



# IOWA HOUSE DEMOCRATS

## BILL SUMMARY

# Economic Development Budget HF 2493

**Status of Bill:** House Calendar  
**Committee:** Appropriations (15-10)  
**Research Analyst:** Jessica Flannery; 515-281-6312; jessica.flannery@legis.iowa.gov

**Lead Democrat:** Rep. Running-Marquardt  
**Floor Manager:** Rep. Best

### Summary

HF 2493 appropriates \$38.7 million for the Economic Development budget, which funds the Department of Cultural Affairs, Economic Development Authority, Iowa Finance Authority, Public Employment Relations Board, and Iowa Workforce Development. The bill appropriates \$670,000 more than FY18, with all departments, except Iowa Finance Authority, receiving an increase. The bill also appropriates \$26 million in other funds in FY 19, \$2.5 million less than FY 18.

<u>GENERAL FUND</u>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>HF 2493</b>	<b>HF 2493 vs FY 18</b>
Department of Cultural Affairs	5,806,791	5,756,055	5,912,756	156,701
Economic Development Authority	16,631,005	14,885,241	15,081,580	196,339
Iowa Workforce Development	16,875,532	15,474,597	15,641,557	166,960
PERB Board	1,328,129	1,342,452	1,492,452	150,000
Iowa Finance Authority	658,000	658,000	658,000	0
ISU-SBDC	101,000	0	0	0
<b>Total</b>	<b>\$41,400,457</b>	<b>\$38,116,345</b>	<b>\$38,786,345</b>	<b>\$670,000</b>

### Department of Cultural Affairs (DCA)

<u>GENERAL FUND</u>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>HF 2493</b>	<b>HF 2493 vs FY 18</b>
Administration Division	168,637	168,637	168,637	0
Community Cultural Grants	172,090	172,090	172,090	0
Historical Division	2,987,600	2,977,797	3,027,797	50,000
Historic Sites	426,398	426,398	426,398	0
Arts Division	1,192,188	1,192,188	1,217,188	25,000
Great Places	150,000	150,000	150,000	0
Archiving Former Governor's Papers	65,933	0	0	0
Cultural Trust Grants	N/A	25,000	75,000	50,000
Records Center Rent	227,243	227,243	227,243	0
County Endowment Funding-DCA Grants	416,702	416,702	448,403	31,701
Battle Flag Stabilization	0	0	0	0
<b>Total DCA</b>	<b>\$5,806,791</b>	<b>\$5,756,055</b>	<b>\$5,912,756</b>	<b>\$156,701</b>

- Cultural Affairs receives \$5.9 million, an increase of \$156,701.
- \$300,000 of appropriations to the Arts Division must go to the film office.

- This bill continues to not fund battle flag stabilization or archiving former Governor’s papers. The department has said they continue to work on both projects.

**Economic Development Authority (EDA)**

<b>GENERAL FUND</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>HF 2493</b>	<b>HF 2493 vs FY 18</b>
Economic Development Appropriation	14,485,192	13,242,040	13,438,379	196,339
World Food Prize	712,500	400,000	375,000	-25,000
Iowa Comm. Volunteer Ser.-Promise	175,513	168,201	168,201	0
Councils of Governments Assistance	190,000	175,000	200,000	25,000
Tourism Marketing	1,067,800	900,000	900,000	0
<b>Total EDA</b>	<b>\$16,631,005</b>	<b>\$14,885,241</b>	<b>\$15,081,580</b>	<b>\$196,339</b>

- The Economic Development Authority receives \$15 million, an increase of \$196,339 over the revised FY18. The EDA received a cut of \$157,960 in the deappropriations bill.
- The bill mandates the Economic Development Authority submit an annual report to the Legislature that details every loan, forgivable loan, tax credit, tax exemption, tax refund, grant, and any other financial assistance given to a person or business. The report must include the county where the project associated with each award is located.

**ISU Small Business Development Centers**

<b>GENERAL FUND</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>HF 2493</b>	<b>HF 2493 vs FY 18</b>
<b>ISU - Economic Development</b>	<b>101,000</b>	<b>0</b>	<b>0</b>	<b>0</b>

- The ISU Small Business Development Centers were not given an appropriation this year. However, ISU still receives funding from the Skilled Workers Job Creation Fund, which is located in the other funds section.

**Iowa Workforce Development (IWD)**

<b>GENERAL FUND</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>HF 2493</b>	<b>HF 2493 vs FY 19</b>
IWD – Labor Services Division	3,762,097	3,471,252	3,491,252	20,000
IWD - Workers' Comp Division	3,259,044	3,259,044	3,259,044	0
IWD Operations - Field Offices	8,845,650	7,848,690	7,945,650	96,960
Offender Reentry Program	298,464	287,158	387,158	100,000
I/3 State Accounting System	274,819	228,822	228,822	0
Employee Misclassification	451,458	379,631	329,631	-50,000
<b>Total IWD</b>	<b>\$16,875,532</b>	<b>\$15,474,597</b>	<b>\$15,641,557</b>	<b>\$166,960</b>

- Iowa Workforce Development receives \$15.6 million, an increase of \$166,960. IWD received a cut of \$166,960 in the deappropriations bill.

- The field offices receive an increase in funding but lose 0.4 FTEs.
- The bill funds an additional FTE for the offender reentry program, bringing the number of FTEs to 5.
- The bill decreases the employee misclassification program by \$50,000.
- IWD will still have to allocate \$150,000 to the state library. This money will come out of the operations line item and will be used for licensing an online resource used to prepare people for the workplace.

**Public Employment Relations Board (PERB)**

<u>GENERAL FUND</u>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>HF 2493</b>	<b>HF 2493 vs FY 18</b>
<b>PERB Board-General Office</b>	<b>1,328,129</b>	<b>1,342,452</b>	<b>1,492,452</b>	<b>150,000</b>

- PERB receives \$1.49 million, an increase of \$150,000, adding one FTE.

**Iowa Finance Authority (IFA)**

<u>GENERAL FUND</u>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>HF 2493</b>	<b>HF 2493 vs FY 18</b>
<b>Rent Subsidy Program</b>	<b>658,000</b>	<b>658,000</b>	<b>658,000</b>	<b>0</b>

- IFA receives status quo funding in FY 19 at \$658,000.
- The bill strikes language that mandates the Iowa Finance Authority, if there is a wait list, give priority to a person participating in the state’s partnership for community integration project who has been assigned a transition specialist to work with. That language is found in the Code under Chapter 33 Section 16.55 so it isn’t needed in the bill.

**Economic Development Other Funds**

<b>Board of Regents</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>HF 2493</b>	<b>HF 2493 vs FY 18</b>
Regents Innovation Fund (SWJCF)	3,000,000	3,000,000	3,000,000	0
ISU - Economic Development (SWJCF)	2,424,302	2,424,302	2,424,302	0
UI - Economic Development (SWJCF)	209,279	209,279	209,279	0
UI - Entrepreneurship & Economic Growth (SWJCF)	2,000,000	2,000,000	2,000,000	0
UNI - Economic Development (SWJCF)	1,066,419	1,066,419	1,066,419	0
<b>Total Regents</b>	<b>\$8,700,000</b>	<b>\$8,700,000</b>	<b>\$8,700,000</b>	<b>0</b>
<b>Workforce Development</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>HF 2493</b>	<b>HF 2493 vs FY 18</b>
Field Offices-Spec Cont Fund	1,766,084	1,766,084	1,766,084	0
Field Offices-UI Reserve Interest	557,000	1,060,000	1,060,000	0
AMOS-Mid-Iowa Org Strategy (SWJCF)	100,000	100,000	100,000	0
Summer Youth Work Pilot (SWJCF)	n/a	n/a	250,000	250,000
Future Ready Iowa Coordinator (SWJCF)	n/a	n/a	150,000	150,000
<b>Total Workforce Development</b>	<b>\$2,423,084</b>	<b>\$2,926,084</b>	<b>\$3,326,084</b>	<b>\$400,000</b>
<b>Economic Development Authority</b>	<b>Actual FY 2017</b>	<b>Revised FY 2018</b>	<b>HF 2493</b>	<b>HF 2493 vs FY 18</b>
STEM Scholarships (SWJCF)	1,000,000	1,000,000	1,000,000	0
High Quality Jobs (SWJCF)	15,900,000	5,900,000	12,000,000	6,100,000
Registered Apprenticeship Program (SWJCF)	n/a	n/a	1,000,000	1,000,000
<b>Total Economic Development Authority</b>	<b>\$16,900,000</b>	<b>\$6,900,000</b>	<b>\$14,000,000</b>	<b>\$7,100,000</b>
<b>Total Other Funds</b>	<b>\$28,023,084</b>	<b>\$18,526,084</b>	<b>\$26,026,084</b>	<b>\$7,500,000</b>
<b>Total Skilled Worker &amp; Job Creation Fund</b>	<b>\$25,700,000</b>	<b>\$15,700,000</b>	<b>\$23,200,000</b>	<b>\$6,500,000</b>

- The Regent universities maintain status quo funding from FY 18 at \$8.7 million.
- As part of Future Ready Iowa, the bill funds a program coordinator through Iowa Workforce Development (IWD) using funds from the Skilled Worker and Job Creation Fund. Also from the fund, a summer youth program is funded under IWD. The summer program is aimed toward at-risk youth.
- Through the Economic Development Authority the bill funds a registered apprenticeship program as part of Future Ready Iowa. The program is designed to encourage small and medium sized businesses to start apprenticeships.
- The total funding for Future Ready Iowa in the bill is \$1.4 million. The Governor proposed \$350,000 for marketing the program but it was not included in the bill.
- In the deappropriations for FY 18, \$10 million was transferred from high quality jobs, to the general fund. The bill funds the high quality jobs line item \$12 million which is a \$3.9 million decrease from FY 17. The bill allocates \$1 million for the Future Ready Iowa program from the high quality jobs line item. That leaves \$2.5 million unaccounted for from the Skilled Worker and Job Creation Fund.
- The bill authorizes IWD to use up to \$39.2 million in federal funds from the Assistance for Unemployed Workers and Struggling Families Act for unemployment insurance system modernization. All of IWD computer systems will be updated, streamlining services, and increasing security of their data.

- In 2009, Iowa received a special transfer of \$70.8 million of federal funds into the Unemployment Compensation Trust Fund. These federal funds may be used for:
  - 1) Modernization of unemployment insurance systems
  - 2) Administrative cost for the unemployment insurance program and field offices
  - 3) Unemployment insurance benefits

Flannery, Jessica [LEGIS][G:\Caucus Staff\JFlannery\Eco Devo\Draft Eco Devo Budget Summary.docx|April 26, 2018|11:57 AM