

FEB 25 1998

EDUCATION

HOUSE FILE

2432

BY GRUNDBERG

Passed House, Date _____

Passed Senate, Date _____

Vote: Ayes _____ Nays _____

Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to a state general aid appropriation distribution
2 formula for community colleges.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2432

1 Section 1. NEW SECTION. 260C.26 DISTRIBUTION OF FUNDS
2 APPROPRIATED.

3 1. For the fiscal year beginning July 1, 1998, and for
4 each succeeding fiscal year, moneys appropriated from the
5 general fund of the state to the department of education for
6 community colleges for general state financial aid, including
7 general financial aid to merged areas in lieu of personal
8 property taxes, and for vocational education programs in
9 accordance with chapters 258 and 260C shall be allocated as
10 provided in this section.

11 2. For purposes of this section:

12 a. "Base amount" means for each community college for the
13 fiscal year beginning July 1, 1998, the amount allocated to
14 the community college from the appropriation made in 1997 Iowa
15 Acts, chapter 212, section 7, subsection 17. "Base amount"
16 means for each community college for fiscal years beginning on
17 or after July 1, 1999, the amount allocated to the community
18 college for the previous fiscal year for similar general state
19 financial aid.

20 b. "Credit hour" means twenty-five contact hours as
21 reported to the department of education on July 1 of the
22 previous year.

23 c. "Inflation factor" means for any fiscal year the
24 percentage, if any, by which the average of the consumer price
25 index for all urban consumers as of the close of the twelve-
26 month period ending on October 30 of the previous fiscal year
27 exceeds the consumer price index for all urban consumers as of
28 October 30 of the fiscal year prior to the previous fiscal
29 year as published by the United States department of labor.

30 3. Moneys referred to in subsection 1 shall be allocated
31 to each community college in an amount equal to the sum of and
32 in the order of the following:

33 a. One hundred two percent of the base amount. If the
34 amount appropriated is insufficient to allocate one hundred
35 two percent of the base amount to all community colleges, each

1 community college shall receive a pro rata share of the amount
2 available based upon the ratio of the community college's base
3 amount to the total combined base amounts.

4 b. After allocation under paragraph "a", one percent of
5 the total combined base amounts of all community colleges
6 multiplied by the percent the community college's total credit
7 hours are of the combined total credit hours of all community
8 colleges. If the amount appropriated is insufficient to
9 allocate one percent of the total combined base amounts to all
10 community colleges, each community college shall receive a pro
11 rata share of the amount available based upon the ratio of the
12 community college's total credit hours to the combined total
13 credit hours of all community colleges.

14 c. After allocation under paragraphs "a" and "b", the
15 excess, if any, that the inflation factor exceeds two percent
16 multiplied by the base amount. If the amount appropriated is
17 insufficient to allocate the amount under this paragraph to
18 all community colleges, each community college shall receive a
19 pro rata share of the amount available based upon the ratio of
20 the community college's base amount to the total combined base
21 amounts of all community colleges.

22 d. After allocation under paragraphs "a", "b", and "c",
23 any moneys remaining from the amount appropriated shall be
24 allocated to each community college in a pro rata amount based
25 upon the ratio of the community college's total credit hours
26 to the combined total credit hours of all community colleges.

27 EXPLANATION

28 This bill establishes a state general aid appropriation
29 distribution formula for community colleges. The formula was
30 developed and agreed to by the department of education, the
31 Iowa association of community college presidents, and the Iowa
32 association of community college trustees.

33 The formula provides that the base funding is equal to the
34 amount each community college received as a state general fund
35 allocation in the most recent fiscal year, provides community

1 colleges with an increase of not less than 2 percent of the
2 previous year allocation to compensate for inflation, and the
3 balance of the growth in state aid appropriations, up to 1
4 percent of combined base amounts, shall be distributed based
5 on each college's proportional share of enrollment.

6 The inflation increase shall be not less than 2 percent.
7 However, the inflation increase shall be equal to the national
8 inflation rate, if it exceeds 2 percent, if the amount of
9 state aid appropriated is equal to or greater than the
10 national inflation rate. The national inflation rate is based
11 upon the United States department of labor's consumer price
12 index.

13 The bill provides that if the appropriation made exceeds
14 the previous year's level by the inflation rate, plus 1
15 percent, then all remaining moneys are to be allocated to the
16 colleges based upon their proportional share of enrollment.

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