



Bill and Amendment Summary

HF 2460 Economic Development Budget

Status of Bill: House Calendar
 Committee: Economic Development Budget Sub (7-1), Appropriations (24-0)
 Floor Manager: Rep. Deyoe
 Ranking Democrat: Rep. Running-Marquardt
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The bill contains funding for the Department of Cultural Affairs, Department of Economic Development, Workforce Development and for the Regents Economic Development activities. The bill appropriates \$42.5 million from the general fund, an increase of \$1.2 million more than FY 14.

The bill also appropriates \$33.6 million from other funds, an increase of \$1.65 million from FY 14. Of the \$32.9 million in other funds, the Skilled Worker Job Creation Fund accounts for \$25.6 million.

<u>GENERAL FUND</u>	Estimated FY 2014	Governor FY 2015	HF 2460	House vs. FY 2014
Department of Cultural Affairs	5,714,011	5,714,011	5,714,011	0
Economic Development Authority	16,669,505	19,969,505	17,694,505	1,025,000
Regents	0	0	101,000	101,000
Iowa Workforce Development	16,997,918	20,397,918	17,071,918	74,000
PERB Board	1,342,452	1,342,452	1,342,452	0
Iowa Finance Authority	658,000	658,000	658,000	0
Total	\$41,381,886	\$48,081,886	\$42,581,886	\$1,200,000

Department of Cultural Affairs (DCA)

<u>GENERAL FUND</u>	Estimated FY 2014	Governor FY 2015	HF 2460	House vs. FY 2014
Administration Division	176,882	176,882	176,882	0
Community Cultural Grants	172,090	172,090	172,090	0
Historical Division	3,167,701	3,167,701	3,167,701	0
Historic Sites	426,398	426,398	426,398	0
Arts Division	1,233,764	1,233,764	1,233,764	0
Great Places	150,000	150,000	150,000	0
Archiving Former Governors Papers	65,933	65,933	65,933	0
Records Center Rent	227,243	227,243	227,243	0
Battle Flag Stabilization	94,000	94,000	94,000	0
Total DCA	\$5,714,011	\$5,714,011	\$5,714,011	0

The bill provides status quo funding for the Department of Cultural Affairs with an appropriation of \$5.7 million

Iowa Economic Development Authority (IEDA)

<u>GENERAL FUND</u>	Estimated FY 2014	Governor FY 2015	HF 2460	House vs. FY 2014
Economic Development Appropriation	15,516,372	16,315,525	15,516,372	0
World Food Prize	800,000	1,000,000	800,000	0
Iowa Comm. Volunteer Ser.- Promise	178,133	178,133	178,133	0
Councils of Governments Assistance	175,000	175,000	200,000	25,000
Midwest Japanese Conference	0	100,000	0	0
STEM Apprenticeships	0	2,000,000	1,000,000	1,000,000
Total EDA	\$16,669,505	\$19,969,505	\$17,694,505	\$1,025,000

The bill appropriates \$17.7 million in FY 15, an increase of \$1.025 million over FY 14.

- There is a new \$1 million line item for STEM Apprenticeships. The purpose of the program is to assist in placing Iowa students studying in the fields of science, technology, engineering, and mathematics into internships that lead to permanent positions with Iowa employers. Language for the STEM Apprenticeship program is contained in the Broadband Expansion bill being considered in the House and Senate. The appropriation is contingent upon the broadband legislation becoming law.
- The Councils of Governments (COGS) is increased of \$25,000 over FY 14 for a total of \$200,000.
- The Governor proposed a new line item for Midwest Japanese Conference which Iowa is hosting. The bill does not provide funding.

Board of Regents

<u>GENERAL FUND</u>	Estimated FY 2014	Governor FY 2015	HF 2460	House vs. FY 2014
ISU - Economic Development	0	0	101,000	101,000

The bill appropriates an additional \$101,000 from the general fund for Small Business Development Centers. Small Business Development Centers also receive \$735,728 from the Skilled Worker Job Creation Fund for a total of \$836,728.

Iowa Workforce Development (IWD)

<u>GENERAL FUND</u>	Estimated FY 2014	Governor FY 2015	HF 2460	House vs. FY 2014
IWD - Labor Services Division	3,823,539	3,823,539	3,823,539	0
IWD - Workers' Comp Division	3,259,044	3,259,044	3,259,044	0
IWD Operations - Field Offices	9,179,413	9,179,413	9,179,413	0
Offender Reentry Program	284,464	284,464	358,464	74,000
Employee Misclassification	451,458	451,458	451,458	0
Digital and Vocational Literacy	0	1,400,000	0	0
Home Base Iowa	0	1,000,000	0	0
Home Base Iowa IWD Foundation	0	1,000,000	0	0
Total IWD	\$16,997,918	\$20,397,918	\$17,071,918	\$74,000

The bill appropriates \$17 million in FY 15 to Iowa Workforce Development, an increase of \$74,000 from FY14. The increase goes to the offender reentry program to allow them to fill an additional FTE. The Governor proposed three new line items, two separate \$1 million appropriations for Home Base Iowa initiative and \$1.4 million for digital and vocational literacy. These new line items were not funded in the budget.

Public Employment Relations Board

<u>GENERAL FUND</u>	Estimated FY 2014	Governor FY 2015	HF 2460	House vs. FY 14
PERB Board-General Office	1,342,452	1,342,452	1,342,452	0

The Public Employment Relations Board receives status quo funding of \$1.3 million for FY 2015.

Iowa Finance Authority

<u>GENERAL FUND</u>	Estimated FY 2013	Governor FY 2014	HF 2460	House vs. FY 14
Rent Subsidy Program	658,000	658,000	658,000	0

The Rent Subsidy Program, under the Iowa Finance Authority, receives status quo funding of \$658,000.

Skilled Worker Job Creation Fund

The Skilled Worker Job Creation Fund was created in 2013 and receives \$66 million in gambling revenues that had previously been deposited into the general fund.

This year the Skilled Worker Fund programs are split between the Education Budget and the Economic Development Budget. The Economic Development Budget receives \$25.6 million from the Skilled Worker Job Creation Fund.

Skilled Worker Job Creation Fund

<u>Board of Regents</u>	Estimated FY 2014	Governor FY 2015	HF 2460	House vs. FY 2014
ISU - Economic Development	2,424,302	2,424,302	2,424,302	0
UI - Economic Development	209,279	209,279	209,279	0
UI - Entrepreneurship & Economic Growth	2,000,000	2,000,000	2,000,000	0
UNI - Economic Development	1,066,419	1,066,419	1,066,419	0
Regents Innovation Fund	3,000,000	3,000,000	3,000,000	0
Total Regents	8,700,000	8,700,000	8,700,000	0
<u>High Quality Jobs</u>				
High Quality Jobs	16,900,000	16,900,000	16,900,000	0
Total High Quality Jobs	16,900,000	16,900,000	16,900,000	0
Total Skilled Worker Job Creation Fund	\$25,600,000	\$25,600,000	\$25,600,000	0

The regents institutions and the High Quality Jobs program receive status quo funding from the Skilled Worker job creation fund.

- **Iowa State University** receives status quo funding from the skilled worker job creation fund for FY15, \$2.42 million, which helps fund Small Business Development Centers and the Iowa State University Research Park. The bill requires at least \$735,728 of their appropriation fund small business development centers.
- **University of Northern Iowa** receives status quo funding from the skilled worker job creation fund for FY 15, \$1.06 million. The appropriation for economic development activities at the University of Northern Iowa funds the Institute for Decision Making, the MyEntrenet service and the Metal Casting Institute

- **University of Iowa** receives status quo funding from the skilled worker shortage fund for FY 14, \$2.2 million. The appropriation supports the University of Iowa research park and the advanced drug development program.
- **Regents Innovation Fund** receives status quo funding for FY 15.

<u>Other Funds</u>	Estimated FY 2014	Governor FY 2015	HF 2460	House vs. FY 2014
Workforce Development Fund	4,000,000	4,000,000	5,750,000	1,750,000

The bill increases the Workforce Development Fund from \$4 million to \$5.75 million. The Workforce Development Fund Account receives funding from the New Jobs Credit per the withholding mechanism in Iowa Code chapter 260E. After a business's training obligation has been paid off, an amount equal to 25.0% of the total amount of withholdings paid by a business for jobs created under the Program, are diverted to the Workforce Development Fund Account for a period of 10 years. Initially, the program had no cap on the amount of funds diverted. The General Assembly set a cap of \$10.0 million in 1996, lowered the cap to \$8.0 million in 2000, and set the cap at \$4.0 million in 2001.

Prior to the cap being raised, \$3 million dollars went to worker retraining and \$1 million went to apprenticeship programs. With the increase in the cap, \$2.75 million now goes to apprenticeship training while business retraining funds remain the same at \$3 million.

Amendments

H-8183 By Isenhart and Kearns. Allocates \$1,000 out of the Labor Services appropriation to direct the labor commissioner and the attorney general to investigate the use of noncash or check wage payment in Iowa. The amendment also directs the commissioner to submit his findings to the legislature.

H-8187 by Deyoe. Makes a corrective change to the code language dealing with the now increased Workforce Development Fund.

H-8190 by M. Smith. The Senate wage theft legislation. Requires businesses to tell workers in writing what they are going to be paid and how they are going to be paid. Employers would also have to give advance notice of wage deductions, instead of after the fact.

H-8191 by Running-Marquardt. Adds 1 additional OSHA FTE to the Department of Workforce Development in the Department of Workforce Development.

H-8193 by Running-Marquardt. Adds 1 additional FTE for child labor enforcement in the Department of Workforce Development.

H-8194 by Running-Marquardt. Adds 1 additional FTE for wage investigation in the Department of Workforce Development.

H-8195 by M. Smith. States that any department receiving funds in the Economic Development budget must give first preference to Iowa products and second preference to products made in the United States.