

Community Colleges: State Funding

State funding is one of the two largest sources of revenue for Iowa's 15 community colleges. In FY 2012, the most recent data available, 30.1% of *unrestricted* general fund revenue came from State general aid, while 57.8% came from tuition and fees. The remainder came from local property taxes, federal funding, and other income. Historically, tuition and fees have grown as a percentage of revenue, as has other income. State general aid, local support, and federal funding have decreased. (See **Chart 1** for percentage of revenue by source since 1970.)

State Funding Beyond General Aid

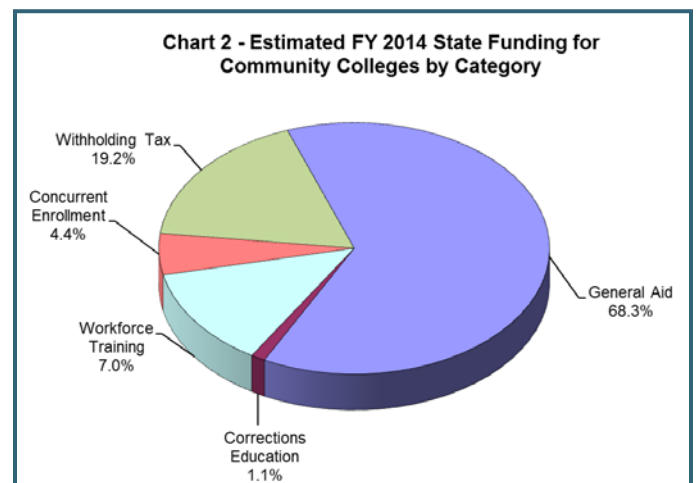
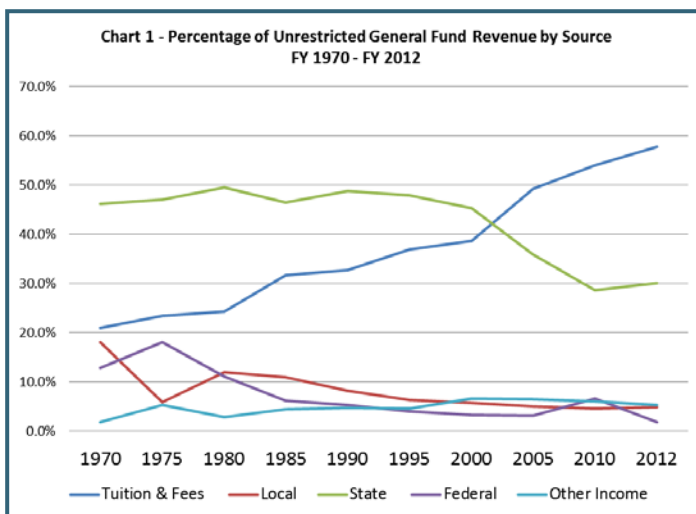
While it is the largest portion of State funding for the community colleges, annual general aid was approximately two-thirds of total State dollars flowing to the colleges in FY 2013. (See **Chart 2** below.)

The community colleges receive additional State dollars from a variety of funding streams, as detailed in **Table 1**. The colleges report this income as *restricted* revenue, because the use of the funds is restricted to purposes specified in statute.

Restricted State Funding by Category

The categories of restricted State funding for the community colleges, from largest to smallest, are:

- Tax withholding diversions and credits related to job training programs under Iowa Code chapters [260E](#) and [260G](#).
- Workforce training appropriations from the Skilled Worker and Job Creation Fund and through the Department of Economic Development.
- Receipt of funds from K-12 schools for jointly enrolled students. The K-12 schools receive additional State aid (weighting) for jointly enrolled students. The schools contract with the community colleges, and each contract sets the tuition rate the schools pay the colleges. Estimates in this document assume that the colleges receive all the weighting.
- Appropriations and transfers for the Corrections Education Program through the Department of Corrections.
- Annual infrastructure appropriations. The community colleges received none in FY 2014.



More Information

Department of Education – Community College Publications:

http://www.educateiowa.gov/index.php?option=com_content&view=article&id=252&catid=183&Itemid=2182

Iowa General Assembly: <http://www.legis.iowa.gov/index.aspx>

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State Funding of Community Colleges

	<u>Actual FY 2012</u>	<u>Actual FY 2013</u>	<u>Estimated FY 2014</u>	<u>FY 2014 vs FY 2013</u>
State General Aid:				
General Aid	\$ 163,774,647	\$ 177,274,647	\$ 193,274,647	\$ 16,000,000
Salary Appropriation	500,000	500,000	500,000	0
Subtotal State General Aid	<u>\$ 164,274,647</u>	<u>\$ 177,774,647</u>	<u>\$ 193,774,647</u>	<u>\$ 16,000,000</u>
Corrections Education:				
General Fund	2,308,109	2,358,109	2,608,109	250,000
Other Funds	747,111	973,860	999,528 #	25,668
Subtotal Corrections Education	<u>\$ 3,055,220</u>	<u>\$ 3,331,969</u>	<u>\$ 3,607,637</u>	<u>\$ 275,668</u>
Comm. College Infrastructure:				
Rebuild Iowa Infrastructure Fund (RIIF)	1,000,000	0	0	0
Mortgage Servicing Settlement Fund (MSSF)	0	5,000,000	0	-5,000,000
Subtotal Infrastructure	<u>\$ 1,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 0</u>	<u>\$ -5,000,000</u>
Workforce Training:				
ACE Infrastructure - RIIF	5,000,000	6,000,000	0	-6,000,000
ACE Infrastructure - SWJCF	0	0	6,000,000	6,000,000
Grow Iowa Values Fund (260C)	2,100,000	0	0	0
Workforce Dev. Fund Account (260F)	4,000,000	4,000,000	4,000,000	0
GAP Tuition Fund - GF	0	2,000,000	0	-2,000,000
GAP Tuition Fund - SWJCF	0	0	2,000,000	2,000,000
Adult Literacy for the Workforce - SWJCF	0	0	5,500,000	5,500,000
PACE and Regional Sectors - SWJCF	0	0	5,000,000	
Workbased Learning Intermediary Networks - SWJCF	0	0	1,500,000	
Workforce Training and Econ Dev Funds - GF	5,000,000	8,000,000	0	-8,000,000
Workforce Training and Econ Dev Funds - SWJCF	0	0	15,300,000	15,300,000
Subtotal Workforce Training	<u>\$ 16,100,000</u>	<u>\$ 20,000,000</u>	<u>\$ 39,300,000</u>	<u>\$ 12,800,000</u>
Revenue from Concurrent High School Enrollment	<u>\$ 15,422,837</u>	<u>\$ 17,755,288</u>	<u>\$ 16,288,133 #</u>	<u>\$ -1,467,155</u>
Withholding Tax Diversions and Credits:				
ACE Withholding Tax Credits (260G)	4,061,542	3,999,874	4,105,373 #	105,499
Industrial New Jobs Training (260E)	52,076,939	44,420,889	49,754,755 #	5,333,866
Subtotal Withholding Tax	<u>\$ 56,138,481</u>	<u>\$ 48,420,763</u>	<u>\$ 53,860,128</u>	<u>\$ 5,439,365</u>
Total	<u>\$ 255,991,185</u>	<u>\$ 272,282,667</u>	<u>\$ 306,830,545</u>	<u>\$ 28,047,878</u>

NOTES:

- 1) Corrections Education Other Funds are allocated at the DOC's discretion and include receipts from the Telephone Rebate Fund, Institution Canteen Funds, and the balance brought forward from the previous fiscal year.
- 2) Mortgage Servicing Settlement Fund (MSSF) - Funds may be used for major maintenance, routine maintenance, and building operations.
- 3) Grow Iowa Values Fund was repealed at the end of FY 2012.
- 4) Skilled Worker and Job Creation Fund (SWJCF) was created in FY 2014 and collects up to \$66.0 million in gambling revenues.
- 5) Revenue from Concurrent High School Enrollment is estimated in FY 2014 by using estimated revenue from school aid weightings, adjusted by the average percentage difference between estimated revenue from school aid weightings and actual revenue from concurrent enrollment in FY 2008 through FY 2013.
- 6) ACE Withholding Tax Credits - Estimated amounts (#) represent the maximum allowed by statute.
- 7) 260E Tax Credits - Estimated amounts (#) represent the Department of Revenue forecast.

Estimated