

Sec. 53.

The department of natural resources shall make recommendations to reduce fuel costs and other expenses incurred by local school districts in both urban and rural areas to transport students. The recommendations may include methods or criteria for the bus scheduling and other strategies deemed economically feasible by the department.

Sec. 54.

The state board of education shall require driver education courses offered by schools under the board's jurisdiction to include instruction in the following additional subject areas:

1. Routine maintenance of motor vehicles to maximize energy efficiency and safety.
2. Operation of motor vehicles to maximize energy efficiency and safety.

Sec. 55.

The department of natural resources, subject to the availability of funds, shall contract with a qualified person or persons to offer a free car care clinic at* least fourteen sites geographically distributed throughout the state. Each such clinic shall inspect vehicles of attendees and instruct owners and operators of motor vehicles in the maintenance of motor vehicles to maximize energy efficiency. Vehicle inspections conducted at the clinic may include minor adjustments, including, but not limited to, adjusting belt tensions or inflating tires. The department shall cooperate with appropriate vocational educational programs to utilize students skilled in the field to the extent possible. The administrator shall coordinate with local officials and vocational educational programs for each site the scheduling and promotion of the clinic.

Sec. 56.

The department of natural resources shall develop a proposal to phase in on a statewide basis, or on a multistate basis, automotive tailpipe emission standards as established by the state of California as of January 1, 1990. The department shall submit the proposal to the general assembly on or before January 15, 1991.

Approved May 8, 1990

CHAPTER 1253

HIGHER EDUCATION COORDINATION, ADMINISTRATION, STANDARDS, AND FUNDING

S.F. 2410

AN ACT relating to higher education, including coordination, administration, standards, and funding, making appropriations, and providing effective dates.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 18.29, Code 1989, is amended to read as follows:

18.29 PRINTING FOR STATE INSTITUTIONS.

The power of the director to let contracts shall not embrace printing for any state penal, correctional or board of regents institution, or ~~area vocational schools, area~~ community colleges, or school corporations under the jurisdiction of the department of education when the institution is able and desires to do its own printing.

Sec. 2. Section 149.4, Code 1989, is amended to read as follows:

149.4 APPROVED SCHOOL.

~~No~~ A school of podiatry shall ~~not~~ be approved by the board of podiatry examiners as a school of recognized standing unless ~~said~~ the school:

*An additional "at" probably intended

1. Requires for graduation or the receipt of any podiatric degree the completion of a course of study covering a period of at least eight months in each of four calendar years.

2. After January 1, 1962, ~~no~~ a school of podiatry shall not be approved by the board of podiatry examiners which does not have as an additional entrance requirement two years study in a recognized college, ~~junior college~~, university, or academy.

Sec. 3. Section 156.3, Code 1989, is amended to read as follows:

156.3 ELIGIBILITY REQUIREMENTS.

To be eligible to take the examination for a funeral director's license, a person must have completed two academic years of instruction in a recognized college, ~~junior college~~ or university in a course of study approved by the board or have equivalent education as defined by the board and have satisfactorily completed a course of instruction in mortuary science in an accredited school approved by the board.

Sec. 4. Section 256.3, Code 1989, is amended to read as follows:

256.3 STATE BOARD ESTABLISHED.

The state board of education is established for the department. The state board consists of nine members appointed by the governor subject to senate confirmation. The members shall be qualified electors of the state and hold no other elective or appointive state office. A member shall not be engaged in professional education for a major portion of the member's time nor shall the member derive a major portion of income from any business or activity connected with education. ~~One member shall have substantial knowledge related to vocational and technical training, and one member shall have substantial knowledge related to area community colleges.~~ Not more than five members shall be of the same political party.

The terms of office are for six years beginning and ending as provided in section 69.19.

Three of the state board members shall have substantial knowledge related to the community college system. The remaining six members shall be members of the general public.

Sec. 5. Section 256.7, Code Supplement 1989, is amended by adding the following new subsections:

NEW SUBSECTION. 17. Adopt by January 15, 1991, rules which set criteria for the establishment and approval of quality instructional centers at the community colleges under section 280A.45. Rules adopted shall contain criteria for the identification of a quality instructional center, for the enhancement of other programs in order to upgrade other programs to quality instructional center status, and for the review of program offerings for purposes of retention of quality instructional center status.

NEW SUBSECTION. 18. Adopt by January 15, 1991, rules which establish guidelines for the approval of program sharing and administrative sharing agreements entered into by two or more community colleges or by a community college and a higher education institution under the control of the board of regents under section 280A.46.

NEW SUBSECTION. 19. By January 1, 1991, develop a brochure, to be distributed by school districts to students in grades nine through eleven, which explains the postsecondary options law contained in chapter 261C.

NEW SUBSECTION. 20. Adopt, by July 1, 1992, rules and a procedure for accrediting all community college programs in Iowa. Rules adopted shall satisfy the requirements for implementing the educational and service program contained in section 280A.48.

NEW SUBSECTION. 21. Adopt rules and a procedure for accrediting all apprenticeship programs in the state which receive state or federal funding. In developing the rules, the state board shall consult with schools and labor or trade organizations affected by or currently operating apprenticeship or training programs. Rules adopted shall be the same or similar to criteria established for the operation of apprenticeship programs at community colleges.

Sec. 6. Section 256.9, Code Supplement 1989, is amended by adding the following new subsections:

NEW SUBSECTION. 39. Develop by September 1, 1990, an application and review process for the identification of quality instructional centers at the community colleges. The process developed shall include but is not limited to the development of criteria for the identification of a quality instructional center as well as for the enhancement of other program offerings in order to upgrade programs to quality instructional center status. Criteria established shall be designed to increase student access to programs, establish high quality occupational and vocational education programs, and to enhance interinstitutional cooperation in program offerings.

NEW SUBSECTION. 40. Explore, in conjunction with the state board of regents, the need for coordination between school districts, area education agencies, regents' institutions, and community colleges for purposes of delivery of courses, use of telecommunications, transportation, and other similar issues. Coordination may include, but is not limited to, coordination of calendars, programs, schedules, or telecommunications emissions. The department shall develop recommendations which shall be submitted in a report to the general assembly by February 15, 1991.

NEW SUBSECTION. 41. Develop by September 1, 1990, an application and review process for approval of administrative and program sharing agreements between two or more community colleges or a community college and an institution of higher education under the board of regents entered into pursuant to section 280.46.

Sec. 7. NEW SECTION. 256.30B COMMUNITY COLLEGE COUNCIL.

A community college council is established to assist the state board of education with substantial issues which are directly related to the community college system. The state board shall refer all substantial issues directly related to the community college system to the council. The council shall formulate recommendations on each issue referred to it by the state board and shall submit the recommendations to the state board within any specified time periods.

The council shall consist of four voting members and two ex officio nonvoting members. The four voting members of the council shall be members of the state board and shall include the three members of the state board who have knowledge of issues and concerns affecting the community college system and a fourth member of the state board designated annually by the state board president. Of the two ex officio nonvoting members, one shall be a community college president appointed by an association which represents the largest number of community college presidents in the state and the other shall be a community college trustee appointed by an association which represents the largest number of community college trustees in the state. The ex officio nonvoting members shall serve staggered three-year terms beginning on May 1, of the year of appointment.

Sec. 8. Section 258.3A, subsection 3, Code Supplement 1989, is amended to read as follows:

3. Adopt rules prescribing standards for approval of schools, departments, and classes; area vocational-technical high schools and programs; and area community colleges with vocational schools and programs; and practitioner preparation schools, departments, and classes, applying for federal and state moneys under this chapter.

Sec. 9. Section 258.4, subsections 7 and 9, Code Supplement 1989, are amended to read as follow:

7. Annually inspect, as a basis of approval, all schools, departments, and classes, area vocational-technical high schools and programs, area community colleges with vocational schools and programs and all practitioner preparation schools, departments, and classes, applying for federal and state moneys under this chapter.

9. Establish a regional planning process to be implemented by regional planning boards, which utilizes the services of local school districts, ~~merged area schools~~ community colleges, and other resources to assist local school districts in meeting vocational education standards while avoiding unnecessary duplication of services.

Sec. 10. NEW SECTION. 260B.1 HIGHER EDUCATION STRATEGIC PLANNING COUNCIL ESTABLISHED.

The higher education strategic planning council is established to develop strategic plans for the advancement of higher education institutions in the state.

The higher education council is an independent public body to be located in the offices of the college aid commission, which consists of six voting members and three ex officio members, who are to be selected in the following manner. Two voting members shall be selected from each of the following three education sectors:

1. State board for community colleges.
2. State board of regents.
3. An association which represents the largest number of independent colleges and universities.

Members selected from the association of independent colleges and universities shall also be members of a governing board of a college or university.

The director of the department of education, or the director's designee, the executive director of the state board of regents, or the executive director's designee, and the president of the association which represents the largest number of independent colleges and universities, or the president's designee, shall be ex officio members of the council and shall assist the council in carrying out its duties. All voting members shall serve staggered two-year terms in the manner provided in chapter 69.

The council shall elect a chairperson on a rotating basis from the portion of its membership which is composed of representatives of the three education sectors. The chairperson shall serve for one year and until a successor is elected and qualified. Members shall receive reimbursement for actual expenses and may receive per diem compensation as provided in section 7E.6.

Sec. 11. NEW SECTION. 260B.2 DUTIES OF COUNCIL.

The council shall be responsible for developing strategic plans which address issues relating to higher education, education intersectoral missions, and the future direction of postsecondary education in Iowa.

The council shall submit annual reports regarding its responsibilities and activities to the governor and general assembly. Reports shall include information relating to the development of the strategic plans.

Sec. 12. NEW SECTION. 260B.3 COUNCIL PLAN DEVELOPMENT.

The council may contract with consultants for assistance in developing strategic plans.

Sec. 13. NEW SECTION. 261.52 GRADUATE STUDENT FINANCIAL ASSISTANCE PROGRAM.

It is the intent of the general assembly to encourage graduate student assistance which reduces or eliminates the tax liability on institutional assistance moneys for financial aid recipients and to assist in assuring that current and future needs for teaching faculty in Iowa are met. A graduate student financial assistance program is therefore established to provide financial assistance for Iowa resident students pursuing postgraduate programs that will qualify them to pursue careers in higher education in areas where there is or may be a shortage of teaching faculty.

The graduate student financial assistance program shall be administered by the commission. Moneys appropriated to the commission for the program shall be distributed to institutions in amounts which reflect the proportions that the number of Iowa resident graduate students enrolled at an institution bear to the total number of Iowa resident graduate students enrolled at all participating institutions. Institutions shall use the funds to provide financial assistance to qualifying Iowa resident graduate students.

Sec. 14. Section 261.101, Code Supplement 1989, is amended to read as follows:

261.101 LEGISLATIVE INTENT.

The general assembly finds that the failure of many young Iowans to complete their education limits their opportunity for a life of fulfillment and hinders the state's efforts to provide a well-trained work force for business and industry in Iowa. The general assembly also declares that it is the policy of this state to apply positive measures to ensure that equal opportunities exist for minority persons to pursue their educational goals. Therefore, the "Iowa Minority Academic Grants for Economic Success" program is established to provide additional funding to the state board of regents' institutions, community colleges, and accredited private institutions in order to encourage resident minority students to remain in Iowa, to attend community colleges, private colleges, and universities in Iowa, and to assure that a limited family income will not be a barrier for a minority person to pursue a postsecondary education.

Sec. 15. Section 261.102, subsections 4 and 6, Code Supplement 1989, are amended to read as follows:

4. "Full-time student" means an individual who is enrolled at an accredited private institution, community college, or board of regents' university for at least twelve semester hours or the trimester or quarter equivalent.

6. "Part-time student" means an individual who is enrolled at an accredited private institution, community college, or board of regents' university in a course of study including at least three semester hours or the trimester or quarter equivalent of three semester hours.

Sec. 16. Section 261.103, subsection 1, Code Supplement 1989, is amended to read as follows:

1. A grant under the program may be awarded to any minority person who is a resident of Iowa, who is accepted for admission or is attending a board of regents' university, community college, or an accredited private institution, and who demonstrates financial need. Applicants who receive vouchers under section 262.92 shall be given priority in receiving grants under the program, but an applicant shall not be denied a grant because the applicant does not hold vouchers under the program in section 262.92. ~~During the fiscal year commencing July 1, 1989, and ending June 30, 1990, grants shall be awarded to minority persons who are residents of Iowa.~~ For the fiscal year commencing July 1, 1990, and in subsequent years, grants shall be awarded to all minority persons, with priority to be given to those minority persons who are residents of Iowa.

Sec. 17. Section 261.104, unnumbered paragraph 1, subsections 1 and 3, Code Supplement 1989, are amended to read as follows:

In administering the program for the community colleges and the private institution institutions, the commission shall:

1. Provide application forms to students enrolled and attending or seeking to enroll and attend community colleges or accredited private institutions.

3. Approve and award grants to community colleges and accredited private institutions under the program.

Sec. 18. Section 261C.2, Code 1989, is amended to read as follows:

261C.2 POLICY.

It is the policy of this state to promote rigorous academic or vocational-technical pursuits and to provide a wider variety of options to high school pupils by enabling eleventh and twelfth grade pupils to enroll part time in nonsectarian courses in eligible postsecondary institutions of higher learning in this state.

Sec. 19. Section 261C.3, Code 1989, is amended to read as follows:

261C.3 DEFINITIONS.

As used in this chapter, unless the context otherwise requires:

1. "Eligible postsecondary institution" means an institution of higher learning under the control of the state board of regents, ~~an area school~~ a community college established under chapter 280A, or an accredited private institution as defined in section 261.9, subsection 5.

2. "Eligible pupil" means a pupil classified by the board of directors of a school district or the authorities in charge of an accredited nonpublic school as an eleventh or twelfth grade pupil during the period the pupil is participating in the enrollment option provided under this chapter. A pupil attending an accredited nonpublic school shall be counted as a shared-time student in the pupil's school district of residence for state foundation aid purposes.

Sec. 20. Section 261C.4, Code 1989, is amended to read as follows:

261C.4 AUTHORIZATION.

An eligible pupil may make application to an eligible institution to allow the eligible pupil to enroll for academic or vocational-technical credit in a nonsectarian course offered at that eligible institution. A comparable course must not be offered by the school district or accredited nonpublic school in which the pupil is enrolled. If an eligible institution accepts an eligible pupil for enrollment under this section, the institution shall send written notice to the pupil, the pupil's school district or accredited nonpublic school, and the department of education. The notice shall list the course, the clock hours the pupil will be attending the course, and the number of hours of postsecondary academic or vocational-technical credit that the eligible pupil will receive from the eligible institution upon successful completion of the course.

Sec. 21. Section 261C.5, Code 1989, is amended to read as follows:

261C.5 HIGH SCHOOL CREDITS.

A school district or accredited nonpublic school may grant high school academic or vocational-technical credit to an eligible pupil enrolled in a course under this chapter if the eligible pupil successfully completes the course as determined by the eligible institution. The board of directors of the school district or authorities in charge of an accredited nonpublic school shall determine the number of high school credits that shall be granted to an eligible pupil who successfully completes a course.

The high school credits granted to an eligible pupil under this section shall count toward the graduation requirements and subject area requirements of the school district of residence or accredited nonpublic school of the eligible pupil. Evidence of successful completion of each course and high school credits and postsecondary academic or vocational-technical credits received shall be included in the pupil's high school transcript.

Sec. 22. Section 261C.6, subsection 2, Code 1989, is amended to read as follows:

2. Two hundred fifty dollars.

Sec. 23. Section 261C.9, Code 1989, is amended to read as follows:

261C.9 PUPIL ENROLLMENT.

Payments shall not be made under section 261C.6 if the eligible pupil is enrolled on a full-time basis in the pupil's school district of residence or in an accredited nonpublic school as well as enrolling in a course or program in an eligible postsecondary institution.

Sec. 24. Section 262.9, Code Supplement 1989, is amended by adding the following new subsections:

NEW SUBSECTION. 23. Develop a policy and adopt rules relating to the establishment of tuition rates which provide a predictable basis for assessing and anticipating changes in tuition rates.

NEW SUBSECTION. 24. By July 1, 1991, develop a policy which requires oral communication competence of persons who provide instruction to students attending institutions under the control of the board. The policy shall include a student evaluation mechanism which requires student evaluation of persons providing instruction at the end of each academic period.

NEW SUBSECTION. 25. By July 1, 1991, develop a policy relating to the teaching proficiency of teaching assistants which provides a teaching proficiency standard, instructional assistance to, and evaluation of persons who provide instruction to students at the higher education institutions under the control of the board.

NEW SUBSECTION. 26. Explore, in conjunction with the department of education, the need for coordination between school districts, area education agencies, state board of regents' institutions, and community colleges for purposes of delivery of courses, use of telecommunications, transportation, and other similar issues. Coordination may include, but is not limited to, coordination of calendars, programs, schedules, or telecommunications emissions. The state board shall develop recommendations which shall be submitted in a report to the general assembly by February 15, 1991.

**Sec. 25. Section 262.12, Code 1989, is amended to read as follows:*

262.12 COMMITTEES AND ADMINISTRATIVE OFFICES UNDER BOARD.

*The board of regents shall also have and exercise all the powers necessary and convenient for the effective administration of its office and of the institutions under its control, and to this end may create such committees, offices and agencies from its own members or others, and employ persons to staff the same, fix their compensation and tenure and delegate thereto, or to the administrative officers and faculty of the institutions under its control, such part of the authority and duties vested by statute in the board, and shall formulate and establish such rules, outline such policies and prescribe such procedures therefor, all as may be desired or determined by the board as recorded in their minutes. However, the powers of the board of regents, and rules, policies, and procedures, shall not include a power to or a provision for the funding of the board of regents' board office by reimbursements from the institutions under its control.**

Sec. 26. Section 280A.1, unnumbered paragraph 1, Code 1989, is amended to read as follows:

It is hereby declared to be the policy of the state of Iowa and the purpose of this chapter to provide for the establishment of not more than ~~seventeen~~ fifteen areas which shall include all of the area of the state and which may operate either ~~area vocational schools or area~~ community colleges offering to the greatest extent possible, educational opportunities and services in each of the following, when applicable, but not necessarily limited to:

Sec. 27. Section 280A.2, Code 1989, is amended to read as follows:

280A.2 DEFINITIONS.

When used in this chapter, unless the context otherwise requires:

1. "Vocational school" means a publicly supported school which offers as its curriculum or part of its curriculum vocational or technical education, training, or retraining available to persons who have completed or left high school and are preparing to enter the labor market; persons who are attending high school who will benefit from such education or training but who do not have the necessary facilities available in the local high schools; persons who have entered the labor market but are in need of upgrading or learning skills; and persons who due to academic, socioeconomic, or other handicaps are prevented from succeeding in regular vocational or technical education programs.

2. "Junior college" means a publicly supported school which offers as its curriculum or part of its curriculum two years of liberal arts, preprofessional, or other instruction partially fulfilling the requirements for a baccalaureate degree but which does not confer any baccalaureate degree.

3. "Community college" means a publicly supported school which offers may offer programs of adult and continuing education, lifelong learning, community education, and up to two years of liberal arts, preprofessional, or other occupational instruction partially fulfilling the requirements for a baccalaureate degree but which does not confer any baccalaureate degree and confers no more than an associate degree; or which offers in as the whole or in as part of the curriculum of a vocational school up to two years of vocational or technical education, training, or retraining to persons who are preparing to enter the labor market.

2. "Director" means the director of the department of education.

4 3. "Merged area" means an area where two or more county school systems or parts thereof of school systems merge resources to establish and operate a vocational school or a community college in the manner provided in this chapter.

5. "Area vocational school" means a vocational school established and operated by a merged area.

6. "Area community college" means a community college established and operated by a merged area.

7 4. "State board" means the state board of education.

8. "Director" means the director of the department of education.

9. "Planning board" means any county board of education which is a party to a plan for establishment of an area vocational school or area community college.

10. "Area school" means an area vocational school or area community college established under the provisions of this chapter.

Sec. 28. Section 280A.12, Code 1989, is amended to read as follows:

280A.12 DIRECTORS OF MERGED AREA.

In each merged area, the initial board of directors elected at the special election shall organize within fifteen days following the election and may thereafter proceed with the establishment of the designated area vocational school or area community college. The board of directors of the merged area shall organize at the first regular meeting in October of each year. Organization of the board shall be effected by the election of a president and other officers from the board membership as board members determine. The board of directors shall appoint a secretary and a treasurer who shall each give bond as prescribed in section 291.2 and who shall each receive the salary determined by the board. The secretary and treasurer shall perform duties under chapter 291 and additional duties the board of directors deems necessary. However, the board may appoint one person to serve as the secretary and treasurer. If one person serves as the secretary and treasurer, only one bond is necessary for that person. The frequency of meetings other than organizational meetings shall be as determined by the board of directors but the president or a majority of the members may call a special meeting at any time.

Members of the board, other than the secretary and the treasurer, shall be allowed their actual expenses incurred in the performance of their duties and may be eligible to receive per diem compensation.

Sec. 29. Section 280A.17, unnumbered paragraph 1, Code 1989, is amended to read as follows:

The board of directors of each merged area shall prepare an annual budget designating the proposed expenditures for operation of the area vocational school or area community college. The board shall further designate the amounts which are to be raised by local taxation and the amounts which are to be raised by other sources of revenue for the operation. The budget of each merged area shall be submitted to the state board no later than May 1 preceding the next fiscal year for approval. The state board shall review the proposed budget and shall, prior to June 1, either grant its approval or return the budget without approval with the comments of the state board attached to it. Any unapproved budget shall be resubmitted to the state board for final approval. Upon approval of the budget by the state board, the board of directors shall certify the amount to the respective county auditors and the boards of supervisors annually shall levy a tax of twenty and one-fourth cents per thousand dollars of assessed value on taxable property in a merged area for the operation of an area vocational school or area community college. Taxes collected pursuant to the levy shall be paid by the respective county treasurers to the treasurer of the merged area as provided in section 331.552, subsection 29.

Sec. 30. Section 280A.19, Code 1989, is amended to read as follows:

280A.19 ACQUISITION OF SITES AND BUILDINGS.

Boards of directors of merged areas may acquire sites and erect and equip buildings for use by area vocational schools or area community colleges and may contract indebtedness and issue bonds to raise funds for such purposes.

Sec. 31. Section 280A.21, Code 1989, is amended to read as follows:

280A.21 ELECTION TO INCUR INDEBTEDNESS.

No indebtedness shall be incurred under section 280A.19 until authorized by an election. A proposition to incur indebtedness and issue bonds for ~~area vocational school or area~~ community college purposes shall be deemed carried in a merged area if approved by a sixty percent majority of all voters voting on the proposition in the area. However, if the costs of utilities are paid by a community college with funds derived from the levy authorized under section 280A.22, the community college may use the general fund moneys that would have been used to pay the costs of utilities for capital expenditures, may invest the funds, or may incur indebtedness without an election, provided that the payments on the indebtedness incurred, and any interest on the indebtedness, can be made using general funds of the community college and the total payments on the principal and interest on the indebtedness do not exceed the amount of the costs of the utilities.

Sec. 32. Section 280A.22, subsection 1, paragraph a, and subsections 2 and 3, Code 1989, are amended to read as follows:

a. In addition to the tax authorized under section 280A.17, the voters in any merged area may at the annual school election vote a tax not exceeding twenty and one-fourth cents per thousand dollars of assessed value in any one year for a period not to exceed ten years for the purchase of grounds, construction of buildings, payment of debts contracted for the construction of buildings, purchase of buildings and equipment for buildings, and the acquisition of libraries, for the purpose of paying costs of utilities, and for the purpose of maintaining, remodeling, improving, or expanding the ~~area vocational school or area~~ community college of the merged area. If the tax levy is approved under this section, the costs of utilities shall be paid from the proceeds of the levy. The tax shall be collected by the county treasurers and remitted to the treasurer of the merged area as provided in section 331.552, subsection 29. The proceeds of the tax shall be deposited in a separate and distinct fund to be known as the voted tax fund, to be paid out upon warrants drawn by the president and secretary of the board of directors of the merged area district for the payment of costs incurred in providing the school facilities for which the tax was voted.

2. The proceeds of the tax voted under subsection 1, paragraph "a", prior to July 1, 1987 shall be used for the purposes for which it was approved by the voters and may be used for the purpose of paying the costs of utilities.

3. In addition to the tax authorized under section 280A.17, the board of directors of an area school may certify for levy by March 15, 1982 and March 15, 1983, a tax on taxable property in the merged area at rates that will provide total revenues for the two years equal to five percent of the area school's general fund expenditures for the fiscal year ending June 30, 1980 in order to provide a cash reserve for that ~~area school~~ community college. As nearly as possible, one-half the revenue for the cash reserve fund shall be collected during each year.

The revenues derived from the levies shall be placed in a separate cash reserve fund. Moneys from the cash reserve fund shall only be used to alleviate temporary cash shortages. If moneys from the cash reserve fund are used to alleviate a temporary cash shortage, the cash reserve fund shall be reimbursed immediately from the general fund of the area school as funds in the general fund become available, but in no case later than June 30 of the current fiscal year, to repay the funds taken from the cash reserve fund.

Sec. 33. NEW SECTION. 280A.22A STATE BOARD FOR COMMUNITY COLLEGES.

The state board of education shall constitute the state board for community colleges.

Sec. 34. NEW SECTION. 280A.22B DUTIES OF STATE BOARD.

The state board for community colleges shall:

1. Adopt and establish policies for programs and services of the department which relate to community colleges.

2. Prescribe standards and procedures for the approval of practitioner preparation programs and professional development programs under section 256.7, subsection 3.

3. Review and make recommendations that relate to community colleges in the five-year plan for the achievement of educational goals.

Sec. 35. Section 280A.23, Code 1989, is amended to read as follows:

280A.23 AUTHORITY OF AREA DIRECTORS.

The board of directors of each ~~area vocational school or area~~ community college shall:

1. Determine the curriculum to be offered in ~~such school or a~~ college subject to approval of the state board. If a community college's curriculum does not include courses in arts and sciences, the board must seek and obtain approval of the state board before the college may expand the curriculum to include those courses. If the community college's curriculum does not include support services to provide educational access to programs for students with special education needs, the board, in compliance with state board policies for providing services to special needs students, shall make an assessment of the need for special support services in the college and develop a plan to meet those identified needs. If an existing private educational or vocational institution within the merged area has facilities and curriculum of adequate size and quality which would duplicate the functions of the ~~area school~~ community college, the board of directors shall discuss with the institution the possibility of entering into contracts to have the existing institution offer facilities and curriculum to students of the merged area. The board of directors shall consider any proposals submitted by the private institution for providing such facilities and curriculum. The board of directors may enter into such contracts. In approving curriculum, the state board shall ascertain that all courses and programs submitted for approval are needed and that the curriculum being offered by an area school does not duplicate programs provided by existing public or private facilities in the area. In determining whether a course or program is needed, the board of directors shall assess both the needs of the population of the area served and any special needs of the student population of the particular community college. The state board shall monitor the process and outcomes of services for special populations. In determining whether duplication would actually exist, the state board shall consider the needs of the area and consider whether the proposed programs are competitive as to size, quality, tuition, purposes, and area coverage with existing public and private educational or vocational institutions within the merged area.

2. Have authority to determine tuition rates for instruction. Tuition for residents of Iowa shall not exceed the lowest tuition rate per semester, or the equivalent, charged by an institution of higher education under the state board of regents for a full-time resident student. However, except for students enrolled under chapter 261C, if a local school district pays tuition for a resident pupil of high school age, the limitation on tuition for residents of Iowa shall not apply, the amount of tuition shall be determined by the board of directors of the ~~area school~~ community college with the consent of the local school board, and the pupil shall not be included in the full-time equivalent enrollment of the ~~area school~~ community college for the purpose of computing general aid to the ~~area school~~ community college. Tuition for non-residents of Iowa shall not be less than one hundred fifty percent and not more than two hundred percent of the tuition established for residents of Iowa the marginal cost of instruction of a student attending the college. Tuition for resident or nonresident students may be set at a higher figure with the approval of the state board. A lower tuition for nonresidents may be permitted under a reciprocal tuition agreement between a merged area and an educational institution in another state, if the agreement is approved by the state board. The board may designate that portion of the tuition moneys collected from students be used for student aid purposes.

3. Have the powers and duties with respect to ~~such schools and~~ community colleges, not otherwise provided in this chapter, which are prescribed for boards of directors of local school districts by chapter 279 except that the board of directors is not required to prohibit the use of tobacco and the use or possession of alcoholic liquor or beer by any student of legal age under the provisions of section 279.9.

4. Have the power to enter into contracts and take other necessary action to insure a sufficient curriculum and efficient operation and management of the ~~school or~~ college and maintain and protect the physical plant, equipment, and other property of the ~~school or~~ college.

5. Establish policy and make rules, not inconsistent with law and administrative rules, regulations, and policies of the state board, for its own government and that of the administrative, teaching, and other personnel, and the students of the ~~school or~~ college, and aid in the enforcement of such laws, rules, and regulations.

6. Have authority to sell a student-constructed building and the property on which the student-constructed building is located or any article resulting from any vocational program or course offered at an ~~area vocational school or area a~~ community college by any procedure which may be adopted by the board. Governmental agencies and governmental subdivisions of the state within the merged areas shall be given preference in the purchase of such articles. All revenue received from the sale of any article shall be credited to the funds of the board of the merged area.

7. With the consent of the inventor, and in the discretion of the board, secure letters patent or copyright on inventions of students, instructors, and officials of any ~~vocational school or~~ community college of the merged area, or take assignment of such letters patent or copyright and make all necessary expenditures in regard thereto. Letters patent or copyright on inventions when so secured shall be the property of the board of the merged area and the royalties and earnings thereon shall be credited to the funds of the board.

8. Set the salary of the area superintendent. In setting the salary, the board shall consider the salaries of administrators of educational institutions in the merged area and the enrollment of the ~~area school~~ community college.

9. At the request of an employee through contractual agreement the board may arrange for the purchase of group or individual annuity contracts for any of its employees from any company the employee chooses that is authorized to do business in this state and through an Iowa-licensed insurance agent that the employee selects, for retirement or other purposes, and may make payroll deductions in accordance with the arrangements for the purpose of paying the entire premium due and to become due under the contract. The deductions shall be made in the manner which will qualify the annuity premiums for the benefits under section 403(b) of the Internal Revenue Code, as defined in section 422.3. The employee's rights under the annuity contract are nonforfeitable except for the failure to pay premiums. If an existing tax-sheltered annuity contract is to be replaced by a new contract the agent or representative of the company shall submit a letter of intent by registered mail to the company being replaced, to the insurance commissioner of the state of Iowa, and to the agent's or representative's own company at least thirty days prior to any action. This letter of intent shall contain the policy number and description of the contract being replaced and a description of the replacement contract.

10. Make necessary rules to provide for the policing, control, and regulation of traffic and parking of vehicles and bicycles on the property of the ~~area school~~ community college. The rules may provide for the use of institutional roads, driveways, and grounds; registration of vehicles and bicycles; the designation of parking areas; the erection and maintenance of signs designating prohibitions or restrictions; the installation and maintenance of parking control devices except parking meters; and assessment, enforcement, and collection of reasonable penalties for the violation of the rules.

Rules made under this subsection may be enforced under procedures adopted by the board of directors. Penalties may be imposed upon students, faculty, and staff for violation of the rules, including, but not limited to, a reasonable monetary penalty which may be deducted from student deposits and faculty or staff salaries or other funds in possession of the ~~area school~~ community college or added to student tuition bills. The rules made under this subsection may also be enforced by the impoundment of vehicles and bicycles parked in violation of the rules, and a reasonable fee may be charged for the cost of impoundment and storage prior to the release of the vehicle or bicycle to the owner. Each ~~area school~~ community college shall establish procedures for the determination of controversies in connection with the imposition of penalties. The procedures shall require giving notice of the violation and the penalty prescribed and providing the opportunity for an administrative hearing.

11. Be authorized to issue to employees of ~~merged area schools~~ community colleges school credit cards to use for payment of authorized expenditures incurred in the performance of work-related duties.

12. During the second week of August of each year, publish by one insertion in at least one newspaper published in the merged area a summarized statement verified by affidavit of the secretary of the board showing the receipts and disbursements of all funds of the ~~area school~~ community college for the preceding fiscal year. The statement of disbursements shall show the names of the persons, firms, or corporations, and the total amount paid to each during the fiscal year. The board is not required to make the publications and notices required under sections 279.34, 279.35, and 279.36.

13. Adopt policies and procedures for the use of telecommunications as an instructional tool at the ~~area school~~ community college. The policies and procedures shall include but not be limited to policies and procedures relating to programs, educational policy, practices, staff development, use of pilot projects, and the instructional application of the technology.

14. In its discretion, adopt rules relating to the classification of students enrolled in the ~~area school~~ community college who are residents of Iowa's sister states as residents or nonresidents for tuition and fee purposes.

15. By July 1, 1991, develop a policy which requires oral communication competence of persons who provide instruction to students attending institutions under the control of the board. The policy shall include a student evaluation mechanism which requires student evaluation of persons providing instruction at the end of each academic period.

16. By July 1, 1991, develop a policy relating to the teaching proficiency of teaching assistants which provides a teaching proficiency standard, instructional assistance to, and evaluation of persons who provide instruction to students at the higher education institutions under the control of the board.

Sec. 36. Section 280A.25, Code 1989, is amended to read as follows:

280A.25 DUTIES OF DIRECTOR.

The director shall:

1. Designate a ~~vocational school or~~ community college as an "area vocational education school" within the meaning of, and for the purpose of administering, the Act of Congress designated the "Vocational Education Act of 1963". A ~~vocational school or~~ community college shall not be so designated by the director of the department of education for the expenditure of funds under 20 U.S.C. 35c(a)(5), which has not been designated and classified as ~~an area vocational school or~~ area a community college by the state board.

2. Change boundaries of director districts in a merged area when the board fails to change boundaries as required by law.

3. Make changes in boundaries of merged areas with the approval of the board of directors of each merged area affected by the change. When the boundaries of a merged area are changed, the director of the department of education may authorize the board of directors of the merged area to levy additional taxes upon the property within the merged area, or any part of the merged area, and distribute the taxes so that all parts of the merged area are paying their share toward the support of the ~~school or~~ college.

4. Administer, allocate, and disburse federal or state funds made available to pay a portion of the cost of acquiring sites for and constructing, acquiring, or remodeling facilities for ~~area vocational schools or~~ area community colleges, and establish priorities for the use of such funds.

5. Administer, allocate, and disburse federal or state funds available to pay a portion of the operating costs of ~~area vocational schools or~~ area community colleges.

6. Approve or disapprove, in a manner as the director of the department of education may prescribe, sites and buildings to be acquired, erected, or remodeled for use by ~~area vocational schools or~~ area community colleges.

7. Propose administrative rules to carry out this chapter subject to approval of the state board.

8. Enter into contracts with local school boards within the area that have and maintain a technical or vocational high school and with private schools or colleges in the co-operative or merged areas to provide courses or programs of study in addition to or as a part of the curriculum made available in the community college ~~or area vocational schools~~.

9. Make arrangements with boards of merged areas and local school districts to permit students attending high school to participate in vocational-technical programs and advanced college placement courses and obtain credit for such participation for application toward the completion of a high school diploma. The granting of credit is subject to the approval of the director of the department of education.

10. Prescribe a uniform system of accounting for ~~area schools~~ community colleges.

11. Adopt rules prohibiting an ~~area school~~ a community college that does not provide intercollegiate athletics as a part of its program on July 1, 1987 from adding intercollegiate athletics to its program after that date.

12. Ensure that ~~area schools~~ community colleges that provide intercollegiate athletics as a part of their program comply with section 601A.9.

Sec. 37. Section 280A.27, Code 1989, is amended to read as follows:

280A.27 AREA SCHOOLS BRANCH COMMUNITY COLLEGES DIVISION IN DEPARTMENT.

~~There shall be an area schools branch~~ A community colleges division shall be established within the department of education. The ~~branch~~ division shall exercise the powers and perform the duties conferred by law upon the department with respect to ~~area vocational schools and area and public community and junior colleges~~.

Sec. 38. Section 280A.28, Code 1989, is amended to read as follows:

280A.28 TAX FOR EQUIPMENT REPLACEMENT.

Annually, the board of directors may certify for levy a tax on taxable property in the merged area at a rate not exceeding three cents per thousand dollars of assessed valuation for equipment replacement for the ~~area school~~ community college.

Sec. 39. Section 280A.31, Code 1989, is amended to read as follows:

280A.31 AUXILIARY ENTERPRISES.

The board of directors may expend profits from auxiliary enterprises of ~~area schools~~ community colleges for services and equipment which includes but is not limited to tutoring services, scholarships, grants, furniture, fixtures and equipment for noninstructional student use, and support of intramural and intercollegiate athletics.

For the purpose of this section:

1. "Auxiliary enterprises" means self-supporting services provided at the ~~area school~~ community college for which fees or charges are paid, and includes but is not limited to food services, college stores, student unions, institutionally operated vending services, recreational activities, faculty clubs, laundries, parking facilities, and intercollegiate athletics.

2. "Profits from auxiliary enterprises" means the difference between the total fees or charges collected for auxiliary enterprises and the expenditures by the ~~area school~~ community college for the auxiliary enterprises.

Sec. 40. Section 280A.32, Code 1989, is amended to read as follows:

280A.32 TRUSTS.

The board of a merged area may accept and administer trusts and may authorize nonprofit foundations acting solely for the support of the ~~area school~~ community college to accept and administer trusts deemed by the board to be beneficial to the operation of the ~~area school~~ community college. Notwithstanding section 633.63, the board and the nonprofit foundations may act as trustees in these instances. The board shall require that moneys belonging to a nonprofit foundation are audited annually.

Sec. 41. Section 280A.33, Code 1989, is amended to read as follows:

280A.33 JOINT ACTION WITH BOARD OF REGENTS.

1. Approval standards, except as hereinafter provided, for ~~area and public~~ community and junior colleges shall be initiated by the ~~area schools~~ community colleges branch of the department and submitted to the state board of education and the state board of regents, through the director of the department of education, for joint consideration and adoption.

2. Approval standards for ~~area vocational schools and for~~ vocational programs and courses other programs offered by ~~area~~ community colleges shall be initiated by the area schools branch and submitted to the state board of education through the director of the department of education, for consideration and adoption. ~~No such~~ A proposed approval standard shall not be adopted by the state board until the standard has been submitted to the advisory committee created by chapter 258 and its recommendations ~~thereon~~ obtained.

3. For purposes of this section, "approval standards" shall include standards for administration, qualifications and assignment of personnel, curriculum, facilities and sites, requirements for awarding of diplomas and other evidence of educational achievement, guidance and counseling, support services for students with special needs, instruction, instructional materials, maintenance, and library.

4. Approval standards are subject to chapter 17A. In addition, approval standards shall be reported by the director of the department of education to the general assembly within twenty days after the commencement of a regular legislative session. ~~An area~~ A community college ~~or area vocational school~~ shall not be removed from the approved list for failure to comply with the approval standards until at least one hundred twenty days have elapsed following the reporting of the standards to the general assembly as provided in this section.

5. The department of education shall supervise and evaluate the educational program in the several ~~area~~ community colleges and ~~area vocational schools~~ of the state for the purpose of the improvement and approval of such institutions.

6. The director of the department of education shall make recommendations and suggestions in writing to each ~~area~~ community college and ~~area vocational school~~ if the department determines, after due investigation, that deficiencies exist.

7. The director of the department of education shall maintain a list of approved ~~area~~ community colleges and ~~area vocational schools~~, and the director shall remove from the approved list for cause, after due investigation and notice, ~~an area~~ a community college ~~or area vocational school~~ which fails to comply with the approval standards. ~~An area~~ A community college ~~or area vocational school~~ which is removed from the approved list pursuant to this section is ineligible to receive state financial aid during the period of removal. The director shall allow a reasonable period of time, which shall be at least one year, for compliance with approval standards if ~~an area~~ a community college ~~or area vocational school~~ is making a good faith effort and substantial progress toward full compliance or if failure to comply is due to factors beyond the control of the board of directors of the merged area operating the institution. In allowing time for compliance, the director shall follow consistent policies, taking into account the circumstances of each case. The reasonable period of time for compliance may be, but need not be, given prior to the one-year notice requirement that is provided in this section.

8. The director of the department of education shall give ~~an area~~ a community college ~~or area vocational school~~ which is to be removed from the approved list at least one year's notice. The notice shall be given by registered or certified mail addressed to the superintendent of the ~~area~~ community college ~~or area vocational school~~ and shall specify the reasons for removal. The notice shall also be sent by ordinary mail to each member of the board of directors of the ~~area~~ community college ~~or area vocational school~~, and to the news media which serve the merged area where the school is located; but any good faith error or failure to comply with this sentence shall not affect the validity of any action by the director. If, during the year, the ~~area~~ community college ~~or area vocational school~~ remedies the reasons for removal and satisfies the director that it will thereafter comply with the laws and approval standards, the director shall continue the ~~area~~ community college ~~or area vocational school~~ on the approved

list and shall transmit to the ~~area community college or area vocational school~~ notice of the action by registered or certified mail.

9. At any time during the year after notice is given, the board of directors of the ~~area community college or area vocational school~~ may request a public hearing before the director of the department of education, by mailing a written request to the director by registered or certified mail. The director shall promptly set a time and place for the public hearing, which shall be either in Des Moines or in the affected merged area. At least thirty days' notice of the time and place of the hearing shall be given by registered or certified mail addressed to the superintendent of the ~~area community college or area vocational school~~. At least ten days before the hearing, notice of the time and place of the hearing and the reasons for removal shall also be published by the department in a newspaper of general circulation in the merged area where the ~~area community college or area vocational school~~ is located.

10. At the hearing the ~~area community college or area vocational school~~ may be represented by counsel and may present evidence. The director of the department of education may provide for the hearing to be recorded or reported. If requested by the ~~area community college or area vocational school~~ at least ten days before the hearing, the director shall provide for the hearing to be recorded or reported at the expense of the ~~area community college or area vocational school~~, using any reasonable method specified by the ~~area community college or area vocational school~~. Within ten days after the hearing, the director shall render a written decision, and shall affirm, modify, or vacate the action or proposed action to remove the ~~area community college or area vocational school~~ from the approved list. The board of directors of the ~~merged area school community college~~ may request a review of the decision of the director by the state board. The state board may affirm, modify, or vacate the decision, or may direct a rehearing before the director.

Sec. 42. Section 280A.37, Code 1989, is amended to read as follows:

280A.37 MEMBERSHIP IN ASSOCIATION OF SCHOOL BOARDS.

Boards of directors of ~~merged area schools~~ community colleges may pay, out of funds available to them, reasonable annual dues to an Iowa association of school boards.

Membership in such an Iowa association of school boards shall be limited to those duly elected members of boards of directors of ~~area schools~~ community colleges.

Sec. 43. Section 280A.38, Code 1989, is amended to read as follows:

280A.38 LEASE AGREEMENTS FOR SPACE.

The board of directors may, with the approval of the director of the department of education, enter into lease agreements, with or without purchase options, not to exceed twenty years in duration, for the leasing or rental of buildings for use basically as classrooms, laboratories, shops, libraries, and study halls for ~~vocational school or community college~~ purposes, and pay for the leasing or rental with funds acquired pursuant to section 280A.17, section 280A.18, and section 280A.22. However, lease agreements extending for less than ten years and for less than twenty-five thousand dollars per year need not be submitted to the director of the department of education for approval.

The agreements may include the leasing of existing buildings on public or private property, buildings to be constructed upon real estate owned by the ~~area school~~ community college, or buildings to be placed upon real estate owned by the ~~area school~~ community college.

Before entering into a lease agreement with a purchase option for a building to be constructed, or placed, upon real estate owned by the ~~area school~~ community college, the board shall first adopt plans and specifications for the proposed building which it considers suitable for the intended use, and the board shall also adopt the proposed terms of the lease agreement and purchase option. Upon obtaining the approval of the director of the department of education, if approval of the director is required, the board shall invite bids, by advertisement published once each week for two consecutive weeks in the county where the building is to be located. The lease agreement shall be awarded to the lowest responsible bidder, or the board may reject all bids and readvertise for new bids.

Sec. 44. Section 280A.39, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Any merged area which combines with another merged area under this section for purposes of combining community colleges under the control of the boards shall be eligible to receive additional state funds from the community college excellence 2000 account under section 286A.14A in an amount which equals ten percent of the state general aid received by each of the colleges during the first year of merger, in addition to any state general aid received, based upon the availability of funds. Community colleges which intend to merge under this section shall submit applications to the department describing the merger proposal and plans developed to implement the merger. Any application which results in a merger of colleges shall be subject to the review and approval of the department before the merger is eligible to receive funds for the merger.

In years succeeding the first year of merger, the merged colleges shall receive additional funds in an amount which is two percent less than the percent received during the previous year.

Sec. 45. Section 280A.42, Code 1989, is amended to read as follows:
280A.42 PAYMENT OF EXPENSES.

The board of directors of a merged area shall audit and allow all just claims against the ~~area school~~ community college and an order shall not be drawn upon the treasury until the claim has been audited and allowed. However, the board of directors, by resolution, may authorize the secretary of the board, when the board is not in session, to issue payments for salaries pursuant to the terms of a written contract and to issue payments upon the receipt of verification filed with the secretary for all other general fund and plant fund expenses within limits established by resolution of the board; expenses involving auxiliary, agency, and scholarship and loan accounts; and refunds to students for tuition and fees. The secretary shall either deliver in person or mail the payments to the payees. A payment shall be made payable only to the person performing the service or furnishing the supplies for which the payment is issued. Payments issued prior to audit and allowance by the board shall be allowed by the board at the first meeting held after the issuance and shall be entered in the minutes of the meeting.

Sec. 46. **NEW SECTION.** 280A.44 APPRENTICESHIP PROGRAMS.

Each community college is authorized to establish or contract for the establishment of apprenticeship programs for apprenticeable occupations. Any apprenticeship program established under this section shall comply with requirements established by the United States department of labor, bureau of apprenticeship and training. Participation in an apprenticeship program or apprenticeship agreement by an apprenticeship sponsor shall be on a voluntary basis.

For purposes of this section, "apprenticeship program" means a plan, registered with the United States bureau of apprenticeship and training which contains the terms and conditions for the qualification, recruitment, selection, employment, and training of apprentices, including the requirement for a written apprenticeship agreement.

For purposes of this section, "apprenticeship sponsor" means a person operating an apprenticeship program or in whose name an apprenticeship program is being operated, registered, or approved.

For purposes of this section, "apprenticeable occupation" means an occupation approved for apprenticeship by the United States department of labor, bureau of apprenticeship and training.

For purposes of this section, "apprentice" means a person who is at least sixteen years of age, except where a higher minimum age is required by law, who is employed in an apprenticeable occupation, and is registered with the United States department of labor, bureau of apprenticeship and training.

Sec. 47. **NEW SECTION.** 280A.45 QUALITY INSTRUCTIONAL CENTERS.

A quality instructional centers program is established for the community colleges to promote the creation or enhancement of high quality, unique, high cost, capital intensive, or highly specialized vocational-technical and occupational programs, which cannot be practically or economically offered at more than a few community colleges. The department of education shall

establish criteria for the identification, approval, and review of programs for which an application for identification as a quality instructional center has been submitted.

A community college seeking to have a program identified as a quality instructional center shall submit an application to the department, describing the program, costs associated with program delivery, and current and projected student participation in the program. The department shall review each application, either accept or reject the application, and inform the applicant of the department's action on the application. Rejection of an application shall not preclude a community college from resubmitting the same or a different program for consideration as a candidate for identification as a quality instructional center.

A community college with an approved quality instructional center shall receive funds from the community college excellence 2000 account under section 286A.14A.

The department shall provide assistance to community colleges to ensure that each community college is able to offer at least one program which meets the standards adopted for quality instructional centers.

A community college with an approved quality instructional center shall annually submit a report indicating how funds received during the past year were spent and the projections of the next year's funding needs. The department shall review the reports to determine which centers will continue to be identified as quality instructional centers and the next year's funding levels for each approved center.

Sec. 48. NEW SECTION. 280A.46 PROGRAM AND ADMINISTRATIVE SHARING.

By September 1, 1990, the department shall establish guidelines and an approval process for program sharing agreements and for administrative sharing agreements entered into by two or more community colleges or by a community college and a higher education institution under the control of the board of regents. Guidelines established shall be designed to increase student access to programs, enhance educational program offerings throughout the state, and enhance interinstitutional cooperation in program offerings. A community college must submit an application and obtain approval from the department in order to become eligible to receive funds from the community college excellence 2000 account under section 286A.14A for an administrative sharing or program sharing agreement. The application shall describe the sharing agreement, costs, and benefits associated with the sharing proposal.

Sec. 49. NEW SECTION. 280A.47 ACCREDITATION OF COMMUNITY COLLEGE PROGRAMS.

1. The state board of education shall establish an accreditation process for community college programs. By July 1, 1993, all community colleges shall meet the standards for accreditation. For the school year commencing July 1, 1994, and in succeeding school years, the department of education shall use a two component process for the continued accreditation of community college programs.

a. The first component consists of annual monitoring by the department of education of all community colleges for compliance with program accreditation standards adopted by the state board. The first component monitoring requires community colleges to submit to an annual audit of college programs by the department of education beginning July 1, 1993.

b. The second component consists of the use of an accreditation team appointed by the director of the department of education, to conduct on-site visits to three different community colleges per year. The number and composition of the accreditation team shall be determined by the director, but the team shall include members of the department of education staff and members of community college staff from community colleges other than the community college which conducts the programs being evaluated for accreditation.

c. Rules adopted by the state board shall include provisions for coordination of the accreditation process under this section with activities of accreditation associations, which are designed to avoid duplication in the accreditation process.

2. Prior to a visit to a community college, members of the accreditation team shall have access to the program audit report filed with the department for that community college. After

a visit to a community college, the accreditation team shall determine whether the accreditation standards for a program have been met and shall make a report to the director and the state board, together with a recommendation as to whether the program of the community college should remain accredited. The accreditation team shall report strengths and weaknesses, if any, for each program standard and shall advise the community college of available resources and technical assistance to further enhance strengths and improve areas of weakness. A community college may respond to the accreditation team's report.

3. The state board shall determine whether a program of a community college shall remain accredited. If the state board determines that a program of a community college does not meet accreditation standards, the director of the department of education, in cooperation with the board of directors of the community college, shall establish a plan prescribing the procedures that must be taken to correct deficiencies in meeting the program standards, and shall establish a deadline date for correction of the deficiencies. The deadline for correction of deficiencies under a plan shall be no later than June 30 of the year following the on-site visit of the accreditation team. The plan is subject to approval of the state board. Plans shall include components which address meeting program deficiencies, sharing or merger options, discontinuance of specific programs or courses of study, and any other options proposed by the state board or the accreditation team to allow the college to meet the program standards.

4. During the time specified in the plan for its implementation, the community college program remains accredited. The accreditation team shall revisit the community college and shall determine whether the deficiencies in the standards for the program have been corrected and shall make a report and recommendation to the director and the state board. The state board shall review the report and recommendation, may request additional information, and shall determine whether the deficiencies in the program have been corrected.

5. If the deficiencies have not been corrected in a program of a community college, the community college board shall take one of the following actions within sixty days from removal of accreditation:

a. Merge the deficient program or programs with a program or programs from another accredited community college.

b. Contract with another educational institution for purposes of program delivery at the community college.

6. The director of the department of education shall give a community college which has a program which fails to meet accreditation standards at least one year's notice prior to removal of accreditation of the program. The notice shall be given by certified mail or restricted certified mail addressed to the superintendent of the community college and shall specify the reasons for removal of accreditation of the program. The notice shall also be sent by ordinary mail to each member of the board of directors of the community college. Any good faith error or failure to comply with the notice requirements shall not affect the validity of any action by the director. If, during the year, the community college remedies the reasons for removal of accreditation of the program and satisfies the director that the community college will comply with the accreditation standards for that program in the future, the director shall continue the accreditation of the program of the community college and shall transmit notice of the action to the community college by certified mail or restricted certified mail.

7. The action of the director to remove a community college's accreditation of the program may be appealed to the state board. At the hearing, the community college may be represented by counsel and may present evidence. The state board may provide for the hearing to be recorded or reported. If requested by the community college at least ten days before the hearing, the state board shall provide for the hearing to be recorded or reported at the expense of the community college, using any reasonable method specified by the community college. Within ten days after the hearing, the state board shall render a written decision, and shall affirm, modify, or vacate the action or proposed action to remove the college's accreditation of the program. Action by the state board is final agency action for purposes of chapter 17A.

Sec. 50. NEW SECTION. 280A.48 STANDARDS FOR ACCREDITING COMMUNITY COLLEGE PROGRAMS.

1. The state board shall develop standards for the accreditation of each of the following community college programs:

- a. Administration.
- b. Faculty.
- c. Curriculum and evaluation.
- d. Library or learning resource center.
- e. Student services.
- f. Laboratories, shops, equipment, and supplies.
- g. Physical plant.
- h. Building and site approval.

2. In the development of standards for accrediting community college programs, the state board of education shall adhere to the provisions of section 280A.23 and review the community colleges' mission identified in section 280A.1, review current literature relating to effective colleges and learning environments, and consult with representatives from the community colleges, other higher education institutions, community college board members, college administrators, faculty, parents, students, members of business, industry, labor, the regional planning councils, local education agencies, other governmental agencies, associations interested in education, and representatives of communities. The standards for the programs shall encompass, but are not limited to, the following general areas:

a. The institutional input. This may include, but is not limited to, the organization of human, financial, and physical resources into educational and service programs to accomplish the community colleges' purposes, faculty and staff, financial practices, buildings, grounds, maintenance and equipment, governance, and the characteristics of educational and service programs, measures of viability, rigor of major degree programs, breadth of supporting academic programs such as general education and developmental education, breadth of supporting services for students with special needs such as curriculum and instructional modification, quality of instruction, and other related aspects of the community college mission.

b. The institutional outcomes. This may include, but is not limited to, measures of student academic achievement, student development, placement, occupational success, faculty accomplishments, and the results of service initiatives to special constituencies. This shall include an annual report on the number of students with disabilities who apply, who are enrolled, and who complete programs offered at each community college.

c. Standards for administration, qualifications and assignment of faculty and staff, curriculum, requirements for awarding of diplomas, certificates, and associate degrees, guidance and counseling, support services for students with special education needs, instruction, instructional materials, and library.

Standards developed shall include a provision that the standard academic work load for an instructor in arts and science courses shall be fifteen credit hours per school term, and the maximum academic work load for any instructor shall be sixteen credit hours per school term, for classes taught during the normal school day. In addition thereto, any faculty member may teach a course or courses at times other than the regular school week, involving total class instruction time equivalent to not more than a three-credit-hour course. The total work load for such instructors shall not exceed the equivalent of eighteen credit hours per school term.

Standards developed shall include provisions requiring equal access in recruitment, enrollment, and placement activities for students with special education needs. The provisions shall include a requirement that students with special education needs shall receive instruction in the least restrictive environment with access to the full range of program offerings at a college, through, but not limited to, adaptation of curriculum, instruction, equipment, facilities, career guidance, and counseling services.

Sec. 51. NEW SECTION. 280A.49 STAFF DEVELOPMENT PROGRAM.

In order to promote excellence in teaching at the community colleges and to assist the staffs of the community colleges to accomplish the policy of the state of Iowa as specified in section

280A.1, the community college staff development program is established. The goal of this program is to enhance the quality, effectiveness, and performance of community college staff through staff development activities. Staff development activities may include, but are not limited to, workshops, conferences, internships, enrollment in work-related courses, special projects related to job performance, development of methods and strategies for meeting the needs of students with special needs and integrating those students into regular instructional programs, research projects, performance-based pay plans, and curriculum planning and development. Any items of a staff development plan which are mandatory items of bargaining under chapter 20 shall be negotiated with the appropriate certified bargaining agent. For the fiscal year beginning July 1, 1992, and succeeding fiscal years, each community college that meets the requirements of this section is eligible to receive moneys from the staff development account for the implementation of a staff development plan.

Sec. 52. NEW SECTION. 280A.50 STAFF DEVELOPMENT ACCOUNT.

The department of education shall provide for the establishment of a staff development account in the office of treasurer of state for purposes of providing moneys to community colleges for staff development. There is appropriated from the general fund of the state to the department of education on July 1 of each fiscal year beginning July 1, 1992, for crediting to the staff development account for each budget year an amount equal to an amount which is five-tenths of one percent of the total state general aid generated under chapter 286A for all community colleges during the base year. In the fiscal years succeeding June 30, 1993, an additional five-tenths of one percent shall be added to the percent multiplier, used to determine the appropriation in this section, until that percent multiplier reaches four percent. Once the percent multiplier has reached the four percent level, it shall remain at that level for purposes of calculating the amount to be appropriated in succeeding fiscal years. Moneys appropriated by the general assembly to the department of education for the purpose of the staff development program shall be paid to community colleges upon approval by the department of education of an application submitted by a community college. Funds shall be distributed to a community college based upon the proportion that a college's state general aid paid for the base year bears to the total state general aid paid that year to all community colleges.

Moneys paid to a community college shall be used to cover the direct costs of staff development activities. These costs may include payment of salary and fringe benefits for plan participants, fees for consultants and workshop presenters, transportation costs, tuition costs, costs of instructional materials, and other costs directly related to staff development activities.

Sec. 53. NEW SECTION. 280A.51 STAFF DEVELOPMENT PLAN.

Annually, the board of directors of a community college desiring to receive moneys under the staff development program shall submit an application to the department of education. The application shall include a staff development plan which shall contain the following components:

1. A description of the types of activities to be conducted.
2. A description of the process to be used to involve faculty and staff in planning and the implementation of the described activities.
3. A description of the assessment mechanism to be used to determine whether staff development activities have resulted in measurable improvement in the quality, effectiveness, and performance of community college staff.

Sec. 54. NEW SECTION. 280A.52 SUBMISSION OF PLAN.

A plan adopted by the board of directors of a community college shall be submitted to the department of education not later than July 1 of a school year for that school year. Amendments to multiple year plans may be submitted annually for each year of a multiple year plan. Plans submitted to the department shall contain an affirmation by each certified faculty or staff organization with which the board negotiates for collective bargaining purposes that the procedures of chapter 20 have been met for items which are mandatory subjects of bargaining.

The department of education shall review each plan and its budget, and notify the department of management of the name of each community college with an approved plan.

However, for the school year beginning July 1, 1992, a board of directors may submit a proposed plan and budget not later than January 1, 1992, and the department of education shall notify the community colleges not later than February 15, 1992, whether their plans have been approved by the department. Final approval of budgets for approved staff development plans for that year shall be determined by the department of education not later than February 15, 1992. The department of education shall notify the department of revenue and finance of the amounts of payments to be made to each community college that has an approved plan. Notwithstanding section 8.33, moneys allocated to a community college for the fiscal year beginning July 1, 1992, for an approved staff development plan that are not expended for that school year shall not revert to the general fund of the state but may be expended by that community college during the school year beginning July 1, 1993. For school years thereafter, moneys allocated to a community college for an approved plan for a year but not expended during that school year shall revert to the general fund of the state as provided in section 8.33.

Sec. 55. NEW SECTION. 280A.53 REPORT.

Each community college receiving moneys for a staff development plan for a school year shall file a report and an accounting with the department of education by July 1 of the next following school year. The report shall identify each staff development activity and the expenditures made under the plan for each activity. The report may include any proposed amendments to the plan for the next following school year. Annually, the department shall summarize the information contained in the reports filed by the community colleges. The reports shall be available to the public in the manner provided in section 22.3 upon request.

Sec. 56. NEW SECTION. 280A.54 REVERSION.

Any portion of moneys appropriated to the department of education for staff development program purposes and allocated under section 280A.50 to a community college for a fiscal year not expended during that fiscal year reverts to the general fund of the state as provided in section 8.33.

Sec. 57. NEW SECTION. 280A.55 PAYMENTS.

Payments for the staff development program shall be made on a quarterly basis, and the payments shall be separate from the general financial aid. The payments to a community college may be combined and a separate accounting of the amount paid for each program shall be included. Payment shall be made in accordance with section 286A.12. Any payments made to community colleges under this chapter are miscellaneous income for purposes of chapter 286A.

Sec. 58. NEW SECTION. 280A.56 DEFINITIONS.

As used in this division:

1. "Board" means a board of directors of a community college.
2. "Project" means the acquisition by purchase, lease, or construction of buildings for use as student residence halls and dormitories, including dining and other incidental facilities therefor, and additions to such buildings, the reconstruction, completion, equipment, improvement, repair or remodeling of residence halls, dormitories, or additions or incidental facilities, and the acquisition of property of every kind and description, whether real, personal, or mixed, by gift, purchase, lease, condemnation, or otherwise and the improvement of the property.
3. "Institution" means a community college organized under this chapter.
4. "Bonds or notes" means revenue bonds or revenue notes which are payable solely and only from net rents, profits, and income derived from the operation of residence halls, dormitories, incidental facilities, and additions.

Sec. 59. NEW SECTION. 280A.57 AUTHORIZATION — CONTRACTS — TITLE.

Subject to and in accordance with the provisions of this division, the board of trustees of each community college is hereby authorized to undertake and carry out any project at a community college under the board's control and to operate, control, maintain, and manage

student residence halls and dormitories, including dining and other incidental facilities, and additions to such buildings at each of said institutions. All contracts for the construction, reconstruction, completion, equipment, improvement, repair or remodeling of any buildings, additions or facilities shall be let in accordance with the provisions of section 280A.19. The title to all real estate acquired under the provisions of this division and the improvements erected on the real estate shall be taken and held in the name of the merged area. The board is authorized to rent the rooms in such residence halls and dormitories to the students, officers, guests and employees of the institutions at such rates, fees or rentals as will provide a reasonable return upon the investment, but which will in any event produce net rents, profits and income sufficient to insure the payment of the principal of and interest on all bonds or notes issued to pay any part of the cost of any project and refunding bonds or notes issued pursuant to the provisions of this division and to insure that no property tax revenues will be needed to retire the bonds or notes.

Sec. 60. NEW SECTION. 280A.58 BONDS OR NOTES.

To pay all or any part of the cost of carrying out any project at any institution the board is authorized to borrow money and to issue and sell negotiable bonds or notes and to refund and refinance bonds or notes issued for any project or for refunding purposes at a lower rate, the same rate, or a higher rate or rates of interest and from time to time as often as the board shall find it to be advisable and necessary so to do. Bonds or notes issued to refund other bonds or notes issued by the board for residence hall or dormitory purposes at any institution, including dining or other facilities and additions, or issued for refunding purposes, may either be sold in the manner specified for the selling of certificates under section 280B.6 and the proceeds applied to the payment of the obligations being refunded, or the refunding bonds or notes may be exchanged for and in payment and discharge of the obligations being refunded. A finding by the board in the resolution authorizing the issuance of the refunding bonds or notes, that the bonds or notes being refunded were issued for a purpose specified in this division and constitute binding obligations of the board, shall be conclusive and may be relied upon by any holder of any refunding bond or note issued under the provisions of this division. The refunding bonds or notes may be sold or exchanged in installments at different times or an entire issue or series may be sold or exchanged at one time. Any issue or series of refunding bonds or notes may be exchanged in part or sold in parts in installments at different times or at one time. The refunding bonds or notes may be sold or exchanged at any time on, before, or after the maturity of any of the outstanding notes, bonds or other obligations to be refinanced thereby and may be issued for the purpose of refunding a like or greater principal amount of bonds or notes, except that the principal amount of the refunding bonds or notes may exceed the principal amount of the bonds or notes to be refunded to the extent necessary to pay any premium due on the call of the bonds or notes to be refunded or to fund interest in arrears or about to become due.

All bonds or notes issued under the provisions of this division shall be payable from and shall be secured by an irrevocable first lien pledge of a sufficient portion of the following: the net rents, profits and income derived from the operation of residence halls, dormitories, dining or other incidental facilities and additions, including necessary real and personal property, acquired or improved in whole or in part with the proceeds of such bonds or notes, regardless of the manner of such acquisition or improvement; and the net rents, profits and income not pledged for other purposes derived from the operation of any other residence halls or dormitories, including dining or other incidental facilities and additions, at the particular institution. In addition, the board may secure any bonds or notes issued by borrowing money, by mortgaging any real estate or improvements erected on real estate, or by pledging rents, profits, and income received from property for the discharge of mortgages. All bonds or notes issued under the provisions of this division shall have all the qualities of negotiable instruments under the laws of this state.

Sec. 61. NEW SECTION. 280A.59 RATES AND TERMS OF BONDS OR NOTES.

The bonds or notes may bear a date or dates, may bear interest at such rate or rates, payable semiannually, may mature at such time or times, may be in such form, carry such registration privileges, may be payable at such place or places, may be subject to such terms of redemption prior to maturity with or without premium, if so stated on the face of the bonds, and may contain any terms and covenants as may be provided by the resolution of the board authorizing the issuance of the bonds or notes. In addition to the estimated cost of construction, the cost of the project shall be deemed to include interest upon the bonds or notes during construction and for six months after the estimated completion date, the compensation of a fiscal agent or adviser, any underwriter discount, and engineering, administrative and legal expenses. The bonds or notes shall be executed by the president of the board of trustees and attested by the secretary and the coupons attached to the bonds or notes shall be executed with the original or facsimile signatures of said president and secretary. Any bonds or notes bearing the signatures of officers in office on the date of the signing shall be valid and binding for all purposes, notwithstanding that before delivery of the bonds or notes any or all persons whose signatures appear on the bonds or notes shall have ceased to be officers. Each bond or note shall state upon its face the name of the institution on behalf of which it is issued, that it is payable solely and only from the net rents, profits and income derived from the operation of residence halls or dormitories, including dining and other incidental facilities, at the institution named, and that it does not constitute a charge against the state of Iowa within the meaning or application of any constitutional or statutory limitation or provision. The issuance of bonds or notes shall be recorded in the office of the treasurer of the institution on behalf of which the bonds or notes are issued, and a certificate by such treasurer to this effect shall be printed on the back of each such bond or note.

Sec. 62. NEW SECTION. 280A.60 REFUNDING.

Upon the determination by the board to undertake and carry out any project or to refund outstanding bonds or notes, the board shall adopt a resolution generally describing the contemplated project and setting forth the estimated cost, or describing the obligations to be refunded, fixing the amount of bonds or notes to be issued, the maturity or maturities, the interest rate or rates and all details of the project. The resolution shall contain any covenants as may be determined by the board as to the issuance of additional bonds or notes that may be issued payable from the net rents, profits and income of the residence halls or dormitories, the amendment or modification of the resolution authorizing the issuance of any bonds or notes, the manner, terms and conditions and the amount or percentage of assenting bonds or notes necessary to effectuate the amendment or modification, and any other covenants as may be deemed necessary or desirable. In the discretion of the board any bonds or notes issued under the terms of this division may be secured by a trust indenture by and between the board and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the boundaries of the state of Iowa, but no such trust indenture shall convey or mortgage the buildings or facilities or any part of the buildings or facilities. The provisions of this division and of any resolution or other proceedings authorizing the issuance of bonds or notes and providing for the establishment and maintenance of adequate rates, fees or rentals and the application of the proceeds thereof shall constitute a contract with the holders of the bonds or notes.

Sec. 63. NEW SECTION. 280A.61 RATES, FEES, AND RENTALS — PLEDGE.

If bonds or notes are issued by a board, the board shall establish, impose, and collect rates, fees or rentals for the use of and services provided by the residence halls and dormitories, including dining and other incidental facilities therefor, at the institution on behalf of which the bonds or notes are issued, shall adjust the rates, fees, or rentals from time to time, in order to always provide net amounts sufficient to pay the principal of and interest on the bonds or notes as they become due, and shall maintain a reserve. The board may pledge a sufficient amount of the net rents, profits and income derived from the operation of residence halls and

dormitories, including dining and other facilities, at the institution for this purpose. Rates, fees, or rentals collected at one institution shall not be used to discharge bonds or notes issued for or on account of another institution. All bonds or notes issued under the terms of this division shall be exempt from taxation by the state of Iowa and the interest on the bonds or notes is exempt from the state income tax.

Sec. 64. NEW SECTION. 280A.62 ACCOUNTS.

A certified copy of each resolution providing for the issuance of bonds or notes under this division shall be filed with the treasurer of the institution on behalf of which the bonds or notes are issued and the treasurer shall keep and maintain separate accounts for each issue of bonds or notes in accordance with the covenants and directions set out in the resolution providing for the issuance of the bonds or notes. All rates, fees, or rentals collected for the use of and services provided by the residence halls and dormitories, including dining and other incidental facilities, at each institution shall be held in trust by the treasurer, separate and apart from all other funds, to be used only for the purposes specified in this division and as may be required and provided for by the proceedings of the board authorizing the issuance of bonds or notes. The treasurer of each institution shall disburse funds from the proper account for the payment of the principal of and interest on the bonds or notes in accordance with the directions and covenants of the resolution authorizing the issuance of the bonds or notes.

If the amount of bonds or notes issued under this chapter exceeds the actual costs of the projects for which the bonds or notes were issued, the amount of the difference shall be used to pay the principal and interest due on bonds or notes issued under this chapter.

Sec. 65. NEW SECTION. 280A.63 NO OBLIGATION AGAINST STATE.

Under no circumstances shall any bonds or notes issued under the terms of this division be or become or be construed to constitute a charge against the state of Iowa within the purview of any constitutional or statutory limitation or provision. Taxes, appropriations, or other funds of the state of Iowa shall not be pledged for or used to pay for the bonds or notes or for the interest on the bonds or notes. Any principal and interest on bonds or notes issued under this division shall be payable only from the net rents, profits, and income derived from the operation of residence halls and dormitories, including dining and other incidental facilities, at the institutions of higher learning under the control of the board, and the sole remedy for any breach or default of the terms of any bonds or notes or proceedings for their issuance shall be a proceeding either in law or in equity by suit, action, or mandamus to enforce and compel performance of the duties required by this division and the terms of the resolution under which the bonds or notes are issued.

Sec. 66. NEW SECTION. 280A.64 WHO MAY INVEST.

All banks, trust companies, building and loan associations, savings and loan associations, investment companies, and other persons carrying on an investment business, all insurance companies, insurance associations, and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds or notes issued pursuant to this division. However, this section shall not be construed as relieving any persons from any duty of exercising reasonable care in selecting securities for purchase or investment.

Sec. 67. NEW SECTION. 280A.65 FEDERAL OR OTHER AID ACCEPTED.

The board of trustees of each community college may apply for and accept federal aid or nonfederal gifts or grants of funds, and may use the aid, gifts, or funds to pay all or any part of the cost of carrying out any project at any institution under the terms of this division or to pay any bonds and interest on the bonds issued for any of the purposes specified in this division.

Sec. 68. NEW SECTION. 280A.66 REPORTS TO GENERAL ASSEMBLY.

The board of trustees of each community college shall determine, in consultation with the legislative fiscal bureau, the financial information to be included in line item budget information for projects funded by the issuance of bonds or notes under this chapter and shall submit the line item budget information to the general assembly as requested. The board of trustees of each community college shall submit quarterly reports to the general assembly concerning the projects funded by the issuance of bonds or notes under this chapter as follows:

1. Identification of both undercharges and overcharges for line items of projects.
2. Identification of contracts in which any line item for a project exceeds the adopted budget for that line item by ten percent or more.
3. Identification of complaints received by an institution regarding the construction of a project.

If the board of trustees of a community college approves a change in the amount of the line item of a budget for a project, the change shall be transmitted to the appropriations committees of the house of representatives and senate, while the general assembly is in session, and to the legislative council, when the general assembly is not in session, for review.

Sec. 69. NEW SECTION. 280A.67 ALTERNATIVE METHOD.

This division shall be construed as providing an alternative and independent method for carrying out any project at any institution under the control of a community college board of trustees, for the issuance and sale or exchange of bonds or notes in connection with a project and for refunding bonds or notes pertinent to the project, without reference to any other statute, and shall not be construed as an amendment of or subject to the provisions of any other law, and no publication of any notice, whether under section 23.12 or otherwise, and no other or further proceeding in respect to the issuance or sale or exchange of bonds or notes under this division, shall be required except as prescribed by this division, any provisions of other statutes of the state to the contrary notwithstanding.

Sec. 70. NEW SECTION. 280A.68 PRIOR ACTION LEGALIZED.

All rights previously acquired in connection with the financing of any project at any institution are preserved and all acts and proceedings taken by the board preliminary to and in connection with the authorization and issuance of any previously issued and outstanding notes or other obligations for any project are hereby legalized, validated, and confirmed and the notes or obligations are hereby declared to be legal and to constitute valid and binding obligations of the board according to their terms and payable solely and only from the sources referred to in the notes or obligations.

Sec. 71. NEW SECTION. 280A.69 DORMITORY SPACE PRIORITY.

Each community college which completes a project, as defined under section 280A.56, subsection 2, shall set aside a percentage of available dormitory space for the purposes of meeting the needs of the following students:

1. Students, with families, who are participating in specialized or intensive programs.
2. Students who are participating in specialized or intensive programs.
3. Day care arrangements for students, faculty, or staff.
4. Students whose residence is located too far from the community college to permit commuting to and from school, as determined by the board of directors of the merged area.
5. Students whose disabilities require special housing adaptations.

Once all priorities have been met, students shall be allotted rooms on a first come, first served basis.

Sec. 72. NEW SECTION. 280A.70 TEN-YEAR PROGRAM AND TWO-YEAR BONDING ESTIMATE SUBMITTED EACH YEAR.

The board of trustees of each community college shall prepare and submit to the general assembly, the governor, and the department of education a proposed ten-year building program for each institution under the board's control, including an estimate of the maximum

amount of bonds which the board expects to issue under the provisions of this chapter during each year of the ensuing biennium. The program and estimate shall be submitted no later than seven days after the convening of each regular annual session of the general assembly. Before a board of trustees can proceed with a project in the building program, the project must be approved by the state board for community colleges, and be a project designed for special programs, special needs of special students, and to meet needs for which privately owned housing is not available. The building program shall contain a list of the buildings and facilities which are designed to meet the special needs of students attending special programs. The list shall be revised annually, but no project shall be eliminated from the list when bonds have previously been issued by the board to pay the cost of the project. Each list shall contain an estimate of the cost of each of the buildings and facilities referred to on the list.

Sec. 73. Section 280B.2, subsections 1, 2, 5, 7, 8, and 9, Code 1989, are amended to read as follows:

1. "New jobs training program" or "program" means the project or projects established by an ~~area school~~ community college for the creation of jobs by providing education and training of workers for new jobs for new or expanding industry in the merged area served by the ~~area school~~ community college.

2. "Project" means a training arrangement which is the subject of an agreement entered into between the ~~area school~~ community college and an employer to provide program services.

5. "Employer" means the person providing new jobs in the merged area served by the ~~area school~~ community college and entering into an agreement.

7. "Agreement" is the agreement between an employer and ~~an area school~~ a community college concerning a project.

8. "~~Area school~~ Community college" means a ~~vocational school~~ or a community college established under chapter 280A.

9. "Board of directors" means the board of directors of ~~an area school~~ a community college.

Sec. 74. Section 280B.3, unnumbered paragraph 1, Code 1989, is amended to read as follows:

~~An area school~~ A community college may enter into an agreement to establish a project. If an agreement is entered into, the ~~area school~~ community college and the employer shall notify the department of revenue and finance as soon as possible. An agreement may provide, but is not limited to:

Sec. 75. NEW SECTION. 220.162 AUTHORITY TO ISSUE COMMUNITY COLLEGE DORMITORY BONDS AND NOTES.

The authority shall assist a community college or the state board for community colleges as provided in chapter 280A, and the authority shall have all of the powers delegated to it in a chapter 28E agreement by a community college board of directors, the state board for community colleges, or a private developer contracting with a community college to develop a self-liquidating housing facility, such as a dormitory, for the community college, with respect to the issuance or securing of bonds or notes and the carrying out of the purposes of chapter 280A.

Sec. 76. NEW SECTION. 280A.71 COMMUNITY COLLEGE BOND PROGRAM – DEFINITIONS – FUNDING – BONDS AND NOTES.

1. As used in this section and section 280A.72, unless the context otherwise requires, "authority" means the Iowa finance authority.

2. The authority shall cooperate with the state board for community colleges, individual community colleges, and private developers, acting in conjunction with a community college to build self-liquidating housing facilities in connection with the community college, in the creation, administration, and funding of a community college bond program to finance self-liquidating facilities, such as dormitories, in connection with a community college.

3. The authority may issue its bonds and notes for the purpose of funding the nonrecurring cost of acquiring or constructing a community college related facility, such as a dormitory.

4. The authority may issue its bonds and notes for the purposes of this chapter and may enter into one or more lending agreements or purchase agreements with one or more bondholders or noteholders containing the terms and conditions of the repayment of and the security for the bonds or notes. The authority and the bondholders or noteholders or a trustee agent designated by the authority may enter into agreements to provide for any of the following:

a. That the proceeds of the bonds and notes and the investments of the proceeds may be received, held, and disbursed by the authority or by a trustee or agent designated by the authority.

b. That the bondholders or noteholders or a trustee or agent designated by the authority may collect, invest, and apply the amount payable under the loan agreements or any other instruments securing the debt obligations under the loan agreements.

c. That the bondholders or noteholders may enforce the remedies provided in the loan agreements or other instruments on their own behalf without the appointment or designation of a trustee. If there is a default in the principal of or interest on the bonds or notes or in the performance of any agreement contained in the loan agreements or other instruments, the payment or performance may be enforced in accordance with the loan agreement or other instrument.

d. Other terms and conditions as deemed necessary or appropriate by the authority.

5. The powers granted the authority under this section are in addition to other powers contained in chapter 220. All other provisions of chapter 220, except section 220.28, subsection 4, apply to bonds or notes issued and powers granted to the authority under this section, except to the extent they are inconsistent with this section.

6. All bonds or notes issued by the authority in connection with the program are exempt from taxation by this state and the interest on the bonds or notes is exempt from state income tax, both personal and corporate.

Sec. 77. NEW SECTION. 280A.72 SECURITY — RESERVE FUNDS — PLEDGES — NONLIABILITY — IRREVOCABLE CONTRACTS.

1. The authority may provide in the resolution, trust agreement, or other instrument authorizing the issuance of its bonds or notes pursuant to section 280A.71 that the principal of, premium, and interest on the bonds or notes are payable from any of the following and may pledge the same to its bonds and notes:

a. The income and receipts or other moneys derived from the projects financed with the proceeds of the bonds or notes.

b. The income and receipts or other money derived from designated projects whether or not the projects are financed in whole or in part with the proceeds of the bonds or notes.

c. The amounts on deposit in the name of a community college or a private developer or operator of a community college facility, including but not limited to revenues from a purchase, rental, or lease agreement, or dormitory charges.

d. The amounts payable to the authority, the community college board of directors, the state board for community colleges, or a private developer or operator, pursuant to a loan agreement.

e. Any other funds or accounts established by the authority in connection with the program or the sale and issuance of its bonds or notes.

2. The authority may establish reserve funds to secure one or more issues of its bonds or notes. The authority may deposit in a reserve fund established under this subsection, the proceeds of the sale of its bonds or notes and other money which is made available from any other source.

3. A pledge made in respect of bonds or notes is valid and binding from the time the pledge is made. The money or property so pledged and received after the pledge by the authority is immediately subject to the lien of the pledge without physical delivery or further act. The lien of the pledge is valid and binding as against all persons having claims of any kind in tort, contract, or otherwise against the authority whether or not the parties have notice of the lien. Neither the resolution, trust agreement, or any other instrument by which a pledge is created needs to be recorded, filed, or perfected under chapter 554, to be valid, binding, or effective against all persons.

4. The members of the authority or persons executing the bonds or notes are not personally liable on the bonds or notes and are not subject to personal liability or accountability by reason of the issuance of the bonds or notes.

5. The bonds or notes issued by the authority are not an indebtedness or other liability of the state or of a political subdivision of the state within the meaning of any constitutional or statutory debt limitations, but are special obligations of the authority and are payable solely from the income and receipts or other funds or property of the community college or private developer, and the amounts on deposit in a community college bond fund, and the amounts payable to the authority under its loan agreements with a community college or private developer to the extent that the amounts are designated in the resolution, trust agreement, or other instrument of the authority authorizing the issuance of the bonds or notes as being available as security for the bonds or notes. The authority shall not pledge the faith or credit of the state or of a political subdivision of the state to the payment of any bonds or notes. The issuance of any bonds or notes by the authority does not directly, indirectly, or contingently obligate the state or a political subdivision of the state to apply money from, or levy, or pledge any form of taxation whatever to the payment of the bonds or notes.

6. The state pledges to and agrees with the holders of bonds or notes issued under this subchapter that the state will not limit or alter the rights and powers vested in the authority to fulfill the terms of a contract made by the authority with respect to the bonds or notes, or in any way impair the rights and remedies of the holders until the bonds or notes, together with the interest on them including interest on unpaid installments or interest, and all costs and expenses in connection with an action or proceeding by or on behalf of the holders, are fully met and discharged. The authority is authorized to include this pledge and agreement of the state, as it refers to holders of bonds or notes of the authority, in a contract with the holders.

Sec. 78. NEW SECTION. 280A.73 RULES.

The authority shall adopt rules pursuant to chapter 17A to implement sections 280A.71 and 280A.72.

Sec. 79. Section 280B.4, Code 1989, is amended to read as follows:

280B.4 INCREMENTAL PROPERTY TAXES.

If an agreement provides that all or part of program costs are to be paid for by incremental property taxes, the board of directors shall provide by resolution that taxes levied on the employer's taxable business property, where new jobs are created as a result of a project, each year by or for the benefit of the state, city, county, school district, or other taxing district after the effective date of the resolution shall be divided as provided in section 403.19, subsections 1 and 2, in the same manner as if the employer's business property, where new jobs are created as a result of a project, was taxable property in an urban renewal project and the resolution was an ordinance within the meaning of those subsections. The taxes received by the board of directors shall be allocated to and when collected be paid into a special fund of the ~~area school community college~~ and may be irrevocably pledged by the ~~area school community college~~ to pay the principal of and interest on the certificates issued by the ~~area school community college~~ to finance or refinance, in whole or in part, the project. However, with respect to any urban renewal project as to which an ordinance is in effect under section 403.19, the collection of incremental property taxes authorized by this chapter are suspended in favor of collection of incremental taxes under section 403.19. As used in this section, "taxes" includes, but is not limited to, all levies on an ad valorem basis upon land or real property of the employer's business, where new jobs are created as a result of a project.

Sec. 80. Section 280B.5, subsections 2, 3, and 5, Code 1989, are amended to read as follows:

2. An amount equal to one and one-half percent of the gross wages paid by the employer to each employee participating in a project shall be credited from the payment made by an employer pursuant to section 422.16. If the amount of the withholding by the employer is less than one and one-half percent of the gross wages paid to the employees covered by the agreement, then the employer shall receive a credit against other withholding taxes due by the

employer. The employer shall remit the amount of the credit quarterly in the same manner as withholding payments are reported to the department of revenue and finance, to the ~~area school~~ community college to be allocated to and when collected paid into a special fund of the ~~area school~~ community college to pay the principal of and interest on certificates issued by the ~~area school~~ community college to finance or refinance, in whole or in part, the project. When the principal and interest on the certificates have been paid, the employer credits shall cease and any money received after the certificates have been paid shall be remitted to the treasurer of state to be deposited in the general fund of the state.

3. The new jobs credit from withholding and the special fund into which it is paid, may be irrevocably pledged by ~~an area school~~ a community college for the payment of the principal of and interest on the certificate issued by ~~an area school~~ a community college to finance or refinance, in whole or in part, the project.

5. ~~An area school~~ A community college shall certify to the department of revenue and finance the amount of new jobs credit from withholding an employer has remitted to the special fund and shall provide other information the department may require.

Sec. 81. Section 280B.6, subsection 5, Code 1989, is amended to read as follows:

5. Before certificates are issued, the board of directors shall publish once a notice of its intention to issue the certificates, stating the amount, the purpose, and the project or projects for which the certificates are to be issued. A person may, within fifteen days after the publication of the notice by action in the district court of a county in the area within which the ~~area school~~ community college is located, appeal the decision of the board of directors in proposing to issue the certificates. The action of the board of directors in determining to issue the certificates is final and conclusive unless the district court finds that the board of directors has exceeded its legal authority. An action shall not be brought which questions the legality of the certificates, the power of the board of directors to issue the certificates, the effectiveness of any proceedings relating to the authorization of the project, or the authorization and issuance of the certificates from and after fifteen days from the publication of the notice of intention to issue.

Sec. 82. Section 280B.7, Code 1989, is amended to read as follows:

280B.7 DEPARTMENT OF ECONOMIC DEVELOPMENT.

The Iowa department of economic development in consultation with the department of education shall coordinate the new jobs training program. The Iowa department of economic development shall adopt, amend, and repeal rules under chapter 17A that the ~~area school~~ community college will use in developing projects with new and expanding industrial new jobs training proposals. The department is authorized to make any rule that is adopted, amended, or repealed effective immediately upon filing with the administrative rules coordinator or at a subsequent stated date prior to indexing and publication, or at a stated date less than thirty-five days after filing, indexing, and publication. The department shall prepare an annual report for the governor and general assembly on the activities of the industrial new jobs training program.

Sec. 83. Section 280C.2, subsections 1, 2, 5, 7, 8, and 9, Code 1989, are amended to read as follows:

1. "New jobs training program" or "program" means the project or projects established by ~~an area school~~ a community college for the creation of jobs by providing education and training of workers for new jobs for a new or expanding small business in the merged area served by the ~~area school~~ community college.

2. "Project" means a training arrangement which is the subject of an agreement entered into between the ~~area school~~ community college and an employer to provide program services.

5. "Employer" means the small business providing new jobs in the merged area served by the ~~area school~~ community college and entering into an agreement.

7. "Agreement" is the agreement between an employer and ~~an area school~~ a community college concerning a project.

8. "~~Area school~~ Community college" means a ~~vocational school~~ or a community college established under chapter 280A.

9. "Board of directors" means the board of directors of ~~an area school~~ a community college.

Sec. 84. Section 280C.3, unnumbered paragraph 1, Code 1989, is amended to read as follows:

~~An area school~~ A community college may enter into an agreement to establish a project. However, before ~~an area school~~ a community college and a small business enter into an agreement to establish a project, the ~~area school~~ community college shall consult with the local office of the division of job service of the department of employment services to determine if there already exists in the community, a skilled or experienced group of unemployed workers, as a result of a plant closing or reduction in force, sufficiently large to supply the needs of the new or expanding small business. If such a supply of workers exists, the ~~area school~~ community college shall enter into the agreement only if the small business agrees to give preference in training to those workers over any other workers who do not have greater qualifications. If an agreement is entered into, the ~~area school~~ community college and the employer shall notify the department of revenue and finance as soon as possible. An agreement may provide, but is not limited to:

Sec. 85. Section 280C.5, subsections 2 and 4, Code 1989, are amended to read as follows:

2. An amount equal to one and one-half percent of the gross wages paid by the employer to each employee participating in a project shall be credited from the payment made by an employer pursuant to section 422.16. If the amount of the withholding by the employer is less than one and one-half percent of the gross wages paid to the employees covered by the agreement, then the employer shall receive a credit against other withholding taxes due by the employer. The employer shall remit the amount of the credit quarterly in the same manner as withholding payments are reported to the department of revenue and finance, to the ~~area school~~ community college. To the extent this credit represents repayments of an advance made under section 280C.6 plus interest, it shall be paid to the treasurer of state. When the repayments of an advance plus interest have been paid, the employer credits shall cease and any money received after this shall be remitted to the treasurer of state to be deposited in the general fund of the state.

4. ~~An area school~~ A community college shall certify to the department of revenue and finance the amount of new jobs credit from withholding an employer has remitted to the ~~area school~~ community college and shall provide other information the department may require.

Sec. 86. Section 280C.6, Code 1989, is amended to read as follows:

280C.6 JOB TRAINING FUND.

1. There is established for the ~~area schools~~ an area school community colleges a community college job training fund under the supervision of the treasurer of state. The ~~area school community college~~ community college job training fund consists of two separate accounts containing moneys as follows:

a. A permanent school fund repayment account to which shall be credited the interest and principal from repayment of loans originating from the permanent school fund appropriation in section 280C.8, made to employers for program costs, and interest earned from moneys in the account. Moneys in this account shall be used to repay the appropriation from the permanent school fund. At the end of each calendar quarter, the treasurer of state shall transfer the moneys in the account and any moneys in the surplus account of the Iowa plan fund for economic development created in section 99E.31 to the permanent school fund as repayment of the loan from the permanent school fund. If there are moneys in the permanent school fund repayment account after the permanent school fund loan has been fully repaid, those moneys shall be transferred to the revolving loan account provided in paragraph "b" of this section.

b. A revolving loan account to which shall be credited moneys appropriated for the fiscal year beginning July 1, 1987, and for succeeding fiscal years for the purposes of this chapter plus the interest and principal from repayment of advances made to employers for program costs and interest earned from moneys in the revolving loan account. Moneys in this account shall be used to provide advances to employers for program costs upon request of boards of

directors of the ~~area schools~~ community colleges. Beginning July 1, 1995, the Iowa department of economic development shall reserve a portion of the moneys in the revolving loan account to pay a portion of the original one million dollar appropriation in section 280C.8 which, based upon projections of the state treasurer, may still be owed to the permanent school fund on June 30, 1996. The department shall reserve a portion of the moneys in the revolving loan account only if the moneys in the permanent school fund repayment account created in paragraph "a" and moneys in the "surplus" account of the Iowa plan fund for economic development created in section 99E.31, subsection 1, paragraph "c", are insufficient to repay the loan from the permanent school fund.

2. To provide funds for the present payment of the costs of a new jobs training program by the employer, the ~~area school~~ community college may provide to the employer an advance of the moneys to be used to pay for the program costs as provided in the agreement. To receive the funds for this advance from the revolving loan account, the ~~area school~~ community college shall submit an application to the department of economic development. The amount of the advance shall not exceed fifty thousand dollars for any project. The advance shall be repaid with interest from the sources provided in the agreement. The rate of interest to be charged for advances made in a calendar month is equal to one half of the average rate of interest on tax exempt certificates issued by ~~area schools~~ community colleges pursuant to chapter 280B for the previous twelve months. The rate shall be computed by the Iowa department of economic development.

Sec. 87. Section 280C.7, Code 1989, is amended to read as follows:

280C.7 DEPARTMENT OF ECONOMIC DEVELOPMENT TO COORDINATE.

The Iowa department of economic development in consultation with the department of education and the division of job service of the department of employment services shall coordinate the new jobs training program. The department of economic development shall adopt, amend, and repeal rules under chapter 17A that the ~~area school~~ community college will use in developing projects with new and expanding small business new jobs training proposals. The department shall establish by rule criteria for determining what constitutes a small business. A project shall not be funded under this chapter unless the department approves the project. The department shall establish by rule criteria for approval of projects. The department is authorized to make any rule that is adopted, amended, or repealed effective immediately upon filing with the administrative rules coordinator or at a subsequent stated date prior to indexing and publication, or at a stated date less than thirty-five days after filing, indexing, and publication. The Iowa department of economic development shall prepare an annual report for the governor and general assembly on the activities and the future anticipated needs of this new jobs training program.

Sec. 88. Section 280C.8, Code 1989, is amended to read as follows:

280C.8 APPROPRIATIONS.

Notwithstanding sections 8.6, 302.1, and 302.1A, there is appropriated from the permanent school fund, for the fiscal period beginning July 1, 1985, and ending June 30, 1996, the sum of one million dollars to provide funds for the purposes of and deposits in the ~~area school~~ community college job training fund created in section 280C.6. The money appropriated under this section is a loan from the permanent school fund to the ~~area school~~ community college job training fund. The interest on the loan shall be prepaid for a three-year period from funds appropriated by this section. The rate of interest shall be determined by the treasurer of state.

At the end of each calendar quarter the treasurer of state shall transfer moneys to repay the amount of the loan from the permanent school fund from the following sources:

1. Moneys in the permanent school fund repayment account created in section 280C.6, subsection 1, paragraph "a".

2. Moneys to be credited to the "surplus" account of the Iowa plan fund for economic development created in section 99E.31.

On and after June 30, 1996, the moneys reserved by the Iowa department of economic development from the revolving loan account created in section 280C.6, subsection 1, paragraph "b", shall be used to repay a portion of the loan from the permanent school fund provided the conditions stated in section 280C.6, subsection 1, paragraph "b", are met.

Sec. 89. Section 282.26, Code 1989, is amended to read as follows:

282.26 HIGH SCHOOL STUDENTS ATTENDING ADVANCED COURSES.

The board of any ~~junior~~ community college school district may, by mutual agreement with any college or university, permit any specially qualified high school student to attend advanced courses of academic instruction ~~therein at the college or university.~~

The state board of regents and the department of education may by rule permit such students to attend any institution of higher learning under their jurisdiction. Credit earned in any such course at a ~~junior college,~~ college or university may be applied toward credit for high school graduation. ~~No public~~ Public school funds shall not be expended for payment of tuition or other costs for such attendance at any college or university, unless ~~such~~ the payment is expressly permitted or required by law.

The foregoing provisions shall also apply to ~~junior colleges,~~ colleges and universities in adjacent states when ~~such~~ the institutions are located nearer to the homes or schools of the school district than the closest ~~junior college,~~ college or university within the state.

Sec. 90. Section 286A.2, subsection 6, Code Supplement 1989, is amended by adding the following new paragraph:

NEW PARAGRAPH. f. Adult remedial education cost center.

Sec. 91. Section 286A.4, Code 1989, is amended to read as follows:

286A.4 SUPPORT PER INSTRUCTIONAL COST CENTER.

Each area school shall multiply the state foundation support level per contact hour for each instructional cost center for a budget year by the number of contact hours eligible for state general aid in the area school in the cost center for the budget year to obtain the support per cost center in that area school. However, for the budget year beginning July 1, 1992, in determining the support per cost center in an area school for the adult remedial education cost center, the number of contact hours for that cost center shall be multiplied by one and one-tenth. For each of the next three budget years the multiplier shall be increased from the multiplier used for the base year by an additional one-tenth until for the budget year beginning July 1, 1995, and succeeding budget years, the multiplier is one and four-tenths. The total support for an area school for instructional cost centers is the sum of the support per cost center for all five instructional cost centers.

Sec. 92. Section 286A.2, Code Supplement 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 1. "Area school" means an area school under section 280A.2, subsection 10, Code 1989, for purposes of calculations based on fiscal years occurring before July 1, 1990; for other purposes, "area school" means a community college under section 280A.2, subsection 1.

Sec. 93. Section 286A.2, subsection 4, unnumbered paragraph 2, Code Supplement 1989, is amended to read as follows:

The total contact hours for an area school in a cost center for a budget year for purposes of determining state general aid under this chapter are the average of the total contact hours offered by the area school in that cost center for the base year and the two fiscal years preceding the base year. However, commencing July 1, 1991, total contact hours in a cost center for a budget year shall be the average of the total contact hours offered by the area school in that cost center for the base year and the fiscal year preceding the base year.

Sec. 94. Section 286A.2, subsection 7, Code Supplement 1989, is amended by adding the following new paragraph:

NEW PARAGRAPH. e. Equipment purchase function.

Sec. 95. Section 286A.3, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Commencing July 1, 1991, and on July 1 of each succeeding year, the percent multiplier of the state average cost per contact hour shall be increased by an additional one percent until the state foundation support level per contact hour equals seventy-five percent of the state average cost per contact hour.

Sec. 96. Section 286A.4, Code 1989, is amended to read as follows:

286A.4 SUPPORT PER INSTRUCTIONAL COST CENTER.

Each area school shall multiply the state foundation support level per contact hour for each instructional cost center for a budget year by the number of contact hours eligible for state general aid in the area school in the cost center for the budget year to obtain the support per cost center in that area school. However, in calculating the support per cost center for a budget year in an area school, beginning July 1, 1991, the number of contact hours eligible for state general aid for the vocational-technical preparatory cost center, for programs of twenty-five contact hours or less per week, shall be increased in eight annual equal increments, until the support per cost center equals the number of those contact hours for that cost center multiplied by one and two-tenths. In addition, however, in calculating the support per cost center for vocational-technical preparatory cost centers beginning July 1, 1991, for programs of twenty-six to thirty contact hours per week, the number of contact hours eligible for state general aid shall be increased in eight annual equal increments, until the support per cost center equals the number of contact hours for that cost center multiplied by a number which equals the multiplier used for programs of twenty-five hours per week minus four hundredths for every contact hour per week of the program that exceeds twenty-five hours per week. The total support for an area school for instructional cost centers is the sum of the support per cost center for all five instructional cost centers.

Sec. 97. Section 286A.5, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Commencing July 1, 1991, and on July 1 of each succeeding year, the percent multiplier of the area school's general institutional support function cost shall be increased by an additional one percent until the foundation support level for the general institutional function reaches seventy-five percent of the area school's general institutional support function cost.

Sec. 98. Section 286A.6, unnumbered paragraph 3, Code 1989, is amended to read as follows:

~~For the budget year beginning July 1, 1986 and succeeding budget years, the~~ The foundation support level per contact hour eligible for state general aid for the student services function cost for an area school is the foundation support level per contact hour for the base year plus a student services support allowable growth amount. The allowable growth amount is determined by the department of management by multiplying the state percent of growth for the budget year by the state average student services function cost per contact hour for the base year. The total is then multiplied by the number of eligible contact hours in the area school to determine the foundation support for the student services function cost for a budget year.

For the fiscal period commencing July 1, 1991, and ending June 30, 1995, twenty-five percent of noneligible contact hours shall be added to the eligible contact hours each fiscal year, for purposes of determining the foundation support for the student services function cost, until all contact hours are eligible for determining the foundation support level. In succeeding fiscal years, all contact hours shall be eligible for purposes of determining the foundation support level for the student services function cost.

Sec. 99. Section 286A.6, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Commencing July 1, 1991, and on July 1 of each succeeding year, the percent multiplier of the state average student services function cost per contact hour shall be increased by an additional one percent until the foundation support level for the student services function cost equals seventy-five percent.

Sec. 100. Section 286A.7, subsection 1, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Commencing July 1, 1991, and on July 1 of each succeeding year, the percent multiplier of the state average cost per square foot shall be increased by an additional percent until the foundation support level per square foot for the physical plant maintenance cost equals seventy-five percent.

Sec. 101. Section 286A.7, subsection 2, unnumbered paragraph 1, Code 1989, is amended to read as follows:

The physical plant utility function cost for the base year commencing July 1, 1985 for all area schools is determined by dividing the total physical plant utility costs, including utility costs paid under section 280A.22, of all area schools for that year by the total cubic feet of buildings of the area schools for that year to achieve a state average cost per cubic foot.

Sec. 102. Section 286A.7, subsection 2, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Commencing July 1, 1991, and on July 1 of each succeeding year, the percent multiplier of the state average cost per cubic foot shall be increased by an additional percent until the foundation support level per cubic foot for the physical plant utility cost equals seventy-five percent.

Sec. 103. Section 286A.8, unnumbered paragraph 1, Code 1989, is amended to read as follows:

The library function cost for a budget year for an area school is determined by the department of education by multiplying the total of the area school's support for the five instructional cost centers, for the general institutional support function, for the student services function, and for the physical plant function for that year by ~~three and thirty-three hundredths~~ five percent, which is the average percent of the area schools' support expended for the library function cost. The department shall notify the department of management. Notwithstanding this paragraph, for each year of the four-year fiscal period commencing July 1, 1991, and ending June 30, 1995, the percent multiplier, which is the average percent of the area school's support expended for the library function cost, shall be increased in four equal increments from three and thirty-three hundredths percent to five percent.

Sec. 104. Section 286A.8, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Commencing July 1, 1991, and on July 1 of each succeeding year, the percent multiplier of the area school's library function cost shall be increased by an additional percent until the foundation support level for the library services function equals seventy-five percent.

Sec. 105. NEW SECTION. 286A.8A EQUIPMENT PURCHASE FUNCTION COST.

Commencing July 1, 1991, the equipment purchase function cost for a budget year is determined by the department of education by multiplying the sum of all of the area schools' support for the five instructional cost centers, for the general institutional support function, for the student services function, and for the physical plant function for that year by .194 percent for equipment purchases for the arts and sciences cost center and by .776 percent for equipment purchases for the vocational-technical preparatory cost center. The department shall allocate the equipment purchase function cost among the area schools based upon each area school's proportion of arts and sciences contact hours and vocational-technical preparatory contact hours compared to the total arts and sciences and vocational-technical preparatory contact hours, and shall notify the department of management.

The foundation support level for the equipment purchase function cost for an area school for a base year is sixty-five percent of the area school's equipment purchase function cost for that year.

Commencing July 1, 1991, and on July 1 of each succeeding year, the percent multiplier of the area school's equipment purchase function cost shall be increased by an additional one percent until the foundation support level for the equipment purchase function reaches seventy-five percent of the area school's equipment purchase function cost.

Sec. 106. Section 286A.11, subsection 3, Code 1989, is amended to read as follows:

3. Fifty thousand dollars if the area school has fewer than one million contact hours. The department of education shall calculate the difference between the amount of state general aid each area school that has fewer than one million contact hours would receive if a foundation support level of seventy percent were used in lieu of the sixty-five percent plus any additional percentage amounts added to the sixty-five percent foundation level after July 1, 1991, as specified in this chapter and the amount the area school would receive under this chapter. The area school shall receive that difference in lieu of the fifty thousand dollars granted under this subsection if the difference is greater than fifty thousand dollars.

Sec. 107. NEW SECTION. 286A.14A COMMUNITY COLLEGE EXCELLENCE 2000 ACCOUNT.

The department of education shall provide for the establishment of a community college excellence 2000 account in the office of the treasurer of state for deposit of moneys appropriated to the account for purposes of funding quality instructional centers and program and administrative sharing agreements under sections 280A.45 and 280A.46. There is appropriated from the general fund of the state to the department of education, for the fiscal year beginning July 1, 1991, an amount equal to two and five-tenths percent of the total state general aid generated for all community colleges during the base year under chapter 286A. In the next succeeding four fiscal years, the percent multiplier shall be increased in equal increments until the multiplier reaches ten percent. In succeeding fiscal years the percent multiplier used to determine the appropriation under this section shall be ten percent.

Of the moneys in the community college excellence 2000 account, fifty percent shall be reserved for purposes of awarding funds to approved quality instructional centers, forty percent shall be reserved for purposes of awarding funds to community colleges for approved program sharing agreements, and ten percent shall be reserved for purposes of awarding funds to community colleges for approved administrative sharing agreements. Notwithstanding the reservation of moneys in the account, funds not awarded under this section may be used for purposes of allocating funds to community colleges for approved mergers under section 280A.39. Funds received under section 280A.39 and this section shall be in lieu of receipt of funds for other programs funded under this section.

The department of education shall notify the department of management of approval of claims against the account under sections 280A.45, 280A.46, and this section and the department of revenue and finance shall make the payments to community colleges.

Unencumbered funds remaining in the account at the end of a fiscal year shall revert to the general fund of the state under section 8.33.

Sec. 108. NEW SECTION. 286A.19 GUARANTEE.

If the state general aid generated under this chapter for an area school for a budget year is less than the state general aid received by that area school for the fiscal year beginning July 1, 1990, the area school is entitled to receive additional state aid for that budget year equal to the difference between the state general aid generated for that budget year and the state general aid received for the fiscal year beginning July 1, 1990. There is appropriated from the general fund of the state to the department of management an amount sufficient to make the payments under this section.

Sec. 109. Section 298.18, unnumbered paragraph 9, Code 1989, is amended to read as follows:

Provided further that if a school corporation leases a building or property, which has been used as a junior college by such corporation, to a ~~merged area school corporation operating or proposing to operate an area~~ community college, the annual amounts certified as herein provided by such leasing school corporation for payment of interest and principal due on lawful bonded indebtedness incurred by such leasing school corporation for purchasing, building, furnishing, reconstructing, repairing, improving or remodeling the building leased or acquiring or adding to the site of such property leased, to the extent of the respective annual rent the school corporation will receive under such lease, shall not be considered as a part of the total amount estimated and certified for the purposes of determining if such amount exceeds any limitation contained in this section.

Sec. 110. Section 331.512, subsection 1, paragraph h, Code Supplement 1989, is amended to read as follows:

h. The levy of a tax for the operation of an ~~area vocational school or an area~~ community college as provided in section 280A.17.

Sec. 111. Section 331.559, subsection 5, Code 1989, is amended to read as follows:

5. Collect the tax levied for the erection and equipping of ~~area vocational school or area~~ community college facilities as provided in section 280A.22.

Sec. 112.

If funds are appropriated for that purpose, the department of personnel shall conduct a study of educational opportunities for state employees. The study shall include, but is not limited to, current utilization of educational leave by state employees, programs and services available currently to state employees, state employee needs for increased education, and the development of a plan to coordinate available resources and programs with employees in need of educational services. The department shall submit its findings, together with the plan for increasing educational opportunities, in a report to the general assembly by December 1, 1990.

Sec. 113.

If funds are appropriated for that purpose, the department of education, in consultation with the state board of regents, shall develop recommendations relating to the programs offered under the postsecondary enrollment options Act contained in chapter 261C. The recommendations shall include any funding changes needed to enhance utilization of the postsecondary enrollment options Act by students, including changes in targeted dollar amounts.

The recommendations shall also include an examination of the relationship between the offering of advanced placement courses at the secondary school level and the options available for delivery of postsecondary courses through the postsecondary enrollment options Act. The department shall submit its findings together with its recommendations in a report to the general assembly by January 15, 1991.

Sec. 114.

If funds are appropriated for that purpose, the state board of regents shall conduct a study to determine whether public service assistance is included as one of the criteria for determining institutional compensation and whether faculty members at institutions under its control who do provide public service assistance on a state or national basis receive remuneration for providing the assistance. The board shall submit its findings, along with any recommendations, in a report to the general assembly by December 1, 1990.

Sec. 115.

If funds are appropriated for that purpose, the department of education, in conjunction with the department of economic development and the department of employment services, shall conduct a study of the job and career information programs available through the public education system and state agencies. The study shall include assessment and monitoring of the coordination between the programs offered, the relationship between the programs and statewide job training programs, the identification of areas in which new programs need to

be offered or existing programs strengthened, and the development of recommendations for creation of an information delivery system to provide continuing updates of the relative workforce training and personnel needs as compared to the numbers of students enrolled in the various programs. The department of education shall submit the findings, along with any recommendations, in a report to the general assembly by December 1, 1991.

Sec. 116.

If funds are appropriated for that purpose, the department of education in cooperation with the boards of trustees of each community college shall conduct a study of the child care needs of students, faculty, and staff at each of the community colleges. The department shall submit its findings, along with any recommendations, in a report to the general assembly by December 1, 1991.

Sec. 117.

If funds are appropriated for that purpose, the department of education shall conduct a study of offering special programs at the community colleges versus initiating tuition reciprocity or subvention agreements with similar higher education institutions in surrounding states. The department shall submit its findings in a report to the general assembly by December 1, 1991.

**Sec. 118.*

*If funds are appropriated for that purpose, the higher education strategic planning council shall explore the creation of an Iowa "electronic university" and the marketing of courses from Iowa to students in other states through the use of telecommunications.**

Sec. 119.

If funds are appropriated for that purpose, the board of educational examiners in cooperation with the department of education and community college trustees shall conduct a study of the practitioner licensing standards for instructional personnel teaching at the community colleges. The study shall include evaluation of current standards in light of current needs, a comparison of the standards with those of other institutions of higher education in the state and comparable institutions in other states, and evaluation of the educational requirements for nursing educators under 655 Iowa Administrative Code, Rule 2.3 (2)(d)(2), Rule 2.6 (1)(a)(1)(1.), and Rule 2.6 (2)(c), as the requirements relate to community colleges. In addition, this study, done in cooperation with the board of nursing, shall include an assessment of the state's supply of nursing educators who possess the educational qualifications identified in the administrative rules. The board of nursing shall by rule delay enforcement of the nursing educator administrative rules being studied until completion of the study, submission of any findings, and a review of the rules and the completed study by the administrative rules review committee. The board of educational examiners shall submit the findings, along with any recommended changes in the standards, in a report to the general assembly by July 1, 1991.

Sec. 120.

1. Sections 260.33, 261.17, and 307A.2, Code Supplement 1989, are amended by striking the words "area school" or "area schools" and inserting in lieu thereof the following: "community college" or "community colleges".

2. Sections 93.19, 93.20, 93.20A, 252D.1, 279.44, 313.4, 321J.3, 321J.22, 405A.1, 598.1, and 633.376, Code 1989, are amended by striking the words "area school" or "area schools" and inserting in lieu thereof the following: "community college" or "community colleges".

Sec. 121.

1. Sections 260.33, 261.1, and 296.7, Code Supplement 1989, are amended by striking the words "merged area school" or "merged area schools" and inserting in lieu thereof the following: "community college" or "community colleges".

2. Sections 15.103, 19B.11, 80D.4, 93.19, 261.83, 276.10, 279.50, 303.77, 442A.3, and 601A.9, Code 1989, are amended by striking the words "merged area school" or "merged area schools" and inserting in lieu thereof the following: "community college" or "community colleges".

*Item veto; see message at end of the Act

Sec. 122.

1. Sections 99E.31, 99E.32, 256.7, 256.9, 261.1, 261.2, 261.9, 261.12, 261.19, 261.25, 261.35, 261.38, 261.72, 261.82, 261.87, 261.88, 261.90, 261.91, 261.102, and 421.17, Code Supplement 1989, are amended by striking the words "college aid commission" and inserting in lieu thereof the following: "college student aid commission".

2. Sections 7C.7, 17.4, 261.71, and 261A.5, Code 1989, are amended by striking the words "college aid commission" and inserting in lieu thereof the following: "college student aid commission".

Sec. 123.

The initial voting members of the higher education strategic planning council shall serve terms of office as follows: four members shall serve four-year terms and three members shall serve two-year terms. Members serving four-year terms shall include the public member and one member from each of the three other categories of voting members.

Sec. 124. APPOINTMENT OF STATE BOARD.

Notwithstanding the composition of the state board of education established in section 256.3, for the period commencing July 1, 1990, and ending April 30, 1992, the state board of education shall consist of eleven members including the nine members appointed under section 256.3 and two additional members who have substantial knowledge related to the community college and who shall have full voting rights. The two additional members shall be appointed in the manner specified in section 256.3 for members of the state board of education. One of the two additional members shall be appointed to a term ending April 30, 1992, and the other additional member to a term ending on April 30, 1996. Of the positions of membership for which terms expire under section 256.3 on April 30, 1992, two positions are eliminated and shall not be filled.

Sec. 125.

On the effective date of this Act, appropriations, property taxes certified, contracts, agreements, and other obligations of an area school shall be deemed to be appropriations, taxes, contracts, agreements, and obligations of the successor community college.

Sec. 126. Sections 280A.3, 280A.4, 280A.5, 280A.6, 280A.7, 280A.8, 280A.9, 280A.10, 280A.14, 280A.24, 280A.26, and 280A.40, Code 1989, are repealed.

Sec. 127. Section 280A.33 is repealed effective June 30, 1993.

Sec. 128. Section 286A.19 is repealed effective June 30, 1993.

Sec. 129.

The Code editor is directed to correct the sections of chapter 286A that refer to the numbers of instructional cost centers and noninstructional cost functions that have been created upon the effective dates of the creation of the adult remedial cost center and the equipment purchase function.

Sec. 130.

Section 90 of this Act takes effect July 1, 1992.

Sec. 131.

Section 94 of this Act takes effect July 1, 1991.

Approved April 6, 1990, except those items which I hereby disapprove and which are designated as section 25 in its entirety and section 118 in its entirety. My reasons for vetoing these items are delineated in the item veto message pertaining to this Act to the president of the senate this same date, a copy of which is attached hereto.

TERRY E. BRANSTAD, Governor

Dear Madam President:

I hereby transmit Senate File 2410, an Act relating to higher education, including coordination, administration, standards, and funding, making appropriations, and providing effective dates.

Senate File 2410 reflects Iowa's commitment to provide quality postsecondary educational opportunities for all of our citizens. The Act creates a Community College Excellence 2000 program, which will encourage the development of quality instructional centers and provide incentives for program sharing among the community colleges. Also included is a provision which authorizes the State Board of Education to establish an accreditation process for community colleges to assure quality education programs in all community colleges. The Act provides additional funding which may be used to improve faculty salaries and to reduce tuition in the community colleges. I am pleased to approve these initiatives included in Senate File 2410 which will help Iowans acquire the knowledge and skills necessary to compete in a global economy.

Senate File 2410 is, therefore, approved on this date with the following exceptions which I hereby disapprove.

I am unable to approve the item designated as Section 25, in its entirety. This provision would prohibit the State Board of Regents from using reimbursements from the institutions to assist in the funding of the board office. These reimbursements are used for extraordinary expenditures such as presidential searches, organizational audits, staff activities relating to bonding for the universities, and preparation of materials which are of benefit to the universities. The board should continue to be authorized to seek appropriate reimbursements from the universities. Therefore, this provision cannot be approved.

I am unable to approve the item designated as Section 118, in its entirety. This provision would require the Higher Education Strategic Planning Council to explore the creation of an Iowa "Electronic University." While it may be appropriate for the Strategic Planning Council to include the use of new technologies in a strategic plan, the Strategic Planning Council should be responsible for determining which issues should be studied, as provided in Section 11 of this Act.

For the above reasons, I hereby respectfully disapprove these items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 2410 are hereby approved as of this date.

Sincerely,
TERRY E. BRANSTAD, *Governor*

CHAPTER 1254

HIGHER EDUCATION AMENDMENTS

S.F. 2430

AN ACT relating to higher education including the funding, administration, and authority for dormitory bonding of community colleges, coordination of higher education sectors, and studies relating to educational opportunities.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. 1990 Iowa Acts, Senate File 2410,* section 10, is amended by striking the section and inserting in lieu thereof the following:

*Chapter 1253 herein