

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 2015, the most recent data available, 36.1% of *unrestricted* general fund revenue came from state general aid, while 52.1% 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 over the long run. (See **Chart 1** for percentage of revenue by source since 1967.)

State Funding Beyond General Aid

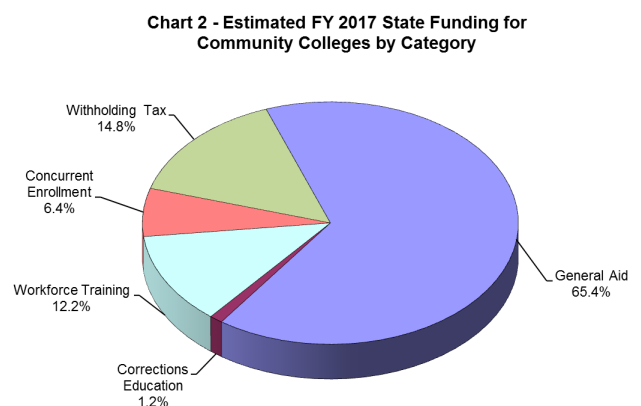
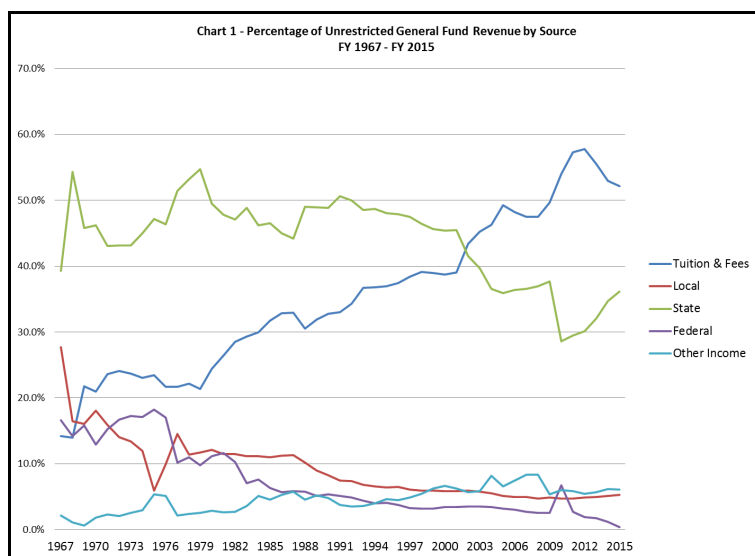
As the largest portion of total state funding for the community colleges, annual general aid represented nearly two-thirds of the state dollars flowing to the colleges for FY 2008 through FY 2017. (See **Chart 2** below.)

The community colleges receive additional state dollars from a variety of funding streams, as detailed in **Table 1** on the following page. 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:

- Workforce training appropriations through the Iowa Economic Development Authority.
- 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 schools 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.



More Information

Department of Education – Community College Division: www.educateiowa.gov/adult-career-and-community-college

Iowa General Assembly: www.legis.iowa.gov

LSA Staff Contact: Robin Madison (515-281-5270) robin.madison@legis.iowa.gov

Table 1

State Funding of Community Colleges

	Actual FY 2015	Final FY 2016	Estimated FY 2017	FY 2017 vs FY 2016
State General Aid:				
General Aid (General Fund)	\$ 201,274,647	\$ 201,274,647	\$ 204,290,605	\$ 3,015,958
Salary Appropriation (General Fund)	500,000	500,000	500,000	0
Subtotal State General Aid	<u>\$ 201,774,647</u>	<u>\$ 201,774,647</u>	<u>\$ 204,790,605</u>	<u>\$ 3,015,958</u>
Corrections Education:				
General Fund	2,608,109	2,608,109	2,608,109	\$ 0
Other Funds	862,718 #	961,065 #	961,065 #	0
Subtotal Corrections Education	<u>\$ 3,470,827</u>	<u>\$ 3,569,174</u>	<u>\$ 3,569,174</u>	<u>\$ 0</u>
Workforce Training:				
ACE Infrastructure - SWJCF	6,000,000	6,000,000	6,000,000	\$ 0
Job Training - WDF	3,000,000	3,000,000	3,000,000	0
Common Course Numbering System - TRF	150,000	0	0	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
Workbased 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	<u>\$ 38,450,000</u>	<u>\$ 38,300,000</u>	<u>\$ 38,300,000</u>	<u>\$ 0</u>
Revenue from Concurrent High School Enrollment	<u>\$ 22,045,300</u>	<u>\$ 19,654,854 #</u>	<u>\$ 20,117,310 #</u>	<u>\$ 462,457</u>
Withholding Tax Diversions and Credits:				
ACE Withholding Tax Credits (260G)	3,918,703	4,179,361 #	3,930,764 #	\$ -248,597
Industrial New Jobs Training (260E)	43,080,176	37,496,450 #	42,496,785 #	5,000,335
Subtotal Withholding Tax	<u>\$ 46,998,879</u>	<u>\$ 41,675,811</u>	<u>\$ 46,427,549</u>	<u>\$ 4,751,738</u>
Total	<u>\$ 312,739,653</u>	<u>\$ 304,974,486</u>	<u>\$ 313,204,638</u>	<u>\$ 8,230,153</u>

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) Workforce Development Fund (WDF) is administered by the Iowa Economic Development Authority, and the training services are provided by the community colleges.
 - 3) Skilled Worker and Job Creation Fund (SWJCF) collects up to \$66.0 million in gambling revenues.
 - 4) Revenue from Concurrent High School Enrollment is estimated in FY 2016 and FY 2017 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 2015.
 - 5) ACE Withholding and 260E Tax Credits - Estimated amounts (#) represent the Department of Revenue October 2016 projections. Earlier actual amounts may continue to be updated as claims are verified.
 - 6) Total may not add due to rounding.
- # Estimated (appears after the amount).