
FISCAL TOPICS

Fiscal Services Division

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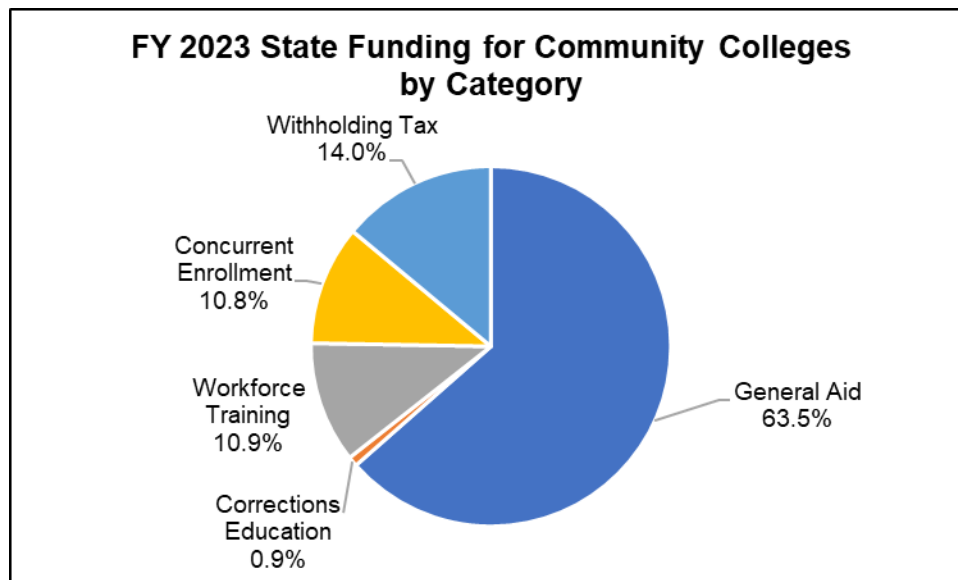
Community Colleges — State Funding

State funding is the second-largest source of unrestricted revenue for Iowa's 15 community colleges, after tuition and fees. In FY 2023, 34.7% of *unrestricted* general fund revenue came from State general aid, while 46.4% was 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 shown an overall decrease in funding allocations since FY 2019.

State Funding Beyond General Aid

As the largest portion of total State funding for the community colleges, annual general aid represents nearly two-thirds of the State dollars flowing to the colleges for FY 2023. The category includes annual appropriations for summer joint enrollment and nonpublic school concurrent enrollment. (See **Figure 1** below.)

Figure 1



Restricted State Funding by Category

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

More Information

Department of Education — Community Colleges: educateiowa.gov/adult-career-comm-college/community-colleges

LSA Calculations

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The categories of restricted State funding for the community colleges are:

- Workforce training appropriations from the Skilled Worker and Job Creation Fund (SWJCF) and the Workforce Development Fund (WDF).
- Tax withholding diversions and credits related to job training programs under Iowa Code chapters [260E](#) and [260G](#).
- 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 school's contract with the community colleges, and each contract sets the tuition rate the schools pay the colleges. Due to a lag in reporting, revenue for the current year and the year just ended must be estimated.
- Appropriations and transfers for the Corrections Education Program through the Department of Corrections.

Figure 2 details all sources of State funding for the community colleges for FY 2021, FY 2022, and FY 2023.

Figure 2

State Funding of Community Colleges				
	Actual FY 2021	Actual FY 2022	Actual FY 2023	FY 2023 vs FY 2022
State General Aid:				
General Aid (General Fund)	\$ 208,690,889	\$ 215,158,161	\$ 221,658,161	\$ 6,500,000
Summer Joint Enrollment	600,000	600,000	600,000	0
Nonpublic Concurrent Enrollment	1,000,000	1,000,000	1,000,000	0
Subtotal State General Aid	\$ 210,290,889	\$ 216,758,161	\$ 223,258,161	\$ 6,500,000
Corrections Education:				
General Fund	\$ 2,608,109	\$ 2,608,109	\$ 2,608,109	\$ 0
Other Funds	500,000	500,000	500,000	0
Subtotal Corrections Education	\$ 3,108,109	\$ 3,108,109	\$ 3,108,109	\$ 0
Workforce Training:				
ACE Infrastructure - SWJCF	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 0
Apprenticeship Training - WDF	3,000,000	3,000,000	3,000,000	0
GAP Tuition Fund - SWJCF	2,000,000	2,000,000	2,000,000	0
Adult Literacy for the Workforce - SWJCF	5,500,000	5,500,000	5,500,000	0
PACE and Regional Sectors - SWJCF	5,000,000	5,000,000	5,000,000	0
Work-Based Learning Intermediary Networks - SWJCF	1,500,000	1,500,000	1,500,000	0
Workforce Training and Econ. Dev. Funds - SWJCF	15,100,000	15,100,000	15,100,000	0
Workforce Prep. Outcome Reporting System - SWJCF	200,000	200,000	200,000	0
Subtotal Workforce Training	\$ 38,300,000	\$ 38,300,000	\$ 38,300,000	\$ 0
Revenue from Concurrent High School Enrollment	\$ 35,267,281	\$ 39,475,126 *	\$ 37,853,757 *	\$ -1,621,369
Withholding Tax Diversions and Credits:				
ACE Withholding Tax Credits (260G)	\$ 4,017,638	\$ 4,497,061 *	\$ 4,130,893 *	\$ -366,168
Industrial New Jobs Training (260E)	40,660,943	38,343,325 *	36,130,490 *	(2,212,835)
Subtotal Withholding Tax	\$ 44,678,581	\$ 42,840,386	\$ 40,261,383	\$ (2,579,003)
Total	\$ 331,644,860	\$ 340,481,782	\$ 342,781,410	\$ 2,299,628
Notes:				
1)	Corrections Education Other Funds are allocated at the discretion of the Department of Corrections 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)	The Workforce Development Fund (WDF) is administered by the Iowa Economic Development Authority, and training services are provided by community colleges. The funding is provided through a standing appropriation.			
4)	The Skilled Worker and Job Creation Fund (SWJCF) collects up to \$63.8 million in gambling revenues.			
5)	Revenue from Concurrent High School Enrollment is estimated 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 2017 through FY 2023.			
6)	ACE Withholding and 260E Tax Credits - Estimated amounts (*) represent the Department of Revenue March 2020 projections. Actual amounts in earlier years may continue to be updated as claims are verified.			
7)	Totals may not add due to rounding.			
*	Estimated (appears after the amount). All remaining figures represent Actuals.			