
FISCAL TOPICS

Fiscal Services Division

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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. 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, bookstores, 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 Actual Revenue

Actual revenue (Fund 1) falls into five general categories, described on the next page. The figure below compares statewide community college revenue in each category for FY 2020 through FY 2024.

Figure 1 — Iowa Community Colleges — Actual Revenue By Source (in Millions)

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2020 vs. FY 2024	%
Tuition/Fees	\$ 292,855,870	\$ 284,660,771	\$ 290,509,772	\$303,644,538	\$316,681,434	\$23,825,564	8.1%
Local Support	35,158,470	37,962,631	38,655,080	40,146,596	41,643,542	6,485,072	18.4%
State Aid	211,060,654	211,259,436	217,750,820	224,672,257	230,600,828	19,540,174	9.3%
Federal	3,231,730	5,759,565	9,140,042	2,472,566	1,453,329	-1,778,401	-55.0%
Other	44,941,343	71,524,624	70,696,803	81,520,611	60,924,806	15,983,463	35.6%
Total	\$587,248,067	\$611,167,027	\$ 626,752,517	\$652,456,568	\$651,303,939	\$64,055,872	10.9%

Source: Department of Education, the Annual Condition of Iowa's Community Colleges AY 2023-2024 Tables

More Information

Iowa Department of Education, Condition of Community Colleges Report:

educate.iowa.gov/higher-ed/data-reporting/reports

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Total Revenues by College

Community colleges in Iowa saw an increase in actual revenues from FY 2020 to FY 2024. Northeast Community College and North Iowa Area Community College were the only colleges with declining revenues. Des Moines Area Community College (DMACC) remained the largest college in terms of revenue and enrollment throughout this period.

Figure 2 — Total Revenues by College (in Millions)

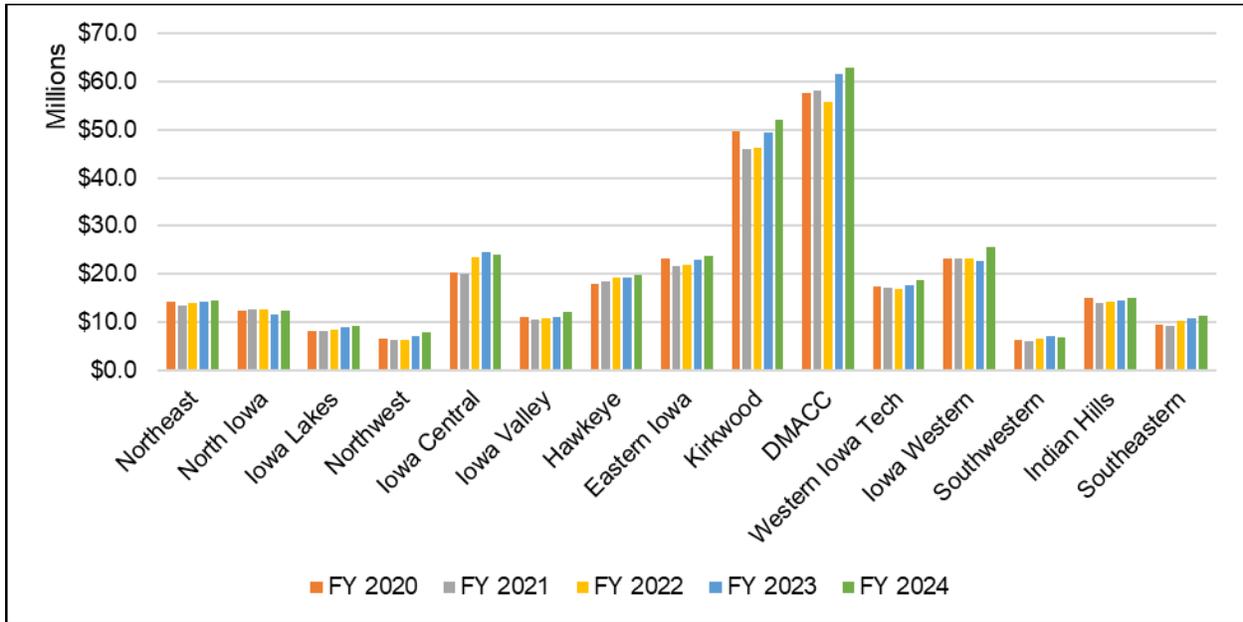
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Change from FY 2020 to FY 2024		FY 2024 Enrollment
northeast	\$ 35.8	\$ 34.5	\$ 39.4	\$ 39.0	\$ 33.2	\$ -2.6	-7.4%	3,290
north Iowa	27.4	27.5	27.4	26.9	27.2	-0.2	-0.7%	2,461
northwest Lakes	21.4	22.4	22.3	23.0	24.0	2.7	12.4%	1,895
northwest	13.5	13.6	13.4	15.3	16.4	2.9	21.8%	1,627
northwest Central	34.9	34.9	40.1	41.6	42.5	7.7	22.0%	4,681
northwest Valley	22.8	24.8	24.2	23.3	25.5	2.7	11.9%	2,385
northwest keye	39.0	44.3	42.9	44.8	45.7	6.7	17.2%	5,313
eastern Iowa	45.7	46.8	48.1	48.2	48.5	2.8	6.1%	6,097
eastern Iowa wood	90.6	99.9	98.0	113.6	102.4	11.8	13.0%	10,769
DMACC	112.8	112.3	116.8	125.3	126.7	13.9	12.3%	18,557
eastern Iowa	35.0	37.5	36.6	36.7	39.3	4.3	12.3%	4,485
northwest Western	39.9	41.4	42.1	42.4	44.3	4.4	11.0%	5,316
northwest western	13.1	13.8	14.5	14.5	14.5	1.5	11.4%	1,443
eastern Hills	34.8	35.3	35.2	34.8	36.5	1.8	5.1%	3,234
northwest eastern	20.7	21.9	25.8	23.0	24.5	3.8	18.4%	2,429
Total	\$ 587.2	\$ 611.2	\$ 626.8	\$ 652.5	\$ 651.3	\$ 64.1	10.9%	73,981

Source: Department of Education, 2024 Annual Condition of Iowa's Community Colleges

Tuition and Fees

Between FY 2020 and FY 2024, actual revenue from tuition and fees increased by 7.5% and was the largest source of revenue for the community colleges during that period. In FY 2024, tuition and fees represented 48.6% of total actual revenue, an increase from 46.5% in FY 2020. As illustrated in the figure below, these revenues varied minimally over the period in question.

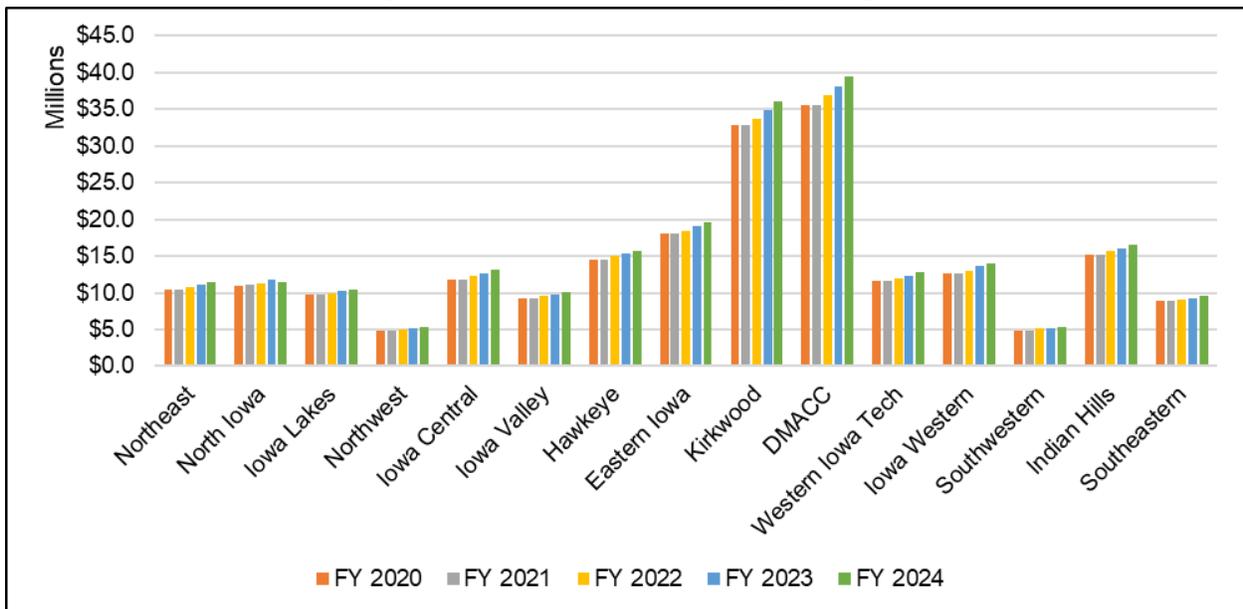
Figure 3 — Tuition and Fees at Individual Colleges



State Aid

The State Aid category of actual revenue includes the annual general aid appropriation, salary appropriations, and appropriations for capital projects and other purposes. Between FY 2020 and FY 2024, actual revenue from State aid increased by 8.5%. In FY 2024, State aid represented 35.4% of total actual revenue. As the figure below shows, there was consistent growth in State aid revenue across the colleges.

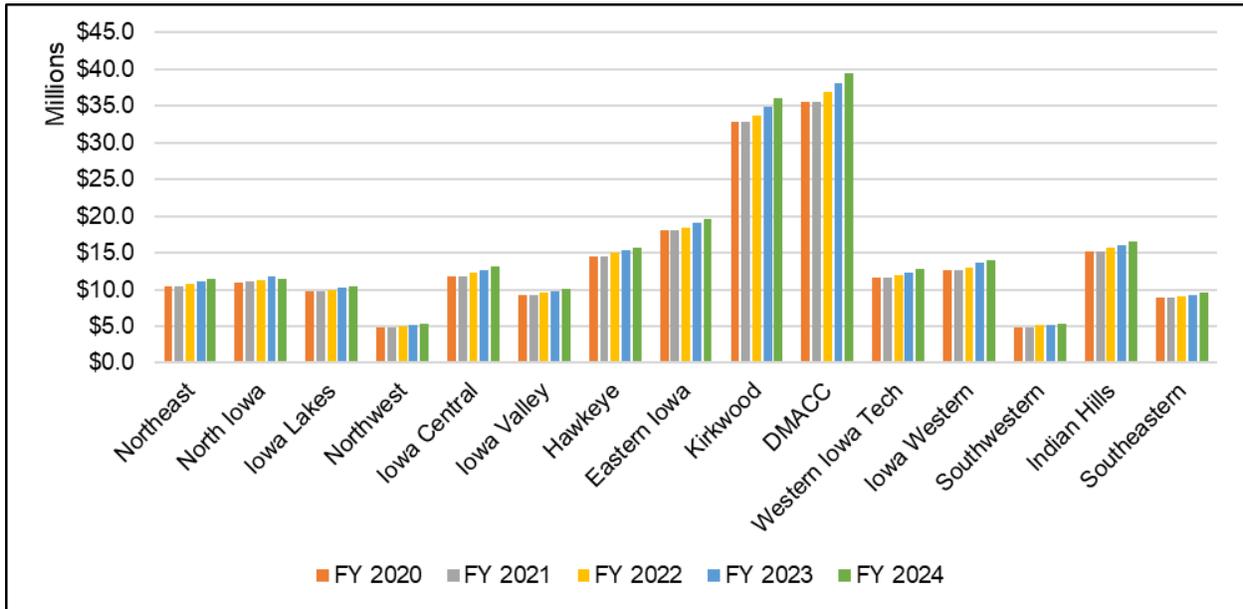
Figure 4 — State Aid Revenues by College



Federal Funds

Federal funds revenue decreased 122.4% from FY 2020 to FY 2024, and from 0.4% to 0.2% of total actual revenues. The increases noted in **Figure 5** is attributable to grants from the Higher Education Economic Relief Fund (HEERF), which was established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Hawkeye Community College, Eastern Iowa Community College, and Southeastern Community College used the dollars to cover lost revenue in FY 2020, FY 2021, and FY 2022.

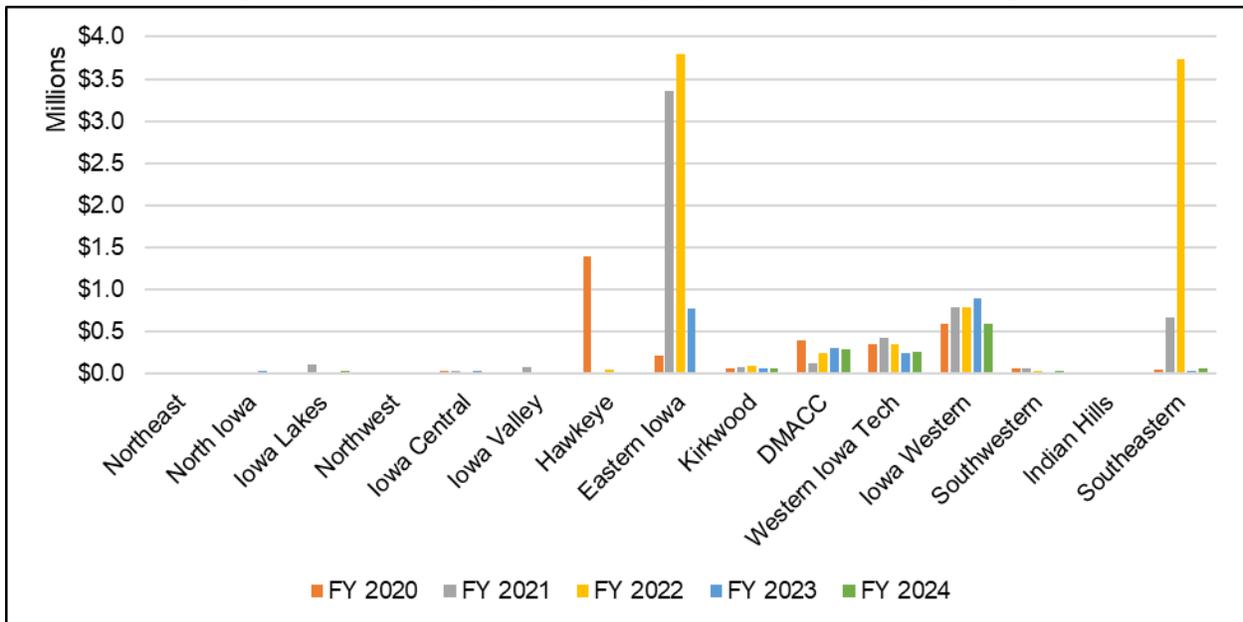
Figure 5 — Federal Fund Revenues by College



Local Support/Property Tax Levies

In FY 2024, 6.4% of total actual revenue came from local support, consisting of the 20.25-cent general levy. The figure below shows that from FY 2020 to FY 2024, revenue from local support grew across the board, with a 15.6% increase statewide.

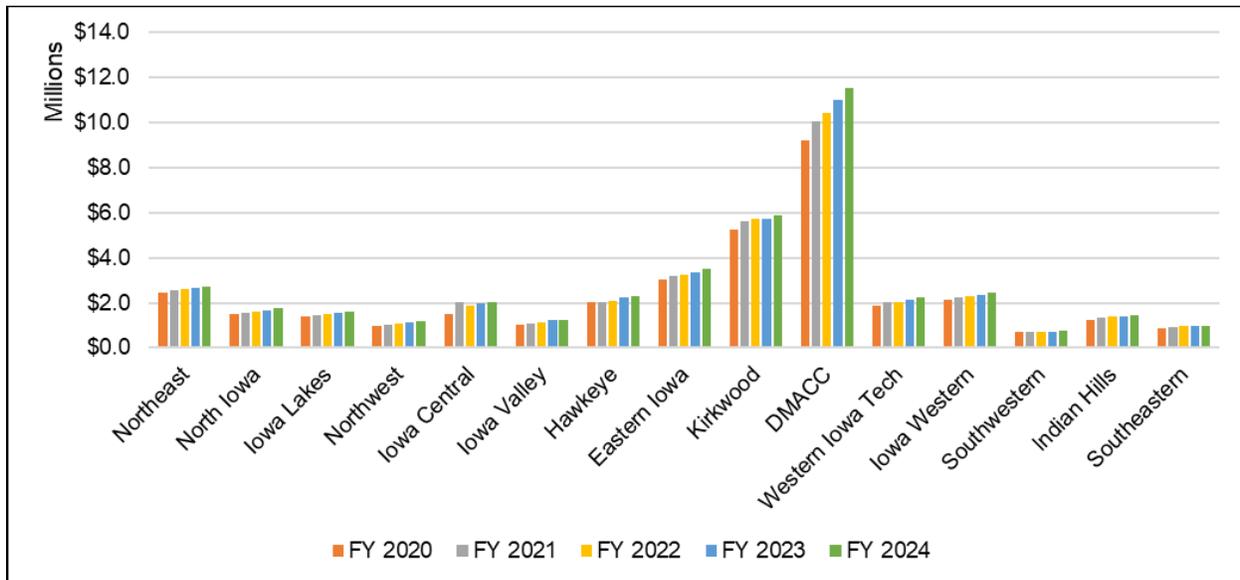
Figure 6 — Local Support and Property Tax Revenues by College



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 2020 and FY 2024, other income increased by 26.2%. In FY 2024, other income represented 9.4% of total actual revenue, up from 7.7% in FY 2020.

Figure 7 — Other Revenues by College



More Information

- 2005 Iowa Acts, chapter [169](#) (FY 2006 Education Appropriations Act), established a distribution plan for general State financial aid to Iowa's community colleges where the General Assembly appropriates a lump sum for general aid to the Department of Education (DE), and those funds are allocated to the various community colleges based on a formula established in statute. The formula consists of three subformulas. The annual inflation rate determines the subformula used. Each of the subformulas provides each community college with base funding equal to the previous year's allocation. If total funding is less than the previous year, each college's base funding is prorated. If the total appropriation is greater than the previous year, the subformulas allocate the new moneys in a series of steps until all of the funding is allocated.
- 2024 Iowa Acts, chapter [1142](#) (Community College Funding Formula Act), modified the community college general aid distribution formula under the DE that allocates General Fund appropriations to the 15 community colleges for FY 2026 and all future years. The Act changes the distribution formula adjustment to include a base funding allocation, a marginal cost adjustment, a three-year rolling average of full-time equivalent enrollment, a growth adjustment, and other allocations. The Presidents Council is required to establish the distribution formula for the succeeding budget year, on or before October 31 of each year, through the approval of at least 10 members of the Council.