The department shall pay for the costs  
31 associated with the audit.

32 3. The legislative services agency shall conduct  
33 an annual review of salaries paid to employees of  
34 entities organized under chapter 28E and salaries paid  
35 under a contract with the department of workforce  
36 development. The legislative services agency shall  
37 report its findings to the chairpersons and ranking  
38 members of the joint appropriations subcommittee on  
39 economic development."

40 6. Page 11, by inserting after line 19 the  
41 following:

42 "Sec. \_\_\_\_ . UNEMPLOYMENT COMPENSATION RESERVE FUND.  
43 Notwithstanding section 96.9, subsection 8, paragraph  
44 "e", there is appropriated from interest earned on the  
45 unemployment compensation reserve fund to the  
46 department of workforce development for the fiscal  
47 year beginning July 1, 2006, and ending June 30, 2007,  
48 the following amount for deposit in the field office  
49 operating fund:

50 ..... \$ 4,000,000"

S-5267

**S-5267**

Page 2

- 1 7. Page 12, line 26, by striking the word "ten"
- 2 and inserting the following: "two".
- 3 8. Page 12, line 35, by striking the word "ten"
- 4 and inserting the following: "two".
- 5 9. By renumbering as necessary.

By PAT WARD  
WILLIAM A. DOTZLER

**S-5267** FILED MAY 3, 2006  
ADOPTED

**SENATE AMENDMENT TO  
HOUSE FILE 2459**

**H-8649**

1 Amend House File 2459 as amended, passed, and  
2 reprinted by the House, as follows:

3 1. Page 3, by striking lines 29 through 31.

4 2. Page 4, by striking lines 18 through 24 and  
5 inserting the following:

6 "..... \$ 400,000"

7 3. Page 6, by striking lines 34 and 35 and  
8 inserting the following: "funding small business  
9 development centers. Iowa state".

10 4. Page 10, by striking line 8 and inserting the  
11 following:

12 "..... \$ 5,856,655"

13 5. Page 11, by inserting after line 7 the  
14 following:

15 "Sec. \_\_\_\_ . ACCOUNTABILITY -- AUDIT.

16 1. The department of workforce development shall  
17 establish accountability measures for all  
18 subcontractors. By January 15, 2007, the department  
19 shall submit a written report to the chairpersons and  
20 ranking members of the joint appropriations  
21 subcommittee on economic development which shall  
22 include a list of contracts held by the department and  
23 accountability measures in effect for each contract.

24 2. The auditor of state shall annually conduct an  
25 audit of the department of workforce development and  
26 shall report the findings of such annual audit,  
27 including the accountability of programs of the  
28 department, to the chairpersons and ranking members of  
29 the joint appropriations subcommittee on economic  
30 development. The department shall pay for the costs  
31 associated with the audit.

32 3. The legislative services agency shall conduct  
33 an annual review of salaries paid to employees of  
34 entities organized under chapter 28E and salaries paid  
35 under a contract with the department of workforce  
36 development. The legislative services agency shall  
37 report its findings to the chairpersons and ranking  
38 members of the joint appropriations subcommittee on  
39 economic development."

40 6. Page 11, by inserting after line 19 the  
41 following:

42 "Sec. \_\_\_\_ . UNEMPLOYMENT COMPENSATION RESERVE FUND.  
43 Notwithstanding section 96.9, subsection 8, paragraph  
44 "e", there is appropriated from interest earned on the  
45 unemployment compensation reserve fund to the  
46 department of workforce development for the fiscal  
47 year beginning July 1, 2006, and ending June 30, 2007,  
48 the following amount for deposit in the field office  
49 operating fund:

50 ..... \$ 4,000,000"

**H-8649**

**H-8649**

Page 2

- 1 7. Page 12, line 26, by striking the word "ten"
- 2 and inserting the following: "two".
- 3 8. Page 12, line 35, by striking the word "ten"
- 4 and inserting the following: "two".
- 5 9. By renumbering as necessary.

RECEIVED FROM THE SENATE

**H-8649** FILED MAY 3, 2006

CONCURRED

HSB 706

APPROPRIATIONS

HOUSE FILE        SF 02459

BY (PROPOSED COMMITTEE ON  
APPROPRIATIONS BILL BY  
HOUSE APPROPRIATIONS  
SUBCOMMITTEE ON ECONOMIC  
DEVELOPMENT BILL)

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

A BILL FOR

1 An Act relating to and making appropriations to the department of  
2 economic development, certain board of regents institutions,  
3 the department of workforce development, the Iowa finance  
4 authority, and the public employment relations board, and  
5 related matters, and providing effective and retroactive  
6 applicability dates.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 ECONOMIC DEVELOPMENT

2 Section 1. GOALS AND ACCOUNTABILITY.

3 1. The goals for the department of economic development  
4 shall be to expand and stimulate the state economy, increase  
5 the wealth of Iowans, and increase the population of the  
6 state.

7 2. To achieve the goals in subsection 1, the department of  
8 economic development shall do all of the following:

9 a. Concentrate its efforts on programs and activities that  
10 result in commercially viable products and services.

11 b. Adopt practices and services consistent with free  
12 market, private sector philosophies.

13 c. Ensure economic growth and development throughout the  
14 state.

15 Sec. 2. DEPARTMENT OF ECONOMIC DEVELOPMENT. There is  
16 appropriated from the general fund of the state to the  
17 department of economic development for the fiscal year  
18 beginning July 1, 2006, and ending June 30, 2007, the  
19 following amounts, or so much thereof as is necessary, to be  
20 used for the purposes designated:

21 1. ADMINISTRATION DIVISION

22 a. General administration

23 For salaries, support, maintenance, miscellaneous purposes,  
24 programs, for transfer to the Iowa state commission grant  
25 program, and for not more than the following full-time  
26 equivalent positions:

27 .....	\$	1,990,845
28 .....	FTEs	28.75

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

35 2. BUSINESS DEVELOPMENT DIVISION

1 a. Business development operations

2 For business development operations and programs,  
3 international trade, export assistance, workforce recruitment,  
4 the partner state program, for transfer to the strategic  
5 investment fund, for transfer to the value-added agricultural  
6 products and processes financial assistance fund, salaries,  
7 support, maintenance, miscellaneous purposes, and for not more  
8 than the following full-time equivalent positions:

9 ..... \$ 6,215,394

10 ..... FTEs 57.00

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

19 c. A business creating jobs with economic development  
20 assistance through moneys appropriated in this subsection  
21 shall be subject to contract provisions stating that new and  
22 retained jobs shall be filled by individuals who are citizens  
23 of the United States who reside within the United States, or  
24 any person authorized to work in the United States pursuant to  
25 federal law, including legal resident aliens in the United  
26 States. Any vendor who receives such public moneys shall  
27 adhere to such contract provisions and provide periodic  
28 assurances as the state shall require, that the jobs are  
29 filled solely by citizens of the United States who reside  
30 within the United States, or any person authorized to work in  
31 the United States pursuant to federal law, including legal  
32 resident aliens in the United States.

33 d. From the moneys appropriated in this subsection, the  
34 department may provide financial assistance in the form of a  
35 grant to a community economic development entity for

1 conducting a local workforce recruitment effort designed to  
2 recruit former citizens of the state and former students at  
3 colleges and universities in the state to meet the needs of  
4 local employers.

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

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

13 g. Notwithstanding section 8.33, moneys appropriated in  
14 this subsection that remain unencumbered or unobligated at the  
15 close of the fiscal year shall not revert but shall remain  
16 available for expenditure for the purposes designated until  
17 the close of the succeeding fiscal year.

18 3. COMMUNITY DEVELOPMENT DIVISION

19 a. Community development programs

20 For salaries, support, maintenance, miscellaneous purposes,  
21 community economic development programs, tourism operations,  
22 community assistance, the film office, the mainstreet and  
23 rural mainstreet programs, the school-to-career program, the  
24 community development block grant, and housing and shelter-  
25 related programs and for not more than the following full-time  
26 equivalent positions:

27 ..... \$ 5,654,173

28 ..... FTEs 61.26

29 b. For purposes of providing cooperative marketing  
30 opportunities for tourism:

31 ..... \$ 250,000

32 c. The department shall encourage development of  
33 communities and quality of life to foster economic growth.  
34 The department shall prepare communities for future growth and  
35 development through development, expansion, and modernization

1 of infrastructure.

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

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

14 f. The department shall not charge a nonprofit, public  
15 entity a fee for placement of informational materials in a  
16 welcome center.

17 4. For allocating moneys for the world food prize:  
18 ..... \$ 285,000

19 Sec. 3. WORLD FOOD PRIZE. In addition to moneys allocated  
20 to the world food prize in section 2 of this Act,  
21 notwithstanding section 8.39, the department of economic  
22 development shall allocate an additional \$115,000 to the world  
23 food prize from moneys appropriated to the department from the  
24 general fund of the state in this Act.

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

30 Sec. 5. RURAL COMMUNITY 2000 PROGRAM. There is  
31 appropriated from loan repayments on loans under the former  
32 rural community 2000 program, sections 15.281 through 15.288,  
33 Code 2001, to the department of economic development for the  
34 fiscal year beginning July 1, 2006, and ending June 30, 2007,  
35 the following amounts, or so much thereof as is necessary, to

1 be used for the purposes designated:

2 1. For providing financial assistance to Iowa's councils  
3 of governments that provide technical and planning assistance  
4 to local governments:

5 ..... \$ 150,000

6 2. For the rural development program for the purposes of  
7 the program including the rural enterprise fund and  
8 collaborative skills development training:

9 ..... \$ 120,000

10 Sec. 6. INSURANCE ECONOMIC DEVELOPMENT. There is  
11 appropriated from moneys collected by the division of  
12 insurance in excess of the anticipated gross revenues under  
13 section 505.7, subsection 3, to the department of economic  
14 development for the fiscal year beginning July 1, 2006, and  
15 ending June 30, 2007, the following amount, or so much thereof  
16 as is necessary, for insurance economic development and  
17 international insurance economic development:

18 ..... \$ 100,000

19 Sec. 7. COMMUNITY DEVELOPMENT LOAN FUND. Notwithstanding  
20 section 15E.120, subsection 5, there is appropriated from the  
21 Iowa community development loan fund all the moneys available  
22 during the fiscal year beginning July 1, 2006, and ending June  
23 30, 2007, to the department of economic development for the  
24 community development program to be used by the department for  
25 the purposes of the program.

26 Sec. 8. WORKFORCE DEVELOPMENT FUND. There is appropriated  
27 from the workforce development fund account created in section  
28 15.342A, to the workforce development fund created in section  
29 15.343, for the fiscal year beginning July 1, 2006, and ending  
30 June 30, 2007, the following amount, for the purposes of the  
31 workforce development fund, and for not more than the  
32 following full-time equivalent positions:

33 ..... \$ 4,000,000

34 ..... FTEs 4.00

35 Sec. 9. WORKFORCE DEVELOPMENT ADMINISTRATION. From funds

1 appropriated or transferred to or receipts credited to the  
2 workforce development fund created in section 15.343, up to  
3 \$400,000 for the fiscal year beginning July 1, 2006, and  
4 ending June 30, 2007, may be used for the administration of  
5 workforce development activities including salaries, support,  
6 maintenance, and miscellaneous purposes and for not more than  
7 4.00 full-time equivalent positions.

8 Sec. 10. JOB TRAINING FUND. Notwithstanding section  
9 15.251, all remaining moneys in the job training fund on July  
10 1, 2006, and any moneys appropriated or credited to the fund  
11 during the fiscal year beginning July 1, 2006, shall be  
12 transferred to the workforce development fund established  
13 pursuant to section 15.343.

14 Sec. 11. IOWA FINANCE AUTHORITY. There is appropriated  
15 from the general fund of the state to the Iowa finance  
16 authority for the fiscal year beginning July 1, 2006, and  
17 ending June 30, 2007, the following amount, or so much thereof  
18 as is necessary, to be used for the purpose designated:

19 For the entrepreneurs with disabilities program:  
20 ..... \$ 200,000

21 Sec. 12. IOWA STATE UNIVERSITY.

22 1. There is appropriated from the general fund of the  
23 state to the Iowa state university of science and technology  
24 for the fiscal year beginning July 1, 2006, and ending June  
25 30, 2007, the following amount, or so much thereof as is  
26 necessary, to be used for small business development centers,  
27 the science and technology research park, the institute for  
28 physical research, and for not more than the following full-  
29 time equivalent positions:

30 ..... \$ 2,363,557  
31 ..... FTEs 56.63

32 2. Of the moneys appropriated in subsection 1, Iowa state  
33 university shall allocate at least \$550,000 for purposes of  
34 funding small business development centers. Iowa state  
35 university may allocate moneys appropriated in subsection 1 to

1 the various small business development centers in any manner  
2 necessary to achieve the purposes of this subsection.

3 3. Iowa state university of science and technology shall  
4 do all of the following:

5 a. Direct expenditures for research toward projects that  
6 will provide economic stimulus for Iowa.

7 b. Provide emphasis to providing services to Iowa-based  
8 companies.

9 4. It is the intent of the general assembly that the  
10 industrial incentive program focus on Iowa industrial sectors  
11 and seek contributions and in-kind donations from businesses,  
12 industrial foundations, and trade associations and that moneys  
13 for the institute for physical research and technology  
14 industrial incentive program shall only be allocated for  
15 projects which are matched by private sector moneys for  
16 directed contract research or for nondirected research. The  
17 match required of small businesses as defined in section  
18 15.102, subsection 4, for directed contract research or for  
19 nondirected research shall be \$1 for each \$3 of state funds.  
20 The match required for other businesses for directed contract  
21 research or for nondirected research shall be \$1 for each \$1  
22 of state funds. The match required of industrial foundations  
23 or trade associations shall be \$1 for each \$1 of state funds.

24 Iowa state university of science and technology shall  
25 report annually to the joint appropriations subcommittee on  
26 economic development and the legislative services agency the  
27 total amount of private contributions, the proportion of  
28 contributions from small businesses and other businesses, and  
29 the proportion for directed contract research and nondirected  
30 research of benefit to Iowa businesses and industrial sectors.

31 Notwithstanding section 8.33, moneys appropriated in this  
32 section that remain unencumbered or unobligated at the close  
33 of the fiscal year shall not revert but shall remain available  
34 for expenditure for the purposes designated until the close of  
35 the succeeding fiscal year.

1     Sec. 13. UNIVERSITY OF IOWA.

2     1. There is appropriated from the general fund of the  
3 state to the state university of Iowa for the fiscal year  
4 beginning July 1, 2006, and ending June 30, 2007, the  
5 following amount, or so much thereof as is necessary, to be  
6 used for the university of Iowa research park and for the  
7 advanced drug development program at the Oakdale research  
8 park, including salaries, support, maintenance, equipment,  
9 miscellaneous purposes, and for not more than the following  
10 full-time equivalent positions:

11 .....	\$	247,005
12 .....	FTEs	6.00

13     2. The university of Iowa shall do all of the following:

14     a. Direct expenditures for research toward projects that  
15 will provide economic stimulus for Iowa.

16     b. Provide emphasis to providing services to Iowa-based  
17 companies.

18     3. Notwithstanding section 8.33, moneys appropriated in  
19 this section that remain unencumbered or unobligated at the  
20 close of the fiscal year shall not revert but shall remain  
21 available for expenditure for the purposes designated until  
22 the close of the succeeding fiscal year.

23     Sec. 14. UNIVERSITY OF NORTHERN IOWA.

24     1. There is appropriated from the general fund of the  
25 state to the university of northern Iowa for the fiscal year  
26 beginning July 1, 2006, and ending June 30, 2007, the  
27 following amount, or so much thereof as is necessary, to be  
28 used for the metal casting institute, and for the institute of  
29 decision making, including salaries, support, maintenance,  
30 miscellaneous purposes, and for not more than the following  
31 full-time equivalent positions:

32 .....	\$	361,291
33 .....	FTEs	4.75

34     2. The university of northern Iowa shall do all of the  
35 following:

1 a. Direct expenditures for research toward projects that  
2 will provide economic stimulus for Iowa.

3 b. Provide emphasis to providing services to Iowa-based  
4 companies.

5 3. Notwithstanding section 8.33, moneys appropriated in  
6 this section that remain unencumbered or unobligated at the  
7 close of the fiscal year shall not revert but shall remain  
8 available for expenditure for the purposes designated until  
9 the close of the succeeding fiscal year.

10 Sec. 15. BOARD OF REGENTS REPORT. The state board of  
11 regents shall submit a report on the progress of regents  
12 institutions in meeting the strategic plan for technology  
13 transfer and economic development to the secretary of the  
14 senate, the chief clerk of the house of representatives, and  
15 the legislative services agency by January 15, 2007.

16 Sec. 16. DEPARTMENT OF WORKFORCE DEVELOPMENT.

17 1. There is appropriated from the general fund of the  
18 state to the department of workforce development for the  
19 fiscal year beginning July 1, 2006, and ending June 30, 2007,  
20 the following amount, or so much thereof as is necessary, for  
21 the division of labor services, the division of workers'  
22 compensation, the workforce development state and regional  
23 boards, the new employment opportunity fund, immigration  
24 services centers, for transfer to the elevator safety fund,  
25 salaries, support, maintenance, miscellaneous purposes, and  
26 for not more than the following full-time equivalent  
27 positions:

28 .....	\$	5,278,800
29 .....	FTEs	89.45

30 Of the moneys appropriated in this subsection, the  
31 department shall allocate \$225,000 for purposes of reducing  
32 the backlog of cases before the commissioner of workers'  
33 compensation and for increasing support for the voluntary  
34 compliance program.

35 2. There is appropriated from the general fund of the

1 state to the department of workforce development for the  
2 fiscal year beginning July 1, 2006, and ending June 30, 2007,  
3 the following amount, or so much thereof as is necessary, to  
4 be used for the purpose designated:

5 For deposit in the field office operating fund and for not  
6 more than the following full-time equivalent positions:  
7 ..... \$ 6,856,655  
8 ..... FTEs 86.04

9 3. From the contractor registration fees, the division of  
10 labor services shall reimburse the department of inspections  
11 and appeals for all costs associated with hearings under  
12 chapter 91C, relating to contractor registration.

13 4. The division of workers' compensation shall continue  
14 charging a \$65 filing fee for workers' compensation cases.  
15 The filing fee shall be paid by the petitioner of a claim.  
16 However, the fee can be taxed as a cost and paid by the losing  
17 party, except in cases where it would impose an undue hardship  
18 or be unjust under the circumstances. The moneys generated by  
19 the filing fee allowed under this subsection are appropriated  
20 to the department of workforce development to be used for  
21 purposes of administering the division of workers'  
22 compensation.

23 5. The department of workforce development shall maintain  
24 pilot immigration services centers that offer one-stop  
25 services to deal with the multiple issues related to  
26 immigration and employment. The pilot centers shall be  
27 designed to support workers, businesses, and communities with  
28 information, referrals, job placement assistance, translation,  
29 language training, resettlement, as well as technical and  
30 legal assistance on such issues as forms and documentation.  
31 Through the coordination of local, state, and federal service  
32 providers, and through the development of partnerships with  
33 public, private, and nonprofit entities with established  
34 records of international service, these pilot centers shall  
35 seek to provide a seamless service delivery system for new

1 Iowans.

2 6. Notwithstanding section 8.33, moneys appropriated in  
3 this section that remain unencumbered or unobligated at the  
4 close of the fiscal year shall not revert but shall remain  
5 available for expenditure for the purposes designated until  
6 the close of the succeeding fiscal year.

7 Sec. 17. EMPLOYMENT SECURITY CONTINGENCY FUND. There is  
8 appropriated from the special employment security contingency  
9 fund to the department of workforce development for the fiscal  
10 year beginning July 1, 2006, and ending June 30, 2007, the  
11 following amounts, or so much thereof as is necessary, for the  
12 purposes designated:

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

15 ..... \$ 471,000

16 Any remaining additional penalty and interest revenue may  
17 be allocated and used to accomplish the mission of the  
18 department.

19 Sec. 18. PUBLIC EMPLOYMENT RELATIONS BOARD. There is  
20 appropriated from the general fund of the state to the public  
21 employment relations board for the fiscal year beginning July  
22 1, 2006, and ending June 30, 2007, the following amount, or so  
23 much thereof as is necessary, for the purposes designated:

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

27 ..... \$ 1,030,607

28 ..... FTEs 10.00

29 Sec. 19. Section 15G.111, subsection 6, paragraph b, Code  
30 Supplement 2005, is amended to read as follows:

31 b. Of the moneys appropriated in this subsection, the  
32 department shall transfer three hundred fifty thousand dollars  
33 each fiscal year for the fiscal period beginning July 1, 2005,  
34 and ending June 30, 2015, to Iowa state university of science  
35 and technology, for purposes of providing financial assistance

1 to establish small business development centers in areas of  
2 the state previously served by a small business development  
3 center, to develop business succession plans, and to maintain  
4 existing small business development centers. Financial  
5 assistance for a small business development center shall not  
6 be awarded unless the city or county where the center is  
7 located or scheduled to be located demonstrates the ability to  
8 obtain local matching moneys ~~on-a-dollar-for-dollar-basis~~. An  
9 ~~award-of-financial-assistance-to-a-small-business-development~~  
10 ~~center-under-this-paragraph-shall-not-exceed-twenty-thousand~~  
11 ~~dollars~~.

12 Sec. 20. Section 91C.1, Code 2005, is amended to read as  
13 follows:

14 91C.1 DEFINITION -- EXEMPTION.

15 1. As used in this chapter, unless the context otherwise  
16 requires, "contractor" means a person who engages in the  
17 business of construction, as the term "construction" is  
18 defined in the Iowa administrative code for purposes of the  
19 Iowa employment security law. However, a person who earns  
20 less than one ten thousand dollars annually or who performs  
21 work or has work performed on the person's own property is not  
22 a contractor for purposes of this chapter. The state, its  
23 boards, commissions, agencies, departments, and its political  
24 subdivisions including school districts and other special  
25 purpose districts, are not contractors for purposes of this  
26 chapter.

27 2. If a contractor's registration application shows that  
28 the contractor is self-employed, does not pay more than one  
29 ten thousand dollars annually to employ other persons in the  
30 business, and does not work with or for other contractors in  
31 the same phases of construction, the contractor is exempt from  
32 the fee requirements under this chapter.

33 Sec. 21. Section 96.7A, subsection 3, Code 2005, is  
34 amended to read as follows:

35 3. FY 2006-2007 ..... \$ 372627500

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2       Sec. 22. TRAVEL POLICY.

3       1. For the fiscal year beginning July 1, 2006, each  
4 department or independent agency receiving an appropriation in  
5 this Act shall review the employee policy for daily or short-  
6 term travel including but not limited to the usage of motor  
7 pool vehicles under the department of administrative services,  
8 employee mileage reimbursement for the use of a personal  
9 vehicle, and the usage of private automobile rental companies.  
10 Following the review, the department or agency shall implement  
11 revisions in the employee policy for daily or short-term  
12 travel as necessary to minimize oil consumption and maximize  
13 cost savings.

14       2. Each department or independent agency subject to  
15 subsection 1 shall report to the general assembly's standing  
16 committees on government oversight regarding the policy  
17 revisions implemented and the consumption reduction and  
18 savings realized from the changes. An initial report shall be  
19 submitted on or before December 1, 2006, and a follow-up  
20 report shall be submitted on or before December 1, 2007.

21       Sec. 23. VALUE-ADDED AGRICULTURAL PRODUCTS AND PROCESSES  
22 FINANCIAL ASSISTANCE FUND MONEYS. The office of renewable  
23 fuels and coproducts may apply to the department of economic  
24 development for moneys in the value-added agricultural  
25 products and processes financial assistance fund for deposit  
26 in the renewable fuels and coproducts fund created in section  
27 159A.7.

28       Sec. 24. IOWA FINANCE AUTHORITY AUDIT. The auditor of  
29 state is requested to review the audit of the Iowa finance  
30 authority performed by the auditor hired by the authority.  
31 The auditor of state is also requested to conduct a  
32 performance audit of the authority to determine the  
33 effectiveness of the authority and the programs of the  
34 authority.

35       Sec. 25. APPLICATION FOR DEPARTMENT OF ECONOMIC

1 DEVELOPMENT MONEYS. For the fiscal year beginning July 1,  
2 2006, any entity that was specifically identified in 2001 Iowa  
3 Acts, chapter 188, to receive funding from the department of  
4 economic development, excluding any entity identified to  
5 receive a direct appropriation beginning July 1, 2006, may  
6 apply to the department for assistance through the appropriate  
7 program. The department shall provide application criteria  
8 necessary to implement this section.

9 Sec. 26. SHELTER ASSISTANCE FUND. In providing moneys  
10 from the shelter assistance fund to homeless shelter programs  
11 in the fiscal year beginning July 1, 2006, and ending June 30,  
12 2007, the department of economic development shall explore the  
13 potential of allocating moneys to homeless shelter programs  
14 based in part on their ability to move their clients toward  
15 self-sufficiency.

16 Sec. 27. UNEMPLOYMENT COMPENSATION PROGRAM.  
17 Notwithstanding section 96.9, subsection 4, paragraph "a",  
18 moneys credited to the state by the secretary of the treasury  
19 of the United States pursuant to section 903 of the Social  
20 Security Act shall be appropriated to the department of  
21 workforce development and shall be used by the department for  
22 the administration of the unemployment compensation program  
23 only. This appropriation shall not apply to any fiscal year  
24 beginning after December 31, 2006.

25 Sec. 28. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.  
26 This Act, being deemed of immediate importance, takes effect  
27 upon enactment and is retroactively applicable to June 9,  
28 2005.

29 EXPLANATION

30 This bill makes appropriations and transfers from the  
31 general fund of the state to the department of economic  
32 development, the university of Iowa, the university of  
33 northern Iowa, Iowa state university, the department of  
34 workforce development, and the public employment relations  
35 board for the 2006-2007 fiscal year.

1 The bill provides that the goals for the department of  
2 economic development shall be to expand and stimulate the  
3 state economy, increase the wealth of Iowans, and increase the  
4 population of the state.

5 The bill appropriates from loan repayments on loans under  
6 the former rural community 2000 program to the department of  
7 economic development moneys for providing financial assistance  
8 to Iowa's councils of governments that provide technical and  
9 planning assistance to local governments and for the rural  
10 development program for the purposes of the program including  
11 the rural enterprise fund and collaborative skills development  
12 training.

13 The bill appropriates moneys collected by the division of  
14 insurance in excess of the anticipated gross revenues to the  
15 department of economic development for purposes of insurance  
16 economic development and international insurance economic  
17 development.

18 The bill appropriates moneys from the Iowa community  
19 development loan fund to the department of economic  
20 development for purposes of the community development program.

21 The bill appropriates moneys from the workforce development  
22 fund account to the workforce development fund.

23 The bill provides that moneys appropriated or transferred  
24 to or receipts credited to the workforce development fund may  
25 be used for administration of workforce development  
26 activities.

27 The bill appropriates moneys from the general fund of the  
28 state to the Iowa finance authority for the entrepreneurs with  
29 disabilities program.

30 The bill provides that all moneys remaining in the job  
31 training fund on July 1, 2006, and any moneys appropriated or  
32 credited to the fund during the fiscal year beginning July 1,  
33 2006, shall be transferred to the workforce development fund.

34 The bill requires the state board of regents to submit a  
35 report on the progress of regents institutions in meeting the

1 strategic plan for technology transfer and economic  
2 development.

3 The bill appropriates moneys from the special employment  
4 security contingency fund to the department of workforce  
5 development for the division of workers' compensation.

6 The bill provides that, in addition to other purposes, Iowa  
7 state university shall use moneys from the grow Iowa values  
8 fund for purposes of developing business succession plans at  
9 small business development centers. The bill eliminates a  
10 dollar-for-dollar local match requirement for financial  
11 assistance for small business development centers and only  
12 requires local matching moneys to be obtained. The bill  
13 eliminates a limit of \$20,000 for such financial assistance.  
14 These provisions take effect upon enactment and apply  
15 retroactively to June 9, 2005.

16 The bill provides that a person who earns less than \$10,000  
17 annually or who performs work or has work performed on the  
18 person's own property is not a contractor for purposes of Code  
19 chapter 91C and is exempt from contractor fee requirements.

20 The bill eliminates an appropriation from the general fund  
21 of the state to the department of workforce development for FY  
22 2006-2007 for workforce development field offices.

23 The bill includes a directive for the departments and  
24 independent agencies receiving an appropriation in the bill to  
25 review employee policy for daily or short-term travel and to  
26 implement policy revisions to maximize cost savings and  
27 minimize oil consumption. The directive includes requirements  
28 for reporting to the committees on government oversight.

29 The bill allows the office of renewable fuels and  
30 coproducts to apply to the department of economic development  
31 for moneys in the value-added agricultural products and  
32 processes financial assistance fund for deposit in the  
33 renewable fuels and coproducts fund.

34 The bill provides that, for the fiscal year beginning July  
35 1, 2006, any entity that was specifically identified in 2001

1 Iowa Acts, chapter 188, to receive funding from the department  
2 of economic development, excluding any entity identified to  
3 receive a direct appropriation beginning July 1, 2006, may  
4 apply to the department for assistance through the appropriate  
5 program.

6 The bill provides that, in providing moneys from the  
7 shelter assistance fund to homeless shelter programs, the  
8 department of economic development shall explore the potential  
9 of allocating moneys to programs based in part on their  
10 ability to move their clients toward self-sufficiency.

11 The bill appropriates moneys from moneys credited to the  
12 state by the secretary of the treasury of the United States  
13 pursuant to the Social Security Act to the department of  
14 workforce development for the administration of the  
15 unemployment compensation program only.

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HOUSE FILE 2459

AN ACT

RELATING TO AND MAKING APPROPRIATIONS TO THE DEPARTMENT OF ECONOMIC DEVELOPMENT, CERTAIN BOARD OF REGENTS INSTITUTIONS, THE DEPARTMENT OF WORKFORCE DEVELOPMENT, THE IOWA FINANCE AUTHORITY, AND THE PUBLIC EMPLOYMENT RELATIONS BOARD, AND RELATED MATTERS, AND PROVIDING EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

ECONOMIC DEVELOPMENT

Section 1. GOALS AND ACCOUNTABILITY.

- 1. 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:
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. 2. 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, 2006, and ending June 30, 2007, 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, programs, for transfer to the Iowa state commission grant program, and for not more than the following full-time equivalent positions:

..... \$ 1,990,845
..... FTEs 28.75

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 ensuring that all state departments are attentive to the needs of an entrepreneurial culture.

2. BUSINESS DEVELOPMENT DIVISION

a. Business development operations

For business development operations and programs, international trade, export assistance, workforce recruitment, the partner state program, for transfer to the strategic investment fund, for transfer to the value-added agricultural products and processes financial assistance fund, salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 6,215,394
..... FTEs 57.00

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.

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 under this subsection, the department may provide financial assistance to early-stage industry companies being established by women entrepreneurs.

f. From the moneys appropriated under 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 salaries, support, maintenance, miscellaneous purposes, community economic development programs, tourism operations, community assistance, the film office, the mainstreet and rural mainstreet programs, the school-to-career program, the community development block grant, and housing and shelter-related programs and for not more than the following full-time equivalent positions:

..... \$ 5,654,173  
..... FTEs 61.26

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.

e. The department shall not charge a nonprofit, public entity a fee for placement of informational materials in a welcome center.

4. For allocating moneys for the world food prize:  
..... \$ 400,000

Sec. 3. 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. 4. RURAL COMMUNITY 2000 PROGRAM. There is appropriated from loan repayments on loans under the former rural community 2000 program, sections 15.281 through 15.288, Code 2001, to the department of economic development for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

- 1. For providing financial assistance to Iowa's councils of governments that provide technical and planning assistance to local governments:  
..... \$ 150,000
- 2. For the rural development program for the purposes of the program including the rural enterprise fund and collaborative skills development training:  
..... \$ 120,000

Sec. 5. INSURANCE ECONOMIC DEVELOPMENT. There is appropriated from moneys collected by the division of insurance in excess of the anticipated gross revenues under section 505.7, subsection 3, to the department of economic development for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amount, or so much thereof as is necessary, for insurance economic development and international insurance economic development:

..... \$ 100,000

Sec. 6. 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, 2006, and ending June 30, 2007, to the department of economic development for the community development program to be used by the department for the purposes of the program.

Sec. 7. 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, 2006, and ending

June 30, 2007, 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. 8. 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, 2006, and ending June 30, 2007, 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. 9. JOB TRAINING FUND. Notwithstanding section 15.251, all remaining moneys in the job training fund on July 1, 2006, and any moneys appropriated or credited to the fund during the fiscal year beginning July 1, 2006, shall be transferred to the workforce development fund established pursuant to section 15.343.

Sec. 10. IOWA FINANCE AUTHORITY. There is appropriated from the general fund of the state to the Iowa finance authority for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the entrepreneurs with disabilities program:  
..... \$ 200,000

Sec. 11. IOWA STATE UNIVERSITY.

1. There is appropriated from the general fund of the state to the Iowa state university of science and technology for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amount, or so much thereof as is necessary, to be used for small business development centers, the science and technology research park, the institute for physical research, and for not more than the following full-time equivalent positions:

..... \$ 2,463,557  
 ..... FTEs 56.63

2. Of the moneys appropriated in subsection 1, Iowa state university shall allocate at least \$650,000 for purposes of funding small business development centers. Iowa state university 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 only be allocated 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 4, 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 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. 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, 2006, and ending June 30, 2007, the following amount, or so much thereof as is necessary, to be used for the 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:

..... \$ 247,005  
 ..... FTEs 6.00

2. The 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, 2006, and ending June 30, 2007, the following amount, or so much thereof as is necessary, to be used for the metal casting institute, and for the institute of decision making, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following

full-time equivalent positions:

.....	\$	361,291
.....	FTEs	4.75

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, 2007.

Sec. 15. DEPARTMENT OF WORKFORCE DEVELOPMENT.

1. There is appropriated from the general fund of the state to the department of workforce development for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amount, or so much thereof as is necessary, for the division of labor services, the division of workers' compensation, the workforce development state and regional boards, the new employment opportunity fund, immigration services centers, for transfer to the elevator safety fund, salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	5,278,800
.....	FTEs	89.45

Of the moneys appropriated in this subsection, the department shall allocate \$225,000 for purposes of reducing the backlog of cases before the commissioner of workers' compensation and for increasing support for the voluntary compliance program.

2. There is appropriated from the general fund of the state to the department of workforce development for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For deposit in the field office operating fund and for not more than the following full-time equivalent positions:

.....	\$	5,856,655
.....	FTEs	86.04

3. 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.

4. The division of workers' compensation shall continue charging a \$65 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.

5. The department of workforce development shall maintain pilot immigration services centers that offer one-stop services to deal with the multiple issues related to immigration and employment. The pilot centers shall be designed to support workers, businesses, and communities with information, referrals, job placement assistance, translation, language training, 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 pilot centers shall seek to provide a seamless service delivery system for new Iowans.

6. 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.

1. The department of workforce development shall establish accountability measures for all subcontractors. By January 15, 2007, the department shall submit a written report to the chairpersons and ranking members of the joint appropriations subcommittee on economic development which shall include a list of contracts held by the department and accountability measures in effect for each contract.

2. 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.

3. The legislative services agency shall conduct an annual review of salaries paid to employees of entities organized under chapter 28E and salaries paid under a contract with the department of workforce development. The legislative services agency shall report its findings to the chairpersons and ranking members of the joint appropriations subcommittee on economic development.

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, 2006, and ending June 30, 2007, the following amounts, or so much thereof as is necessary, for the purposes designated:

For the division of workers' compensation, salaries, support, maintenance, and miscellaneous purposes:  
..... \$ 471,000

Any remaining additional penalty and interest revenue 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, 2006, and ending June 30, 2007, the following amount for deposit in the field office operating fund:  
..... \$ 4,000,000

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, 2006, and ending June 30, 2007, 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:  
..... \$ 1,030,607  
..... FTEs 10.00

Sec. 20. Section 15G.111, subsection 6, paragraph b, Code Supplement 2005, is amended to read as follows:  
b. Of the moneys appropriated in this subsection, the department shall transfer three hundred fifty thousand dollars each fiscal year for the fiscal period beginning July 1, 2005,

and ending June 30, 2015, to Iowa state university of science and technology, for purposes of providing financial assistance to establish small business development centers in areas of the state previously served by a small business development center, to develop business succession plans, and to maintain existing small business development centers. Of the three hundred fifty thousand dollars transferred each fiscal year pursuant to this paragraph, not more than one hundred thousand dollars shall be used for business succession activities.

Financial assistance for a small business development center shall not exceed fifty thousand dollars per fiscal year and shall not be awarded unless the city or county where the center is located or scheduled to be located demonstrates the ability to obtain local matching moneys on a dollar-for-dollar basis for at least twenty-five percent of the cost of the center. ~~An award of financial assistance to a small business development center under this paragraph shall not exceed twenty thousand dollars.~~

Sec. 21. Section 91C.1, Code 2005, is amended to read as follows:

91C.1 DEFINITION -- EXEMPTION.

1. As used in this chapter, unless the context otherwise requires, "contractor" means a person who engages in the business of construction, as the term "construction" is defined in the Iowa administrative code for purposes of the Iowa employment security law. However, a person who earns less than one two thousand dollars annually or who performs work or has work performed on the person's own property is not a contractor for purposes of this chapter. The state, its boards, commissions, agencies, departments, and its political subdivisions including school districts and other special purpose districts, are not contractors for purposes of this chapter.

2. If a contractor's registration application shows that the contractor is self-employed, does not pay more than one

two thousand dollars annually to employ other persons in the business, and does not work with or for other contractors in the same phases of construction, the contractor is exempt from the fee requirements under this chapter.

Sec. 22. Section 96.7A, subsection 3, Code 2005, is amended to read as follows:

3. FY 2006-2007 ..... \$ ~~3,262,500~~  
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Sec. 23. TRAVEL POLICY.

1. For the fiscal year beginning July 1, 2006, each department or independent agency receiving an appropriation in this Act shall review the employee policy for daily or short-term travel including but not limited to the usage of motor pool vehicles under the department of administrative services, employee mileage reimbursement for the use of a personal vehicle, and the usage of private automobile rental companies. Following the review, the department or agency shall implement revisions in the employee policy for daily or short-term travel as necessary to minimize oil consumption and maximize cost savings.

2. Each department or independent agency subject to subsection 1 shall report to the general assembly's standing committees on government oversight regarding the policy revisions implemented and the consumption reduction and savings realized from the changes. An initial report shall be submitted on or before December 1, 2006, and a follow-up report shall be submitted on or before December 1, 2007.

Sec. 24. VALUE-ADDED AGRICULTURAL PRODUCTS AND PROCESSES FINANCIAL ASSISTANCE FUND MONEYS. 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 for deposit in the renewable fuels and coproducts fund created in section 159A.7.

Sec. 25. 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. The auditor of state is also requested to conduct a performance audit of the authority to determine the effectiveness of the authority and the programs of the authority.

Sec. 26. APPLICATION FOR DEPARTMENT OF ECONOMIC DEVELOPMENT MONEYS. For the fiscal year beginning July 1, 2006, 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, 2006, may apply to the department for assistance through the appropriate program. The department shall provide application criteria necessary to implement this section.

Sec. 27. SHELTER ASSISTANCE FUND. In providing moneys from the shelter assistance fund to homeless shelter programs in the fiscal year beginning July 1, 2006, and ending June 30, 2007, 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. 28. 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 shall be 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, 2006.

Sec. 29. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES. The section of this Act amending section 15G.111, relating to business succession plans at small business development

centers, being deemed of immediate importance, takes effect upon enactment and is retroactively applicable to June 9, 2005.

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CHRISTOPHER C. RANTS  
Speaker of the House

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JEFFREY M. LAMBERTI  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2459, Eighty-first General Assembly.

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MARGARET THOMSON  
Chief Clerk of the House

Approved \_\_\_\_\_, 2006

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THOMAS J. VILSACK  
Governor