

MAR 18 2003

HOUSE FILE 629  
BY COMMITTEE ON ECONOMIC GROWTH  
(SUCCESSOR TO HSB 253)

**APPROPRIATIONS**

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

**A BILL FOR**

1 An Act creating workforce training and economic development funds  
2 for community colleges and making related appropriations.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 629

1 Section 1. NEW SECTION. 260C.18A WORKFORCE TRAINING AND  
2 ECONOMIC DEVELOPMENT FUNDS.

3 1. a. A workforce training and economic development fund  
4 is created for each community college. Moneys shall be  
5 deposited and expended from a fund as provided under this  
6 section.

7 b. Moneys in the funds shall consist of any moneys  
8 appropriated by the general assembly and any other moneys  
9 available to and obtained or accepted by the department of  
10 economic development from federal sources or private sources  
11 for placement in the funds. Notwithstanding section 8.33,  
12 moneys in the funds at the end of each fiscal year shall not  
13 revert to any other fund but shall remain in the funds for  
14 expenditure in subsequent fiscal years.

15 c. The department of economic development shall not  
16 approve or deny any individual projects, programs, or courses  
17 for which moneys from a workforce training and economic  
18 development fund are expended. The department of economic  
19 development shall consult with the department of education  
20 regarding activities under this section.

21 2. On July 1 of each year for the fiscal year beginning  
22 July 1, 2003, through the fiscal year beginning July 1, 2006,  
23 moneys from a fund enacted by the general assembly during the  
24 2003 legislative session and funded with bond sale proceeds  
25 totaling more than five hundred million dollars are  
26 appropriated to the department of economic development for  
27 deposit in the workforce training and economic development  
28 funds in amounts determined pursuant to subsection 3. On July  
29 1 of each year for fiscal years beginning on or after July 1,  
30 2007, moneys from the general fund of the state are  
31 appropriated to the department of economic development for  
32 deposit in the workforce training and economic development  
33 funds in amounts determined pursuant to subsection 3. Moneys  
34 deposited in the funds and disbursed to community colleges for  
35 a fiscal year shall be expended for the following purposes,

1 provided seventy percent of the moneys shall be used on  
2 projects in the areas of advanced manufacturing, information  
3 technology and insurance, and life sciences which include the  
4 areas of biotechnology, health care technology, and nursing  
5 care technology:

6 a. Projects in which an agreement between a community  
7 college and an employer located within the community college's  
8 merged area meet all of the requirements of the accelerated  
9 career education program under chapter 260G.

10 b. Projects in which an agreement between a community  
11 college and a business meet all the requirements of the Iowa  
12 jobs training Act under chapter 260F. However, when moneys  
13 are provided through a workforce training and economic  
14 development fund for such projects, section 260F.6,  
15 subsections 1 and 2, and section 260F.8 shall not apply.

16 c. For the development and implementation of career  
17 academies designed to provide new career preparation  
18 opportunities for high school students that are formally  
19 linked with postsecondary career and technical education  
20 programs. For purposes of this section, "career academy"  
21 means a program of study that combines a minimum of two years  
22 of secondary education with an associate degree, or the  
23 equivalent, career preparatory program in a nonduplicative,  
24 sequential course of study that is standards based, integrates  
25 academic and technical instruction, utilizes work-based and  
26 worksite learning where appropriate and available, utilizes an  
27 individual career planning process with parent involvement,  
28 and leads to an associate degree or postsecondary diploma or  
29 certificate in a career field that prepares an individual for  
30 entry and advancement in a high-skill and reward career field  
31 and further education. The state board of education, in  
32 conjunction with the division of community colleges and  
33 workforce preparation of the department of education, shall  
34 adopt administrative rules for the development and  
35 implementation of such career academies pursuant to section

1 256.11, subsection 5, paragraph "h", section 260C.1, and Title  
2 II of Pub. L. No. 105-332, Carl D. Perkins Vocational and  
3 Technical Education Act of 1998.

4 d. Programs and courses that provide vocational and  
5 technical training, and programs for in-service training and  
6 retraining under section 260C.1, subsections 2 and 3.

7 3. The maximum cumulative total amount of moneys that may  
8 be deposited in all the workforce training and economic  
9 development funds for distribution to community colleges in a  
10 fiscal year shall be determined as follows:

11 a. Ten million dollars for the fiscal year beginning July  
12 1, 2003.

13 b. Twenty million dollars for the fiscal year beginning  
14 July 1, 2004.

15 c. Thirty million dollars for the fiscal year beginning  
16 July 1, 2005.

17 d. Forty million dollars for the fiscal year beginning  
18 July 1, 2006.

19 e. For the fiscal year beginning July 1, 2007, and each  
20 succeeding fiscal year, the maximum cumulative total amount  
21 shall be calculated by multiplying the maximum cumulative  
22 total amount of the previous fiscal year by the amount of the  
23 sum of one plus the state growth percentage established  
24 pursuant to section 257.8 calculated for the budget year  
25 beginning that July 1 of the fiscal year.

26 4. The department of economic development shall allocate  
27 the moneys appropriated pursuant to this section to the  
28 community college workforce training and economic development  
29 funds utilizing the same distribution formula used for the  
30 allocation of state general aid to the community colleges.

31 Sec. 2. Section 260G.3, subsection 2, Code 2003, is  
32 amended to read as follows:

33 2. An agreement may include reasonable and necessary  
34 provisions to implement the accelerated career education  
35 program. If an agreement that utilizes program job credits is

1 entered into, the community college and the employer shall  
2 notify the department of revenue and finance as soon as  
3 possible. The community college shall also file a copy of the  
4 agreement with the department of economic development as  
5 required in section 260G.4B. The agreement shall provide for  
6 program costs, including deferred costs, which may be paid  
7 from any of the following sources:

8 a. Program job credits which the employer receives based  
9 on the number of program job positions agreed to by the  
10 employer to be available under the agreement.

11 b. Cash or in-kind contributions by the employer toward  
12 the program cost. At a minimum, the employer contribution  
13 shall be twenty percent of the program costs.

14 c. Tuition, student fees, or special charges fixed by the  
15 board of directors to defray program costs.

16 d. Guarantee by the employer of payments to be received  
17 under paragraphs "a" and "b".

18 e. Moneys from a workforce training and economic  
19 development fund created in section 260C.18A, based on the  
20 number of program job positions agreed to by the employer to  
21 be available under the agreement, the amount of which shall be  
22 calculated in the same manner as the program job credits  
23 provided for in section 260G.4A.

24 EXPLANATION

25 This bill relates to workforce training and economic  
26 development funds for community colleges and makes related  
27 appropriations.

28 The bill creates one workforce training and economic  
29 development fund for each community college. The bill  
30 provides that moneys in the funds shall consist of any moneys  
31 appropriated by the general assembly and any other moneys  
32 available to and obtained or accepted by the department of  
33 economic development from federal sources or private sources  
34 for placement in the funds.

35 The bill provides that the department of economic

1 development shall not approve or deny any individual projects,  
2 programs, or courses for which moneys from a workforce  
3 training and economic development fund are expended. The bill  
4 provides that the department of economic development shall  
5 consult with the department of education regarding the  
6 activities under the bill.

7 The bill provides that, on July 1 of each year for the  
8 fiscal year beginning July 1, 2003, through the fiscal year  
9 beginning July 1, 2006, moneys from a fund enacted by the  
10 general assembly during the 2003 legislative session and  
11 funded with bond sale proceeds totaling more than \$500 million  
12 are appropriated to the department of management for deposit  
13 in the separate workforce training and economic development  
14 funds. The bill provides that, on July 1 of each year for  
15 fiscal years beginning on or after July 1, 2007, moneys from  
16 the general fund of the state are appropriated to the  
17 department of economic development for deposit in the  
18 workforce training and economic development funds.

19 The bill provides that moneys deposited in the funds and  
20 disbursed to community colleges for a fiscal year shall be  
21 expended for the following purposes, provided 70 percent of  
22 the moneys shall be used on projects in the areas of advanced  
23 manufacturing, information technology and insurance, and life  
24 sciences which include the areas of biotechnology, health care  
25 technology, and nursing care technology:

26 1. Projects in which an agreement between a community  
27 college and an employer located within the community college's  
28 merged area meet all of the requirements of the accelerated  
29 career education program under Code chapter 260G. The bill  
30 makes conforming amendments to Code chapter 260G.

31 2. Projects in which an agreement between a community  
32 college and a business meet all the requirements of the Iowa  
33 jobs training Act under Code chapter 260F.

34 3. Career academies.

35 4. Programs and courses that provide vocational and

1 technical training, and programs for in-service training and  
2 retraining.

3     The bill provides a method for calculating the maximum  
4 cumulative total amount of moneys that may be deposited in all  
5 the workforce training and economic development funds for  
6 distribution to community colleges in a fiscal year. The bill  
7 provides that the department of economic development shall  
8 allocate the appropriated moneys to the community college  
9 workforce training and economic development funds utilizing  
10 the same distribution formula used for the allocation of state  
11 general aid to community colleges.

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Succeeded By  
S: 0629

HSB 253  
ECONOMIC GROWTH

Jenkins, Chr.  
Hoffman  
Lukan  
Struyk  
Dandekar

HOUSE FILE \_\_\_\_\_

BY (PROPOSED COMMITTEE ON  
ECONOMIC GROWTH BILL  
BY CHAIRPERSON HOFFMAN)

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

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

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

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

Approved \_\_\_\_\_

**A BILL FOR**

1 An Act creating workforce training and economic development funds  
2 for community colleges, making related appropriations, and  
3 providing an effective date.

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

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1 Section 1. NEW SECTION. 260C.18A WORKFORCE TRAINING AND  
2 ECONOMIC DEVELOPMENT FUNDS.

3 1. a. For each community college a separate workforce  
4 training and economic development fund is created in the state  
5 treasury under the control of the department of management.

6 b. Moneys in the funds shall consist of any moneys  
7 appropriated by the general assembly and any other moneys  
8 available to and obtained or accepted by the department of  
9 management from federal sources or private sources for  
10 placement in the funds. Notwithstanding section 8.33, moneys  
11 in the funds at the end of each fiscal year shall not revert  
12 to any other fund but shall remain in the funds for  
13 expenditure in subsequent fiscal years.

14 c. (1) By February 14 of each year, a community college  
15 board of directors shall deliver notification to the director  
16 of the department of management regarding both of the  
17 following:

18 (a) The sum of moneys which the community college is  
19 eligible to collect during the subsequent fiscal year from the  
20 community college's workforce training and economic  
21 development fund calculated pursuant to the procedure provided  
22 in subsection 3.

23 (b) The amount of money the community college is  
24 requesting to receive from the community college's workforce  
25 training and economic development fund during the subsequent  
26 fiscal year.

27 (2) In providing the notification, a community college  
28 board shall provide any supporting information required by the  
29 department of management.

30 (3) The department of management shall not approve or deny  
31 any individual projects, programs, or courses for which moneys  
32 from a workforce training and economic development fund are  
33 expended.

34 (4) The director of the department of management shall use  
35 information submitted pursuant to this paragraph for purposes

1 of making allocation determinations under subsection 4.

2 (5) The director of the department of management shall  
3 notify each community college by March 1 of each year of the  
4 allocation each community college will receive from the  
5 workforce training and economic development fund for that  
6 community college in the subsequent fiscal year. A copy of  
7 this notification shall be submitted to the treasurer of  
8 state.

9 2. On July 1 of each year for the fiscal year beginning  
10 July 1, 2003, through the fiscal year beginning July 1, 2006,  
11 moneys from a fund created for biotechnology-related purposes  
12 enacted by the general assembly during the 2003 legislative  
13 session are appropriated to the department of management for  
14 deposit in the workforce training and economic development  
15 funds in amounts determined pursuant to subsection 4. On July  
16 1 of each year for fiscal years beginning on or after July 1,  
17 2007, moneys from the general fund of the state are  
18 appropriated to the department of management for deposit in  
19 the workforce training and economic development funds in  
20 amounts determined pursuant to subsection 4. Moneys deposited  
21 in the funds and disbursed to community colleges for a fiscal  
22 year shall be expended for the following purposes, provided  
23 seventy percent of the moneys shall be used on projects in the  
24 areas of advanced manufacturing, information technology and  
25 insurance, and life sciences which include the areas of  
26 biotechnology, health care technology, and nursing care  
27 technology:

28 a. Projects in which an agreement between a community  
29 college and an employer located within the community college's  
30 merged area meet all of the requirements of the accelerated  
31 career education program under chapter 260G. However, when  
32 moneys are provided through a workforce training and economic  
33 development fund for such projects, sections 260G.4A through  
34 260G.6 shall not apply and the agreement for providing program  
35 costs may include moneys from the workforce training and

1 economic development fund in addition to the sources listed in  
2 section 260G.3, subsection 2, paragraphs "b" through "d".

3 b. Projects in which an agreement between a community  
4 college and a business meet all the requirements of the Iowa  
5 jobs training Act under chapter 260F. However, when moneys  
6 are provided through a workforce training and economic  
7 development fund for such projects, sections 260F.6, 260F.7,  
8 and 260F.8 shall not apply.

9 c. Career technical academies.

10 d. Courses and programs for entrepreneurial development.

11 e. Programs and courses that provide vocational and  
12 technical training, and programs for in-service training and  
13 retraining under section 260C.1, subsections 2 and 3.

14 3. For a fiscal year, a community college is eligible to  
15 receive moneys from the workforce training and economic  
16 development fund for the community college in an amount that  
17 shall not exceed the sum of the following:

18 a. The community college's budgeted employer contributions  
19 under the Federal Insurance Contributions Act for the fiscal  
20 year.

21 b. The community college's budgeted employer contributions  
22 to the community college's employees retirement systems for  
23 the fiscal year.

24 c. For the fiscal year beginning July 1, 2003, the moneys  
25 the community college would receive from the collection of  
26 property tax of fifteen cents per thousand dollars on all  
27 taxable property in the community college's merged area for  
28 that fiscal year. For the fiscal year beginning July 1, 2004,  
29 and each succeeding fiscal year, the moneys the community  
30 college would receive from the collection of a property tax on  
31 all taxable property in the community college's merged area  
32 for the fiscal year using the tax rate used for purposes of  
33 this calculation in the previous fiscal year multiplied by an  
34 amount equal to the sum of one plus the state growth  
35 percentage established pursuant to section 257.8 for the

1 budget year beginning that July 1 of the fiscal year  
2 calculated.

3 4. a. The maximum cumulative total amount of moneys that  
4 may be deposited in all the workforce training and economic  
5 development funds for distribution to community colleges in a  
6 fiscal year shall be determined as follows:

7 (1) Ten million dollars for the fiscal year beginning July  
8 1, 2003.

9 (2) Twenty million dollars for the fiscal year beginning  
10 July 1, 2004.

11 (3) Thirty million dollars for the fiscal year beginning  
12 July 1, 2005.

13 (4) Forty million dollars for the fiscal year beginning  
14 July 1, 2006.

15 (5) For the fiscal year beginning July 1, 2007, and each  
16 succeeding fiscal year, the maximum cumulative total amount  
17 shall be calculated by multiplying the maximum cumulative  
18 total amount of the previous fiscal year by the amount of the  
19 sum of one plus the state growth percentage established  
20 pursuant to section 257.8 calculated for the budget year  
21 beginning that July 1 of the fiscal year.

22 b. If the total amount of the requested amounts of moneys  
23 for all of the workforce training and economic development  
24 funds in a fiscal year exceeds the maximum cumulative total  
25 amount determined in paragraph "a", the director of the  
26 department of management shall prorate the allowable  
27 allocation for each community college by the ratio of a  
28 community college's requested amount for its workforce  
29 training and economic development fund to the total amount  
30 requested by all the community colleges.

31 Sec. 2. NOTICES. For purposes of the fiscal year  
32 beginning July 1, 2003, a community college shall, within  
33 thirty days of the effective date of this Act, deliver notice  
34 to the director of the department of management which includes  
35 the information required in section 260C.18A, subsection 1,

1 paragraph "c", subparagraph (1). Upon determination by the  
2 director regarding the amount each community college is  
3 eligible to receive from workforce training and economic  
4 development funds, the director shall notify each community  
5 college and the state treasurer of the moneys to be received.

6 Sec. 3. EFFECTIVE DATE. This Act, being deemed of  
7 immediate importance, takes effect upon enactment.

8 EXPLANATION

9 This bill relates to workforce training and economic  
10 development funds for community colleges and makes related  
11 appropriations.

12 The bill creates in the state treasury one workforce  
13 training and economic development fund, for each community  
14 college, under the control of the department of management.  
15 The bill provides that moneys in the funds shall consist of  
16 any moneys appropriated by the general assembly and any other  
17 moneys available to and obtained or accepted by the department  
18 of management from federal sources or private sources for  
19 placement in the funds.

20 The bill provides that, by February 14 of each year, a  
21 community college board shall deliver notification to the  
22 director of the department of management regarding the sum of  
23 moneys for which the community college is eligible to collect  
24 during the subsequent fiscal year from the community college's  
25 workforce training and economic development fund and the sum  
26 of moneys the community college is requesting to receive from  
27 the community college's workforce training and economic  
28 development fund during the subsequent fiscal year. The bill  
29 provides that the department of management shall not approve  
30 or deny any individual projects, programs, or courses for  
31 which moneys from a workforce training and economic  
32 development fund are expended. The bill provides that the  
33 director shall notify each community college by March 1 of  
34 each year of the allocation each community college will  
35 receive from the workforce training and economic development

1 fund.

2 The bill provides that, on July 1 of each year for the  
3 fiscal year beginning July 1, 2003, through the fiscal year  
4 beginning July 1, 2006, moneys from a fund created for  
5 biotechnology-related purposes enacted by the general assembly  
6 during the 2003 legislative session are appropriated to the  
7 department of management for deposit in the separate workforce  
8 training and economic development funds in amounts determined  
9 by the director. The bill provides that, on July 1 of each  
10 year for fiscal years beginning on or after July 1, 2007,  
11 moneys from the general fund of the state are appropriated to  
12 the department of management for deposit in the workforce  
13 training and economic development funds in amounts determined  
14 by the director.

15 The bill provides that moneys deposited in the funds and  
16 disbursed to community colleges for a fiscal year shall be  
17 expended for the following purposes, provided 70 percent of  
18 the moneys shall be used on projects in the areas of advanced  
19 manufacturing, information technology and insurance, and life  
20 sciences which include the areas of biotechnology, health care  
21 technology, and nursing care technology:

22 1. Projects in which an agreement between a community  
23 college and an employer located within the community college's  
24 merged area meet all of the requirements of the accelerated  
25 career education program under Code chapter 260G.

26 2. Projects in which an agreement between a community  
27 college and a business meet all the requirements of the Iowa  
28 jobs training Act under Code chapter 260F.

29 3. Career technical academies.

30 4. Courses and programs for entrepreneurial development.

31 5. Programs and courses that provide vocational and  
32 technical training, and programs for in-service training and  
33 retraining.

34 The bill provides a formula for determining the amount of  
35 moneys that a community college is eligible to receive from

1 the workforce training and economic development fund for a  
2 fiscal year. The formula relates to the community college's  
3 budgeted employer contributions under the Federal Insurance  
4 Contributions Act, the community college's budgeted employer  
5 contributions to the community college's employees retirement  
6 systems, and a property tax calculation.

7 The bill provides a method for calculating the maximum  
8 cumulative total amount of moneys that may be deposited in all  
9 the workforce training and economic development funds for  
10 distribution to community colleges in a fiscal year. The bill  
11 provides that, if the sum of the requested amounts for all of  
12 the workforce training and economic development funds in a  
13 fiscal year exceeds the maximum cumulative total amount  
14 allowed, the director of the department of management shall  
15 prorate the allowable allocation for each community college by  
16 the ratio of a community college's requested amount for its  
17 workforce training and economic development fund to the total  
18 amount requested by all the community colleges.

19 The bill provides that, for purposes of the fiscal year  
20 beginning July 1, 2003, a community college shall, within 30  
21 days of the effective date of this bill, deliver notice to the  
22 director of the department of management which includes the  
23 amount the community college is eligible to receive from a  
24 workforce training and economic development fund and the  
25 amount the community college is requesting to receive.

26 The bill takes effect upon enactment.

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