

REPRINTED

SENATE FILE 2403

BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SSB 2183)

(p.709)  
 Passed Senate, Date 3-11-96 Passed House, Date \_\_\_\_\_  
 Vote: Ayes 49 Nays 0 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
 Approved \_\_\_\_\_

A BILL FOR

1 An Act establishing a community college funding formula,  
 2 providing for properly related matters, and an effective date.  
 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
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SENATE FILE 2403

S-5174

10 1 Amend Senate File 2403 as follows:  
 11 2 1. Page 6, line 20, by inserting after the word  
 12 3 "submit" the following: "to the general assembly".  
 By JOHN P. KIBBIE

13 S-5174 FILED MARCH 5, 1996  
 14 ADOPTED 3-11-96 (p.708)

SE. 2403

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RECEIVED

1 Section 1. Section 11.6, subsection 1, paragraph a,  
2 unnumbered paragraph 1, Code 1995, is amended to read as  
3 follows:

4 The financial condition and transactions of all cities and  
5 city offices, counties, county hospitals organized under  
6 chapters 347 and 347A, memorial hospitals organized under  
7 chapter 37, entities organized under chapter 28E having gross  
8 receipts in excess of one hundred thousand dollars in a fiscal  
9 year, merged areas, area education agencies, and all school  
10 offices in school districts, shall be examined at least once  
11 each year, except that cities having a population of seven  
12 hundred or more but less than two thousand shall be examined  
13 at least once every four years, and cities having a population  
14 of less than seven hundred may be examined as otherwise  
15 provided in this section. The examination shall cover the  
16 fiscal year next preceding the year in which the audit is  
17 conducted. The examination of school offices shall include an  
18 audit of all school funds, the certified annual financial  
19 report, and the certified enrollment as provided in section  
20 257.6. ~~Examinations of community colleges shall include an~~  
21 ~~audit of eligible and noneligible contact hours as defined in~~  
22 ~~section 260D.2. Eligible and noneligible contact hours and~~  
23 ~~any differences~~ Differences in certified enrollment shall be  
24 reported to the department of management.

25 Sec. 2. Section 257.31, subsection 16, Code 1995, is  
26 amended to read as follows:

27 16. The committee shall perform the duties assigned to it  
28 under ~~chapter 260D and section~~ sections 257.32 and 260C.18B.

29 Sec. 3. Section 260C.2, Code 1995, is amended by adding  
30 the following new subsections:

31 NEW SUBSECTION. 1A. "Contact hour" means fifty minutes of  
32 contact between an instructor and students in a scheduled  
33 course offering for which students are registered.

34 NEW SUBSECTION. 2A. "Instructional cost center" means one  
35 of the following areas of course offerings of the community

- 1 colleges:
- 2 a. Arts and sciences cost center.
- 3 b. Vocational-technical preparatory cost center.
- 4 c. Vocational-technical supplementary cost center.
- 5 d. Adult basic education and high school completion cost
- 6 center.
- 7 e. Continuing and general education cost center.
- 8 Sec. 4. Section 260C.14, Code 1995, is amended by adding
- 9 the following new subsection:
- 10 NEW SUBSECTION. 21. Provide, within a reasonable time,
- 11 information as requested by the departments of management and
- 12 education.
- 13 Sec. 5. Section 260C.18, subsection 4, Code 1995, is
- 14 amended to read as follows:
- 15 4. State aid and supplemental state aid to be paid in
- 16 accordance with the statutes which provide such aid.
- 17 Sec. 6. NEW SECTION. 260C.18A STATE AID.
- 18 For the fiscal year beginning July 1, 1996, and for each
- 19 succeeding fiscal year, moneys appropriated by the general
- 20 assembly from the general fund of the state to the department
- 21 of education for community college purposes for general state
- 22 financial aid, including general financial aid to merged areas
- 23 in lieu of personal property tax replacement payments under
- 24 section 427A.13, to merged areas as defined in section 260C.2,
- 25 and for vocational education programs in accordance with
- 26 chapters 258 and 260C, for a fiscal year, shall be allocated
- 27 to each community college by the department of education in
- 28 the proportion that the allocation to that community college
- 29 in 1995 Iowa Acts, chapter 218, section 1, subsection 19,
- 30 bears to the total appropriation made in 1995 Iowa Acts,
- 31 chapter 218, section 1, subsection 19.
- 32 Sec. 7. NEW SECTION. 260C.18B COMMUNITY COLLEGE BUDGET
- 33 REVIEW.
- 34 1. A community college budget review procedure is
- 35 established for the school budget review committee created in

1 section 257.30. The school budget review committee, in  
2 addition to its duties under chapter 257, shall meet and hold  
3 hearings each year under this chapter to review unusual  
4 circumstances of community colleges, either upon the  
5 committee's motion or upon the request of a community college.  
6 The committee may grant supplemental state aid to the  
7 community college from funds appropriated to the department of  
8 education for community college budget review purposes.

9 Unusual circumstances shall include but not be limited to  
10 the following:

- 11 a. An unusual increase or decrease in enrollment or  
12 contact hours.
- 13 b. Natural disasters.
- 14 c. Unusual staffing problems.
- 15 d. Unusual necessity for additional funds to permit  
16 continuance of a course or program in an instructional cost  
17 center which provides substantial benefit to students.
- 18 e. Unusual need for a new course or program in an  
19 instructional cost center which will provide substantial  
20 benefit to students, if the community college establishes the  
21 need and the amount of necessary increased cost.
- 22 f. Unique problems of community colleges to include  
23 vandalism, civil disobedience, and other costs incurred by  
24 community colleges.

25 2. When the school budget review committee makes a  
26 decision under subsection 1, it shall provide written notice  
27 of its decision, including the amount of supplemental state  
28 aid approved, to the board of directors of the community  
29 college and to the department of education.

30 3. All decisions by the school budget review committee  
31 under this chapter shall be made in accordance with reasonable  
32 and uniform policies which shall be consistent with this  
33 chapter.

34 4. Failure by a community college to provide information  
35 or appear before the school budget review committee as

1 requested for the accomplishment of review or hearing  
2 constitutes justification for the committee to instruct the  
3 department of revenue and finance to withhold supplemental  
4 state aid to that community college until the committee's  
5 inquiries are satisfied completely.

6 Sec. 8. Section 260C.34, Code 1995, is amended to read as  
7 follows:

8 260C.34 USES OF FUNDS.

9 Funds obtained pursuant to section 260C.17; section  
10 260C.18, subsections 3, 4, and 5 ~~of section 260C.18~~; section  
11 and sections 260C.18A, 260C.18B, 260C.19, and section 260C.22  
12 shall not be used for the construction or maintenance of  
13 athletic buildings or grounds but may be used for a project  
14 under section 260C.56.

15 Sec. 9. Section 260C.39, unnumbered paragraph 5, Code  
16 1995, is amended to read as follows:

17 The terms of employment of personnel, for the academic year  
18 following the effective date of the agreement to combine the  
19 merged areas shall not be affected by the combination of the  
20 merged areas, except in accordance with the procedures under  
21 sections 279.15 to 279.18 and section 279.24, to the extent  
22 those procedures are applicable, or under the terms of the  
23 base bargaining agreement. The authority and responsibility  
24 to offer new contracts or to continue, modify, or terminate  
25 existing contracts pursuant to any applicable procedures under  
26 chapter 279, shall be transferred to the acting, and then to  
27 the new, board of the combined merged area upon certification  
28 of a favorable vote to each of the merged areas affected by  
29 the agreement. The collective bargaining agreement of the  
30 merged area ~~with the largest number of contact hours eligible~~  
31 for receiving the greatest amount of general state aid, ~~as~~  
32 ~~defined under section 260D-2,~~ shall serve as the base  
33 agreement for the combined merged area and the employees of  
34 the merged areas which combined to form the new combined  
35 merged area shall automatically be accreted to the bargaining

1 unit from that former merged area for purposes of negotiating  
2 the contracts for the following years without further action  
3 by the public employment relations board. If only one  
4 collective bargaining agreement is in effect among the merged  
5 areas which are combining under this section, then that  
6 agreement shall serve as the base agreement, and the employees  
7 of the merged areas which are combining to form the new  
8 combined merged area shall automatically be accreted to the  
9 bargaining unit of that former merged area for purposes of  
10 negotiating the contracts for the following years without  
11 further action by the public employment relations board. The  
12 board of the combined merged area, using the base agreement as  
13 its existing contract, shall bargain with the combined  
14 employees of the merged areas that have agreed to combine for  
15 the academic year beginning with the effective date of the  
16 agreement to combine merged areas. The bargaining shall be  
17 completed by March 15 prior to the academic year in which the  
18 agreement to combine merged areas becomes effective or within  
19 one hundred eighty days after the organization of the acting  
20 board of the new combined merged area, whichever is later. If  
21 a bargaining agreement was already concluded in the former  
22 merged area which has the collective bargaining agreement that  
23 is serving as the base agreement for the new combined merged  
24 area, between the former merged area board and the employees  
25 of the former merged area, that agreement is void, unless the  
26 agreement contained multiyear provisions affecting academic  
27 years subsequent to the effective date of the agreement to  
28 form a combined merged area. If the base collective  
29 bargaining agreement contains multiyear provisions, the  
30 duration and effect of the agreement shall be controlled by  
31 the terms of the agreement. The provisions of the base  
32 agreement shall apply to the offering of new contracts, or the  
33 continuation, modification, or termination of existing  
34 contracts between the acting or new board of the combined  
35 merged area and the combined employees of the new combined

1 merged area.

2 Sec. 10. NEW SECTION. 260C.49 RULES.

3 The department of education shall adopt rules and  
4 definitions of terms necessary for the administration of this  
5 chapter. The school budget review committee shall adopt rules  
6 under chapter 17A to carry out section 260C.18B.

7 Sec. 11. Section 261C.6, subsection 2, unnumbered  
8 paragraph 2, Code 1995, is amended to read as follows:

9 A pupil is not eligible to enroll on a full-time basis in  
10 an eligible postsecondary institution and receive payment for  
11 all courses in which a student is enrolled. ~~If an eligible  
12 postsecondary institution is a community college established  
13 under chapter 260C, the contact hours of a pupil for which a  
14 tuition reimbursement amount is received are not contact hours  
15 eligible for general aid under chapter 260D.~~

16 Sec. 12. Chapter 260D, Code 1995 and Code Supplement 1995,  
17 is repealed.

18 Sec. 13. FUNDING FORMULA RECOMMENDATIONS. By January 1,  
19 1997, the department of education, in consultation with the  
20 Iowa association of community college trustees, shall submit  
21 recommendations for a funding formula that identifies and  
22 addresses community college needs.

23 Sec. 14. REPEAL -- DIRECTION TO CODE EDITOR. Section  
24 260C.18A, as enacted in this Act, is repealed effective July  
25 1, 1997. The Code editor shall strike the reference to  
26 section 260C.18A in section 260C.34 effective July 1, 1997.

27 Sec. 15. EFFECTIVE DATE. This Act, being deemed of  
28 immediate importance, takes effect upon enactment.

29 EXPLANATION

30 This Act repeals chapter 260D, titled "funding for  
31 community colleges", and replaces the funding provisions of  
32 that chapter with direction for allocating state aid  
33 appropriated to community colleges.

34 The new section, 260C.18A, establishing a method for  
35 allocating general state aid takes effect July 1, 1996, and

1 sunsets on July 1, 1997. Under the new section, funds  
2 appropriated specifically for the 15 community colleges in  
3 this state shall be allocated to the community colleges based  
4 upon the distribution percentages used to distribute state  
5 general financial aid for community colleges for the fiscal  
6 year beginning July 1, 1995. Under the bill, by January 1,  
7 1997, the department of education, in consultation with the  
8 Iowa association of community college trustees, shall submit  
9 recommendations for a community college funding formula.

10 The bill also restores certain language and provisions from  
11 the repealed chapter 260D in chapter 260C. The definitions of  
12 "contact hour" and "instructional cost center" are moved to  
13 section 260C.2. The provisions of section 260D.14, relating  
14 to community college budget review; and section 260D.16,  
15 relating to the adoption of rules by the department of  
16 education and the school budget review committee, are  
17 reproduced under sections 260C.18B and 260C.49. Section  
18 260C.18 also provides for the allocation of supplemental state  
19 aid to community colleges if moneys are appropriated for  
20 supplemental state aid. The bill requires the board of  
21 directors of a community college to provide, within a  
22 reasonable time, information as requested by the departments  
23 of management and education.

24 The bill takes effect upon its enactment.

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H- 3/12/96 Education  
H. 3/19/96 Do Pass

SENATE FILE 2403  
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SSB 2183)

(AS AMENDED AND PASSED BY THE SENATE MARCH 11, 1996)

                     - New Language by the Senate

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act establishing a community college funding formula,  
2 providing for properly related matters, and an effective date.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF. 2403

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9 year, merged areas, area education agencies, and all school  
10 offices in school districts, shall be examined at least once  
11 each year, except that cities having a population of seven  
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13 at least once every four years, and cities having a population  
14 of less than seven hundred may be examined as otherwise  
15 provided in this section. The examination shall cover the  
16 fiscal year next preceding the year in which the audit is  
17 conducted. The examination of school offices shall include an  
18 audit of all school funds, the certified annual financial  
19 report, and the certified enrollment as provided in section  
20 257.6. ~~Examinations-of-community-colleges-shall-include-an~~  
21 ~~audit-of-eligible-and-noneligible-contact-hours-as-defined-in~~  
22 ~~section-260D-2---Eligible-and-noneligible-contact-hours-and~~  
23 ~~any-differences~~ Differences in certified enrollment shall be  
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24 community colleges.

25 2. When the school budget review committee makes a  
26 decision under subsection 1, it shall provide written notice  
27 of its decision, including the amount of supplemental state  
28 aid approved, to the board of directors of the community  
29 college and to the department of education.

30 3. All decisions by the school budget review committee  
31 under this chapter shall be made in accordance with reasonable  
32 and uniform policies which shall be consistent with this  
33 chapter.

34 4. Failure by a community college to provide information  
35 or appear before the school budget review committee as

1 requested for the accomplishment of review or hearing  
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4 state aid to that community college until the committee's  
5 inquiries are satisfied completely.

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7 follows:

8 260C.34 USES OF FUNDS.

9 Funds obtained pursuant to section 260C.17; section  
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11 and sections 260C.18A, 260C.18B, 260C.19, and ~~section~~ 260C.22  
12 shall not be used for the construction or maintenance of  
13 athletic buildings or grounds but may be used for a project  
14 under section 260C.56.

15 Sec. 9. Section 260C.39, unnumbered paragraph 5, Code  
16 1995, is amended to read as follows:

17 The terms of employment of personnel, for the academic year  
18 following the effective date of the agreement to combine the  
19 merged areas shall not be affected by the combination of the  
20 merged areas, except in accordance with the procedures under  
21 sections 279.15 to 279.18 and section 279.24, to the extent  
22 those procedures are applicable, or under the terms of the  
23 base bargaining agreement. The authority and responsibility  
24 to offer new contracts or to continue, modify, or terminate  
25 existing contracts pursuant to any applicable procedures under  
26 chapter 279, shall be transferred to the acting, and then to  
27 the new, board of the combined merged area upon certification  
28 of a favorable vote to each of the merged areas affected by  
29 the agreement. The collective bargaining agreement of the  
30 merged area ~~with the largest number of contact hours eligible~~  
31 for receiving the greatest amount of general state aid, ~~as~~  
32 ~~defined under section 260B.2,~~ shall serve as the base  
33 agreement for the combined merged area and the employees of  
34 the merged areas which combined to form the new combined  
35 merged area shall automatically be accreted to the bargaining

1 unit from that former merged area for purposes of negotiating  
2 the contracts for the following years without further action  
3 by the public employment relations board. If only one  
4 collective bargaining agreement is in effect among the merged  
5 areas which are combining under this section, then that  
6 agreement shall serve as the base agreement, and the employees  
7 of the merged areas which are combining to form the new  
8 combined merged area shall automatically be accreted to the  
9 bargaining unit of that former merged area for purposes of  
10 negotiating the contracts for the following years without  
11 further action by the public employment relations board. The  
12 board of the combined merged area, using the base agreement as  
13 its existing contract, shall bargain with the combined  
14 employees of the merged areas that have agreed to combine for  
15 the academic year beginning with the effective date of the  
16 agreement to combine merged areas. The bargaining shall be  
17 completed by March 15 prior to the academic year in which the  
18 agreement to combine merged areas becomes effective or within  
19 one hundred eighty days after the organization of the acting  
20 board of the new combined merged area, whichever is later. If  
21 a bargaining agreement was already concluded in the former  
22 merged area which has the collective bargaining agreement that  
23 is serving as the base agreement for the new combined merged  
24 area, between the former merged area board and the employees  
25 of the former merged area, that agreement is void, unless the  
26 agreement contained multiyear provisions affecting academic  
27 years subsequent to the effective date of the agreement to  
28 form a combined merged area. If the base collective  
29 bargaining agreement contains multiyear provisions, the  
30 duration and effect of the agreement shall be controlled by  
31 the terms of the agreement. The provisions of the base  
32 agreement shall apply to the offering of new contracts, or the  
33 continuation, modification, or termination of existing  
34 contracts between the acting or new board of the combined  
35 merged area and the combined employees of the new combined

1 merged area.

2 Sec. 10. NEW SECTION. 260C.49 RULES.

3 The department of education shall adopt rules and  
4 definitions of terms necessary for the administration of this  
5 chapter. The school budget review committee shall adopt rules  
6 under chapter 17A to carry out section 260C.18B.

7 Sec. 11. Section 261C.6, subsection 2, unnumbered  
8 paragraph 2, Code 1995, is amended to read as follows:

9 A pupil is not eligible to enroll on a full-time basis in  
10 an eligible postsecondary institution and receive payment for  
11 all courses in which a student is enrolled. ~~If an eligible  
12 postsecondary institution is a community college established  
13 under chapter 260E, the contact hours of a pupil for which a  
14 tuition reimbursement amount is received are not contact hours  
15 eligible for general aid under chapter 260B.~~

16 Sec. 12. Chapter 260D, Code 1995 and Code Supplement 1995,  
17 is repealed.

18 Sec. 13. FUNDING FORMULA RECOMMENDATIONS. By January 1,  
19 1997, the department of education, in consultation with the  
20 Iowa association of community college trustees, shall submit  
21 to the general assembly recommendations for a funding formula  
22 that identifies and addresses community college needs.

23 Sec. 14. REPEAL -- DIRECTION TO CODE EDITOR. Section  
24 260C.18A, as enacted in this Act, is repealed effective July  
25 1, 1997. The Code editor shall strike the reference to  
26 section 260C.18A in section 260C.34 effective July 1, 1997.

27 Sec. 15. EFFECTIVE DATE. This Act, being deemed of  
28 immediate importance, takes effect upon enactment.

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## SENATE FILE 2403

H-5843

1 Amend Senate File 2403, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 6, by inserting after line 6 the  
4 following:

5 "Sec. \_\_\_\_ . Section 261B.2, subsection 1, Code  
6 1995, is amended to read as follows:

7 1. "Degree" means a postsecondary credential  
8 conferring on the recipient the title or symbol which  
9 signifies or purports to signify completion of the  
10 requirements of an academic, educational, or  
11 professional program of study beyond the secondary  
12 school level of associate, bachelor, master, or  
13 doctor, or an equivalent title, signifying educational  
14 attainment based on any one or a combination of study  
15 or the equivalent experience or achievement testing.  
16 A postsecondary degree under this chapter shall not  
17 include an honorary degree or other unearned degree.

18 Sec. \_\_\_\_ . Section 261B.2, Code 1995, is amended by  
19 adding the following new subsection:

20 NEW SUBSECTION. 1A. "Presence" means maintaining  
21 an address within Iowa.

22 Sec. \_\_\_\_ . Section 261B.3, Code 1995, is amended to  
23 read as follows:

24 261B.3 REGISTRATION.

25 1. A school that maintains or conducts one or more  
26 courses of instruction, including courses of  
27 instruction by correspondence, offered in this state  
28 or which has a presence in this state and offers  
29 courses in other states or foreign countries shall  
30 register annually with the secretary. Registration  
31 shall be made on application forms approved and  
32 supplied by the secretary and at the time and in the  
33 manner prescribed by the secretary. Upon receipt of a  
34 complete and accurate registration application, the  
35 secretary shall issue a certificate of registration an  
36 acknowledgment of document filed and send it to the  
37 school.

38 2. The secretary may request additional  
39 information as necessary to enable the secretary to  
40 determine the accuracy and completeness of the  
41 information contained in the registration application.  
42 If the secretary believes that false, misleading, or  
43 incomplete information has been submitted in  
44 connection with an application for registration, the  
45 secretary may deny registration. The secretary shall  
46 conduct a hearing on the denial if a hearing is  
47 requested by a school. The secretary may withhold a  
48 certificate of registration an acknowledgment of  
49 document filed pending the outcome of the hearing.  
50 Upon a finding after the hearing that information

H-5843

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Page 2

1 contained in the registration application is false,  
2 misleading, or incomplete, the secretary shall deny a  
3 ~~certificate-of-registration~~ an acknowledgment of  
4 document filed to the school. The secretary shall  
5 make the final decision on each registration. ~~The~~  
6 ~~However,~~ the decision of the secretary is subject to  
7 judicial review in accordance with section 17A.19.

8 3. The secretary shall utilize the advisory  
9 committee created in section 261B.10 in reviewing new  
10 and continuing registrations.

11 4. The secretary shall adopt rules under chapter  
12 17A for the implementation of this chapter.

13 Sec. \_\_\_\_ . NEW SECTION. 261B.3A REQUIREMENT.

14 A school offering courses or programs of study  
15 leading to a degree in the state of Iowa shall be  
16 accredited by an agency or organization approved or  
17 recognized by the United States department of  
18 education or a successor agency and be approved for  
19 operation by the appropriate state agencies in all  
20 other states in which it operates or maintains a  
21 presence. A school is exempt from this section if the  
22 programs offered by the school are limited to  
23 nondegree specialty vocational training programs.

24 Sec. \_\_\_\_ . Section 261B.4, subsections 2 and 11,  
25 Code 1995, are amended to read as follows:

26 2. The principal location of the school in this  
27 state, in other states, and in foreign countries, and  
28 the location of the place or places in this state, in  
29 other states, and in foreign countries where  
30 instruction is likely to be given.

31 11. The names or titles and a description of the  
32 courses and degrees to be offered in this state.

33 Sec. \_\_\_\_ . Section 261B.4, Code 1995, is amended by  
34 adding the following new subsection:

35 NEW SUBSECTION. 13. The academic and  
36 instructional methodologies and delivery systems to be  
37 used by the school and the extent to which the school  
38 anticipates each methodology and delivery system will  
39 be used, including but not limited to, classroom  
40 instruction, correspondence, electronic  
41 telecommunications, independent study, and portfolio  
42 experience evaluation.

43 Sec. \_\_\_\_ . Section 261B.8, Code 1995, is amended to  
44 read as follows:

45 261B.8 REGISTRATION FEES.

46 The secretary shall collect an initial registration  
47 fee of fifty one thousand dollars and an annual  
48 renewal of registration fee of twenty-five five  
49 hundred dollars from each registered school.

50 Sec. \_\_\_\_ . Section 261B.10, Code 1995, is amended

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Page 3

1 to read as follows:

2 261B.10 ADVISORY COMMITTEE.

3 The state advisory committee for postsecondary  
4 school registration is created. The committee shall  
5 consist of the secretary of state and seven members  
6 appointed by the coordinating council for post-high  
7 school education. Members shall serve for staggered  
8 four-year terms and shall include representatives from  
9 public and private two-year and four-year colleges,  
10 universities, and specialized and vocational schools.

11 The committee shall meet at least annually to  
12 advise the secretary and other agencies in matters  
13 relating to the administration of this chapter and to  
14 serve as a resource and advisory board to the  
15 secretary as needed. The secretary shall serve as  
16 chairperson of the advisory committee and may call  
17 meetings and set the agenda as needed.

18 Sec. \_\_\_\_ . Section 261B.11, Code 1995, is amended  
19 by adding the following new subsection:

20 NEW SUBSECTION. 9. Postsecondary educational  
21 institutions licensed by the state of Iowa to conduct  
22 business in the state."

23 2. Title page, line 1, by inserting after the  
24 word "Act" the following: "relating to the  
25 registration of postsecondary schools and increasing  
26 registration fees,".

27 3. By renumbering as necessary.

By RANTS of Woodbury

H-5843 FILED APRIL 3, 1996

## SENATE FILE 2403

H-5852

1 Amend Senate File 2403, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 6, by inserting after line 6 the  
4 following:

5 "Sec. \_\_\_\_ . Section 261B.2, subsection 1, Code  
6 1995, is amended to read as follows:

7 1. "Degree" means a postsecondary credential  
8 conferring on the recipient the title or symbol which  
9 signifies or purports to signify completion of the  
10 requirements of an academic, educational, or  
11 professional program of study beyond the secondary  
12 school level of associate, bachelor, master, or  
13 doctor, or an equivalent title, signifying educational  
14 attainment based on any one or a combination of study  
15 or the equivalent experience or achievement testing.  
16 A postsecondary degree under this chapter shall not  
17 include an honorary degree or other unearned degree.

18 Sec. \_\_\_\_ . Section 261B.2, Code 1995, is amended by  
19 adding the following new subsection:

20 NEW SUBSECTION. 1A. "Presence" means maintaining  
21 an address within Iowa.

22 Sec. \_\_\_\_ . Section 261B.3, Code 1995, is amended to  
23 read as follows:

24 261B.3 REGISTRATION.

25 1. A school that maintains or conducts one or more  
26 courses of instruction, including courses of  
27 instruction by correspondence, offered in this state  
28 or which has a presence in this state and offers  
29 courses in other states or foreign countries shall  
30 register annually with the secretary. Registration  
31 shall be made on application forms approved and  
32 supplied by the secretary and at the time and in the  
33 manner prescribed by the secretary. Upon receipt of a  
34 complete and accurate registration application, the  
35 secretary shall issue a certificate of registration an  
36 acknowledgment of document filed and send it to the  
37 school.

38 2. The secretary may request additional  
39 information as necessary to enable the secretary to  
40 determine the accuracy and completeness of the  
41 information contained in the registration application.  
42 If the secretary believes that false, misleading, or  
43 incomplete information has been submitted in  
44 connection with an application for registration, the  
45 secretary may deny registration. The secretary shall  
46 conduct a hearing on the denial if a hearing is  
47 requested by a school. The secretary may withhold a  
48 certificate of registration an acknowledgment of  
49 document filed pending the outcome of the hearing.  
50 Upon a finding after the hearing that information

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Page 2

1 contained in the registration application is false,  
2 misleading, or incomplete, the secretary shall deny a  
3 ~~certificate-of-registration~~ an acknowledgment of  
4 document filed to the school. The secretary shall  
5 make the final decision on each registration. ~~The~~  
6 However, the decision of the secretary is subject to  
7 judicial review in accordance with section 17A.19.

8 3. The secretary shall utilize the advisory  
9 committee created in section 261B.10 in reviewing new  
10 and continuing registrations.

11 4. The secretary shall adopt rules under chapter  
12 17A for the implementation of this chapter.

13 Sec. \_\_\_\_ . NEW SECTION. 261B.3A REQUIREMENT.

14 A school offering courses or programs of study  
15 leading to a degree in the state of Iowa shall be  
16 accredited by an agency or organization approved or  
17 recognized by the United States department of  
18 education or a successor agency and be approved for  
19 operation by the appropriate state agencies in all  
20 other states in which it operates or maintains a  
21 presence. A school is exempt from this section if the  
22 programs offered by the school are limited to  
23 nondegree specialty vocational training programs.

24 Sec. \_\_\_\_ . Section 261B.4, subsections 2 and 11,  
25 Code 1995, are amended to read as follows:

26 2. The principal location of the school in this  
27 state, in other states, and in foreign countries, and  
28 the location of the place or places in this state, in  
29 other states, and in foreign countries where  
30 instruction is likely to be given.

31 11. The names or titles and a description of the  
32 courses and degrees to be offered in this state.

33 Sec. \_\_\_\_ . Section 261B.4, Code 1995, is amended by  
34 adding the following new subsection:

35 NEW SUBSECTION. 13. The academic and  
36 instructional methodologies and delivery systems to be  
37 used by the school and the extent to which the school  
38 anticipates each methodology and delivery system will  
39 be used, including but not limited to, classroom  
40 instruction, correspondence, electronic  
41 telecommunications, independent study, and portfolio  
42 experience evaluation.

43 Sec. \_\_\_\_ . Section 261B.8, Code 1995, is amended to  
44 read as follows:

45 261B.8 REGISTRATION FEES.

46 The secretary shall collect an initial registration  
47 fee of fifty one thousand dollars and an annual  
48 renewal of registration fee of twenty-five five  
49 hundred dollars from each registered school.

50 Sec. \_\_\_\_ . Section 261B.10, Code 1995, is amended

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-2-

H-5852

Page 3

1 to read as follows:

2 261B.10 ADVISORY COMMITTEE.

3 The state advisory committee for postsecondary  
4 school registration is created. The committee shall  
5 consist of the secretary of state and seven members  
6 appointed by the coordinating council for post-high  
7 school education. Members shall serve for staggered  
8 four-year terms and shall include representatives from  
9 public and private two-year and four-year colleges,  
10 universities, and specialized and vocational schools.

11 The committee shall meet at least annually to  
12 advise the secretary and other agencies in matters  
13 relating to the administration of this chapter and to  
14 serve as a resource and advisory board to the  
15 secretary as needed. The secretary shall serve as  
16 chairperson of the advisory committee and may call  
17 meetings and set the agenda as needed.

18 Sec. \_\_\_\_ . Section 261B.11, Code 1995, is amended  
19 by adding the following new subsections:

20 NEW SUBSECTION. 9. Postsecondary educational  
21 institutions licensed by the state of Iowa to conduct  
22 business in the state.

23 NEW SUBSECTION. 10. Accredited higher education  
24 institutions that meet the criteria established under  
25 section 261.92, subsection 1."

26 2. Title page, line 1, by inserting after the  
27 word "Act" the following: "relating to the  
28 registration of postsecondary schools and increasing  
29 registration fees,".

30 3. By renumbering as necessary.

By RANTS of Woodbury

H-5852 FILED APRIL 3, 1996

Kibbie  
Dvorsky  
Tinsman

SSB-2183

Education

Sponsored By

SENATE FILE CFE 2403

BY (PROPOSED COMMITTEE ON

EDUCATION BILL BY CHAIR-  
PERSON CONNOLLY)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

A BILL FOR

1 An Act establishing a community college funding formula,  
2 providing for properly related matters, and an effective date.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 11.6, subsection 1, paragraph a,  
2 unnumbered paragraph 1, Code 1995, is amended to read as  
3 follows:

4 The financial condition and transactions of all cities and  
5 city offices, counties, county hospitals organized under  
6 chapters 347 and 347A, memorial hospitals organized under  
7 chapter 37, entities organized under chapter 28E having gross  
8 receipts in excess of one hundred thousand dollars in a fiscal  
9 year, merged areas, area education agencies, and all school  
10 offices in school districts, shall be examined at least once  
11 each year, except that cities having a population of seven  
12 hundred or more but less than two thousand shall be examined  
13 at least once every four years, and cities having a population  
14 of less than seven hundred may be examined as otherwise  
15 provided in this section. The examination shall cover the  
16 fiscal year next preceding the year in which the audit is  
17 conducted. The examination of school offices shall include an  
18 audit of all school funds, the certified annual financial  
19 report, and the certified enrollment as provided in section  
20 257.6. ~~Examinations of community colleges shall include an~~  
21 ~~audit of eligible and noneligible contact hours as defined in~~  
22 ~~section 260D.2. Eligible and noneligible contact hours and~~  
23 ~~any differences~~ Differences in certified enrollment shall be  
24 reported to the department of management.

25 Sec. 2. Section 257.31, subsection 16, Code 1995, is  
26 amended to read as follows:

27 16. The committee shall perform the duties assigned to it  
28 under ~~chapter 260D and section~~ sections 257.32 and 260C.18B.

29 Sec. 3. Section 260C.2, Code 1995, is amended by adding  
30 the following new subsections:

31 NEW SUBSECTION. 1A. "Contact hour" means fifty minutes of  
32 contact between an instructor and students in a scheduled  
33 course offering for which students are registered.

34 NEW SUBSECTION. 2A. "Instructional cost center" means one  
35 of the following areas of course offerings of the community

1 colleges:

- 2 a. Arts and sciences cost center.
- 3 b. Vocational-technical preparatory cost center.
- 4 c. Vocational-technical supplementary cost center.
- 5 d. Adult basic education and high school completion cost
- 6 center.
- 7 e. Continuing and general education cost center.

8 Sec. 4. Section 260C.14, Code 1995, is amended by adding  
9 the following new subsection:

10 NEW SUBSECTION. 21. Provide, within a reasonable time,  
11 information as requested by the departments of management and  
12 education.

13 Sec. 5. Section 260C.18, subsection 4, Code 1995, is  
14 amended to read as follows:

15 4. State aid and supplemental state aid to be paid in  
16 accordance with the statutes which provide such aid.

17 Sec. 6. NEW SECTION. 260C.18A STATE AID.

18 For the fiscal year beginning July 1, 1996, and for each  
19 succeeding fiscal year, moneys appropriated by the general  
20 assembly from the general fund of the state to the department  
21 of education for community college purposes for general state  
22 financial aid, including general financial aid to merged areas  
23 in lieu of personal property tax replacement payments under  
24 section 427A.13, to merged areas as defined in section 260C.2,  
25 for vocational education programs in accordance with chapters  
26 258 and 260C, to purchase instructional equipment for  
27 vocational and technical courses of instruction in community  
28 colleges, and for salary increases, for a fiscal year, shall  
29 be allocated to each community college by the state board in  
30 the proportion that the allocation to that community college  
31 in 1995 Iowa Acts, chapter 218, section 1, subsection 19,  
32 bears to the total appropriation made in 1995 Iowa Acts,  
33 chapter 218, section 1, subsection 19.

34 Sec. 7. NEW SECTION. 260C.18B COMMUNITY COLLEGE BUDGET  
35 REVIEW.

1 1. A community college budget review procedure is  
2 established for the school budget review committee created in  
3 section 257.30. The school budget review committee, in  
4 addition to its duties under chapter 257, shall meet and hold  
5 hearings each year under this chapter to review unusual  
6 circumstances of community colleges, either upon the  
7 committee's motion or upon the request of a community college.  
8 The committee may grant supplemental state aid to the  
9 community college from funds appropriated to the department of  
10 education for community college budget review purposes.

11 Unusual circumstances shall include but not be limited to  
12 the following:

13 a. An unusual increase or decrease in enrollment or  
14 contact hours.

15 b. Natural disasters.

16 c. Unusual staffing problems.

17 d. Unusual necessity for additional funds to permit  
18 continuance of a course or program in an instructional cost  
19 center which provides substantial benefit to students.

20 e. Unusual need for a new course or program in an  
21 instructional cost center which will provide substantial  
22 benefit to students, if the community college establishes the  
23 need and the amount of necessary increased cost.

24 f. Unique problems of community colleges to include  
25 vandalism, civil disobedience, and other costs incurred by  
26 community colleges.

27 2. When the school budget review committee makes a  
28 decision under subsection 1, it shall provide written notice  
29 of its decision, including the amount of supplemental state  
30 aid approved, to the board of directors of the community  
31 college and to the department of education.

32 3. All decisions by the school budget review committee  
33 under this chapter shall be made in accordance with reasonable  
34 and uniform policies which shall be consistent with this  
35 chapter.

1 4. Failure by a community college to provide information  
2 or appear before the school budget review committee as  
3 requested for the accomplishment of review or hearing  
4 constitutes justification for the committee to instruct the  
5 department of revenue and finance to withhold supplemental  
6 state aid to that community college until the committee's  
7 inquiries are satisfied completely.

8 Sec. 8. Section 260C.34, Code 1995, is amended to read as  
9 follows:

10 260C.34 USES OF FUNDS.

11 Funds obtained pursuant to section 260C.17; section  
12 260C.18, subsections 3, 4, and 5 ~~of section 260C.18~~; section  
13 and sections 260C.18A, 260C.18B, 260C.19, and section 260C.22  
14 shall not be used for the construction or maintenance of  
15 athletic buildings or grounds but may be used for a project  
16 under section 260C.56.

17 Sec. 9. Section 260C.39, unnumbered paragraph 5, Code  
18 1995, is amended to read as follows:

19 The terms of employment of personnel, for the academic year  
20 following the effective date of the agreement to combine the  
21 merged areas shall not be affected by the combination of the  
22 merged areas, except in accordance with the procedures under  
23 sections 279.15 to 279.18 and section 279.24, to the extent  
24 those procedures are applicable, or under the terms of the  
25 base bargaining agreement. The authority and responsibility  
26 to offer new contracts or to continue, modify, or terminate  
27 existing contracts pursuant to any applicable procedures under  
28 chapter 279, shall be transferred to the acting, and then to  
29 the new, board of the combined merged area upon certification  
30 of a favorable vote to each of the merged areas affected by  
31 the agreement. The collective bargaining agreement of the  
32 merged area ~~with the largest number of contact hours eligible~~  
33 for receiving the greatest amount of general state aid  
34 pursuant to section 260C.18A, as defined under section 260D.2,  
35 shall serve as the base agreement for the combined merged area

S.F. \_\_\_\_\_ H.F. \_\_\_\_\_

1 and the employees of the merged areas which combined to form  
2 the new combined merged area shall automatically be accreted  
3 to the bargaining unit from that former merged area for  
4 purposes of negotiating the contracts for the following years  
5 without further action by the public employment relations  
6 board. If only one collective bargaining agreement is in  
7 effect among the merged areas which are combining under this  
8 section, then that agreement shall serve as the base  
9 agreement, and the employees of the merged areas which are  
10 combining to form the new combined merged area shall  
11 automatically be accreted to the bargaining unit of that  
12 former merged area for purposes of negotiating the contracts  
13 for the following years without further action by the public  
14 employment relations board. The board of the combined merged  
15 area, using the base agreement as its existing contract, shall  
16 bargain with the combined employees of the merged areas that  
17 have agreed to combine for the academic year beginning with  
18 the effective date of the agreement to combine merged areas.  
19 The bargaining shall be completed by March 15 prior to the  
20 academic year in which the agreement to combine merged areas  
21 becomes effective or within one hundred eighty days after the  
22 organization of the acting board of the new combined merged  
23 area, whichever is later. If a bargaining agreement was  
24 already concluded in the former merged area which has the  
25 collective bargaining agreement that is serving as the base  
26 agreement for the new combined merged area, between the former  
27 merged area board and the employees of the former merged area,  
28 that agreement is void, unless the agreement contained  
29 multiyear provisions affecting academic years subsequent to  
30 the effective date of the agreement to form a combined merged  
31 area. If the base collective bargaining agreement contains  
32 multiyear provisions, the duration and effect of the agreement  
33 shall be controlled by the terms of the agreement. The  
34 provisions of the base agreement shall apply to the offering  
35 of new contracts, or the continuation, modification, or

1 termination of existing contracts between the acting or new  
2 board of the combined merged area and the combined employees  
3 of the new combined merged area.

4 Sec. 10. NEW SECTION. 260C.49 RULES.

5 The department of education shall adopt rules and  
6 definitions of terms necessary for the administration of this  
7 chapter. The school budget review committee shall adopt rules  
8 under chapter 17A to carry out section 260C.18B.

9 Sec. 11. Section 261C.6, subsection 2, unnumbered  
10 paragraph 2, Code 1995, is amended to read as follows:

11 A pupil is not eligible to enroll on a full-time basis in  
12 an eligible postsecondary institution and receive payment for  
13 all courses in which a student is enrolled. ~~If an eligible  
14 postsecondary institution is a community college established  
15 under chapter 260C, the contact hours of a pupil for which a  
16 tuition reimbursement amount is received are not contact hours  
17 eligible for general aid under chapter 260D.~~

18 Sec. 12. Chapter 260D, Code 1995 and Code Supplement 1995,  
19 is repealed.

20 Sec. 13. EFFECTIVE DATE. This Act, being deemed of  
21 immediate importance, takes effect upon enactment.

22 EXPLANATION

23 This Act repeals chapter 260D, titled "funding for  
24 community colleges", and replaces the funding provisions of  
25 that chapter with a formula for allocating state aid  
26 appropriated to community colleges.

27 The formula is established for the fiscal year beginning  
28 July 1, 1996, and succeeding fiscal years. Under the formula,  
29 funds appropriated specifically for the 15 community colleges  
30 in this state shall be allocated to the community colleges  
31 based upon the distribution percentages used to distribute  
32 state general financial aid for community colleges for the  
33 fiscal year beginning July 1, 1995.

34 The bill also restores certain language and provisions from  
35 the repealed chapter 260D in chapter 260C. The definitions of

1 "contact hour" and "instructional cost center" are moved to  
2 section 260C.2. The provisions of section 260D.14, relating  
3 to community college budget review; and section 260D.16,  
4 relating to the adoption of rules by the department of  
5 education and the school budget review committee, are  
6 reproduced under sections 260D.18B and 260D.49. Section  
7 260D.18 also provides for the allocation of supplemental state  
8 aid to community colleges if moneys are appropriated for  
9 supplemental state aid. The bill requires the board of  
10 directors of a community college to provide, within a  
11 reasonable time, information as requested by the departments  
12 of management and education.

13 The bill takes effect upon its enactment.

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