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## FISCAL TOPICS

Fiscal Services Division

August 18, 2020



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## Community College Revenue by Source

### Revenue Accounting and Reporting

Iowa's 15 community colleges have a variety of revenue sources available to them. For accounting and budgeting purposes, the colleges record revenue in eight different funds:

- Fund 1 (Unrestricted General Fund), Fund 2 (Restricted General Fund), and Fund 7 (Plant Fund) are reported as part of the annual certified budget. Funds 1 and 2 include resources available for the educational program. Fund 7 includes resources used for acquisition, construction, and major repair or replacement of physical property, as well as debt service related to those activities.
- Fund 3 (Auxiliary Fund) includes revenue from enterprise activities such as cafeterias, book stores, and child care centers.
- Fund 4 (Agency Fund) includes resources handled by the college as fiscal agent for other entities. This includes funds received under Iowa Code chapter [260F](#) (Jobs Training).
- Fund 5 (Scholarship Fund) and Fund 6 (Loan Fund) include resources available for scholarship awards and loans to students.
- Fund 8 (Endowment Fund) includes resources donated to the college. The principal balance must be maintained and only the income from fund investments may be used, in accordance with any restrictions specified by the donor.

### Sources of Budgeted Revenue

Budgeted revenue (Funds 1, 2, and 7) falls into five general categories, described below. The table on the following page compares statewide community college revenue in each category for FY 2007 and FY 2017.

#### *Tuition and Fees*

Between FY 2009 and FY 2019, budgeted revenue from tuition and fees grew at an average annual rate of 2.4% and has been the largest source of revenue for the community colleges since FY 2002. In FY 2019, tuition and fees represented 51.3% of budgeted revenue.

#### *State Aid*

The State Aid category of budgeted revenue includes the annual general aid appropriation, salary appropriations, and appropriations for capital projects and other purposes. Between FY 2009 and FY 2019, budgeted revenue from State aid increased an average of 1.3% annually. In FY 2019, State aid represented 34.9% of budgeted revenue.

#### *Local Support – Property Tax Levies*

In FY 2019, 5.8% of budgeted revenue came from local support, including the 20.25-cent general levy, seven specific purpose levies, and bond issues. Between FY 2009 and FY 2019, revenue from local support grew at an average annual rate of 4.0%.

#### *Federal Funds*

Federal funds represented 0.3% of budgeted revenue in FY 2019. This source of funding decreased by an average of 18.0% annually between FY 2009 and FY 2019.

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### More Information

Department of Education, Condition of Community Colleges:

[www.educateiowa.gov/adult-career-and-community-college/publications#Condition\\_of\\_Community\\_Colleges](http://www.educateiowa.gov/adult-career-and-community-college/publications#Condition_of_Community_Colleges)

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*Other Income*

In addition to interest income and gifts, the Other Income category includes revenue related to the Iowa Industrial New Jobs Training Program, the Iowa Jobs Training Program, and the Accelerated Career Education Program. Between FY 2009 and FY 2019, other income increased an average of 2.7% annually. In FY 2019, other income represented 7.6% of budgeted revenue.

	FY 2009	FY 2019	Change	Annual Rate of Change
Tuition and Fees	\$ 237,273,711	\$ 301,791,675	\$ 64,517,964	2.4%
State Aid	180,316,478	205,346,611	25,030,133	1.3%
Local Support	23,145,956	34,187,508	11,041,552	4.0%
Federal Funding	11,937,650	1,634,157	-10,303,493	-18.0%
Other	34,482,828	44,972,066	10,489,238	2.7%
<b>Total</b>	<b>\$ 487,156,623</b>	<b>\$ 587,932,017</b>	<b>\$ 100,775,394</b>	<b>1.9%</b>

Source: Department of Education, Condition of Community Colleges data tables

