

House Study Bill 253

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:
5 TLSB 2612YC 80
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1 1 Section 1. NEW SECTION. 260C.18A WORKFORCE TRAINING AND
1 2 ECONOMIC DEVELOPMENT FUNDS.
1 3 1. a. For each community college a separate workforce
1 4 training and economic development fund is created in the state
1 5 treasury under the control of the department of management.
1 6 b. Moneys in the funds shall consist of any moneys
1 7 appropriated by the general assembly and any other moneys
1 8 available to and obtained or accepted by the department of
1 9 management from federal sources or private sources for
1 10 placement in the funds. Notwithstanding section 8.33, moneys
1 11 in the funds at the end of each fiscal year shall not revert
1 12 to any other fund but shall remain in the funds for
1 13 expenditure in subsequent fiscal years.
1 14 c. (1) By February 14 of each year, a community college
1 15 board of directors shall deliver notification to the director
1 16 of the department of management regarding both of the
1 17 following:
1 18 (a) The sum of moneys which the community college is
1 19 eligible to collect during the subsequent fiscal year from the
1 20 community college's workforce training and economic
1 21 development fund calculated pursuant to the procedure provided
1 22 in subsection 3.
1 23 (b) The amount of money the community college is
1 24 requesting to receive from the community college's workforce
1 25 training and economic development fund during the subsequent
1 26 fiscal year.
1 27 (2) In providing the notification, a community college
1 28 board shall provide any supporting information required by the
1 29 department of management.
1 30 (3) The department of management shall not approve or deny
1 31 any individual projects, programs, or courses for which moneys
1 32 from a workforce training and economic development fund are
1 33 expended.
1 34 (4) The director of the department of management shall use
1 35 information submitted pursuant to this paragraph for purposes
2 1 of making allocation determinations under subsection 4.
2 2 (5) The director of the department of management shall
2 3 notify each community college by March 1 of each year of the
2 4 allocation each community college will receive from the
2 5 workforce training and economic development fund for that
2 6 community college in the subsequent fiscal year. A copy of
2 7 this notification shall be submitted to the treasurer of
2 8 state.
2 9 2. On July 1 of each year for the fiscal year beginning
2 10 July 1, 2003, through the fiscal year beginning July 1, 2006,
2 11 moneys from a fund created for biotechnology-related purposes
2 12 enacted by the general assembly during the 2003 legislative
2 13 session are appropriated to the department of management for
2 14 deposit in the workforce training and economic development
2 15 funds in amounts determined pursuant to subsection 4. On July
2 16 1 of each year for fiscal years beginning on or after July 1,
2 17 2007, moneys from the general fund of the state are
2 18 appropriated to the department of management for deposit in
2 19 the workforce training and economic development funds in
2 20 amounts determined pursuant to subsection 4. Moneys deposited
2 21 in the funds and disbursed to community colleges for a fiscal

2 22 year shall be expended for the following purposes, provided
2 23 seventy percent of the moneys shall be used on projects in the
2 24 areas of advanced manufacturing, information technology and
2 25 insurance, and life sciences which include the areas of
2 26 biotechnology, health care technology, and nursing care
2 27 technology:

2 28 a. Projects in which an agreement between a community
2 29 college and an employer located within the community college's
2 30 merged area meet all of the requirements of the accelerated
2 31 career education program under chapter 260G. However, when
2 32 moneys are provided through a workforce training and economic
2 33 development fund for such projects, sections 260G.4A through
2 34 260G.6 shall not apply and the agreement for providing program
2 35 costs may include moneys from the workforce training and
3 1 economic development fund in addition to the sources listed in
3 2 section 260G.3, subsection 2, paragraphs "b" through "d".

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

3 9 c. Career technical academies.

3 10 d. Courses and programs for entrepreneurial development.

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

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

3 18 a. The community college's budgeted employer contributions
3 19 under the Federal Insurance Contributions Act for the fiscal
3 20 year.

3 21 b. The community college's budgeted employer contributions
3 22 to the community college's employees retirement systems for
3 23 the fiscal year.

3 24 c. For the fiscal year beginning July 1, 2003, the moneys
3 25 the community college would receive from the collection of
3 26 property tax of fifteen cents per thousand dollars on all
3 27 taxable property in the community college's merged area for
3 28 that fiscal year. For the fiscal year beginning July 1, 2004,
3 29 and each succeeding fiscal year, the moneys the community
3 30 college would receive from the collection of a property tax on
3 31 all taxable property in the community college's merged area
3 32 for the fiscal year using the tax rate used for purposes of
3 33 this calculation in the previous fiscal year multiplied by an
3 34 amount equal to the sum of one plus the state growth
3 35 percentage established pursuant to section 257.8 for the
4 1 budget year beginning that July 1 of the fiscal year
4 2 calculated.

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

4 7 (1) Ten million dollars for the fiscal year beginning July
4 8 1, 2003.

4 9 (2) Twenty million dollars for the fiscal year beginning
4 10 July 1, 2004.

4 11 (3) Thirty million dollars for the fiscal year beginning
4 12 July 1, 2005.

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

4 15 (5) For the fiscal year beginning July 1, 2007, and each
4 16 succeeding fiscal year, the maximum cumulative total amount
4 17 shall be calculated by multiplying the maximum cumulative
4 18 total amount of the previous fiscal year by the amount of the
4 19 sum of one plus the state growth percentage established
4 20 pursuant to section 257.8 calculated for the budget year
4 21 beginning that July 1 of the fiscal year.

4 22 b. If the total amount of the requested amounts of moneys
4 23 for all of the workforce training and economic development
4 24 funds in a fiscal year exceeds the maximum cumulative total
4 25 amount determined in paragraph "a", the director of the
4 26 department of management shall prorate the allowable
4 27 allocation for each community college by the ratio of a
4 28 community college's requested amount for its workforce
4 29 training and economic development fund to the total amount
4 30 requested by all the community colleges.

4 31 Sec. 2. NOTICES. For purposes of the fiscal year
4 32 beginning July 1, 2003, a community college shall, within

4 33 thirty days of the effective date of this Act, deliver notice
4 34 to the director of the department of management which includes
4 35 the information required in section 260C.18A, subsection 1,
5 1 paragraph "c", subparagraph (1). Upon determination by the
5 2 director regarding the amount each community college is
5 3 eligible to receive from workforce training and economic
5 4 development funds, the director shall notify each community
5 5 college and the state treasurer of the moneys to be received.
5 6 Sec. 3. EFFECTIVE DATE. This Act, being deemed of
5 7 immediate importance, takes effect upon enactment.

5 8 EXPLANATION

5 9 This bill relates to workforce training and economic
5 10 development funds for community colleges and makes related
5 11 appropriations.

5 12 The bill creates in the state treasury one workforce
5 13 training and economic development fund, for each community
5 14 college, under the control of the department of management.
5 15 The bill provides that moneys in the funds shall consist of
5 16 any moneys appropriated by the general assembly and any other
5 17 moneys available to and obtained or accepted by the department
5 18 of management from federal sources or private sources for
5 19 placement in the funds.

5 20 The bill provides that, by February 14 of each year, a
5 21 community college board shall deliver notification to the
5 22 director of the department of management regarding the sum of
5 23 moneys for which the community college is eligible to collect
5 24 during the subsequent fiscal year from the community college's
5 25 workforce training and economic development fund and the sum
5 26 of moneys the community college is requesting to receive from
5 27 the community college's workforce training and economic
5 28 development fund during the subsequent fiscal year. The bill
5 29 provides that the department of management shall not approve
5 30 or deny any individual projects, programs, or courses for
5 31 which moneys from a workforce training and economic
5 32 development fund are expended. The bill provides that the
5 33 director shall notify each community college by March 1 of
5 34 each year of the allocation each community college will
5 35 receive from the workforce training and economic development
6 1 fund.

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

6 15 The bill provides that moneys deposited in the funds and
6 16 disbursed to community colleges for a fiscal year shall be
6 17 expended for the following purposes, provided 70 percent of
6 18 the moneys shall be used on projects in the areas of advanced
6 19 manufacturing, information technology and insurance, and life
6 20 sciences which include the areas of biotechnology, health care
6 21 technology, and nursing care technology:

6 22 1. Projects in which an agreement between a community
6 23 college and an employer located within the community college's
6 24 merged area meet all of the requirements of the accelerated
6 25 career education program under Code chapter 260G.

6 26 2. Projects in which an agreement between a community
6 27 college and a business meet all the requirements of the Iowa
6 28 jobs training Act under Code chapter 260F.

6 29 3. Career technical academies.

6 30 4. Courses and programs for entrepreneurial development.

6 31 5. Programs and courses that provide vocational and
6 32 technical training, and programs for in-service training and
6 33 retraining.

6 34 The bill provides a formula for determining the amount of
6 35 moneys that a community college is eligible to receive from
7 1 the workforce training and economic development fund for a
7 2 fiscal year. The formula relates to the community college's
7 3 budgeted employer contributions under the Federal Insurance
7 4 Contributions Act, the community college's budgeted employer
7 5 contributions to the community college's employees retirement
7 6 systems, and a property tax calculation.

7 7 The bill provides a method for calculating the maximum
7 8 cumulative total amount of moneys that may be deposited in all

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

7 19 The bill provides that, for purposes of the fiscal year
7 20 beginning July 1, 2003, a community college shall, within 30
7 21 days of the effective date of this bill, deliver notice to the
7 22 director of the department of management which includes the
7 23 amount the community college is eligible to receive from a
7 24 workforce training and economic development fund and the
7 25 amount the community college is requesting to receive.

7 26 The bill takes effect upon enactment.

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