

# House Study Bill 254

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, creating a workforce training and  
3 economic development levy, making related appropriations, and  
4 providing an effective date.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
6 TLSB 3014YC 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) For fiscal years beginning on or after July 1,  
1 15 2003, through the fiscal year beginning July 1, 2006, by  
1 16 February 14 of each year, a community college board of  
1 17 directors shall deliver notification to the director of the  
1 18 department of management regarding both of the following:  
1 19 (a) The sum of moneys which the community college is  
1 20 eligible to collect during the subsequent fiscal year from the  
1 21 community college's workforce training and economic  
1 22 development fund calculated pursuant to the procedure provided  
1 23 in subsection 3.  
1 24 (b) The amount of money the community college is  
1 25 requesting to receive from the community college's workforce  
1 26 training and economic development fund during the subsequent  
1 27 fiscal year.  
1 28 (2) In providing the notification, a community college  
1 29 board shall provide any supporting information required by the  
1 30 department of management.  
1 31 (3) The department of management shall not approve or deny  
1 32 any individual projects, programs, or courses for which moneys  
1 33 from a workforce training and economic development fund are  
1 34 expended.  
1 35 (4) The director of the department of management shall use  
2 1 information submitted pursuant to this paragraph for purposes  
2 2 of making allocation determinations under subsection 4.  
2 3 (5) The director of the department of management shall  
2 4 notify each community college by March 1 of each year of the  
2 5 allocation each community college will receive from the  
2 6 workforce training and economic development fund for that  
2 7 community college in the subsequent fiscal year. A copy of  
2 8 this notification shall be submitted to the treasurer of  
2 9 state.  
2 10 2. On July 1 of each year for the fiscal year beginning  
2 11 July 1, 2003, through the fiscal year beginning July 1, 2006,  
2 12 moneys from a fund created for biotechnology-related purposes  
2 13 enacted by the general assembly during the 2003 legislative  
2 14 session are appropriated to the department of management for  
2 15 deposit in the workforce training and economic development  
2 16 funds in amounts determined pursuant to subsection 4. For  
2 17 fiscal years beginning on or after July 1, 2007, moneys for  
2 18 the workforce training and economic development funds shall be  
2 19 collected through the workforce training and economic  
2 20 development levy provided in subsection 5. 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. For fiscal years beginning on or after July 1,  
4 4 2003, through the fiscal year beginning July 1, 2006, the  
4 5 maximum cumulative total amount of moneys that may be  
4 6 deposited in all the workforce training and economic  
4 7 development funds for distribution to community colleges in a  
4 8 fiscal year shall be determined as follows:

4 9 (1) Ten million dollars for the fiscal year beginning July  
4 10 1, 2003.

4 11 (2) Twenty million dollars for the fiscal year beginning  
4 12 July 1, 2004.

4 13 (3) Thirty million dollars for the fiscal year beginning  
4 14 July 1, 2005.

4 15 (4) Forty million dollars for the fiscal year beginning  
4 16 July 1, 2006.

4 17 (5) For the fiscal year beginning July 1, 2007, and each  
4 18 succeeding fiscal year, the maximum cumulative total amount  
4 19 shall be calculated by multiplying the maximum cumulative  
4 20 total amount of the previous fiscal year by the amount of the  
4 21 sum of one plus the state growth percentage established  
4 22 pursuant to section 257.8 for the budget year beginning that  
4 23 July 1 of the fiscal year calculated.

4 24 b. If the total amount of the requested amounts of moneys  
4 25 for all of the workforce training and economic development  
4 26 funds in a fiscal year exceeds the maximum cumulative total  
4 27 amount determined in paragraph "a", the director of the  
4 28 department of management shall prorate the allowable  
4 29 allocation for each community college by the ratio of a  
4 30 community college's requested amount for its workforce  
4 31 training and economic development fund to the total amount

4 32 requested by all the community colleges.

4 33 5. For the fiscal year beginning July 1, 2007, and each  
4 34 succeeding fiscal year thereafter, the board of directors of a  
4 35 community college may certify by March 15 for collection in  
5 1 the subsequent fiscal year, a workforce training and economic  
5 2 development levy on all taxable property in the community  
5 3 college's merged area for use for the same purposes as moneys  
5 4 from a workforce training and economic development fund of the  
5 5 community college. The maximum amount a community college may  
5 6 levy is determined pursuant to subsection 3; however, a  
5 7 community college may certify a lesser amount. The  
5 8 certification shall be made to the respective county auditors  
5 9 and the taxes collected pursuant to a workforce training and  
5 10 economic development levy shall be paid by the respective  
5 11 county treasurers to the treasurer of the community college as  
5 12 provided in section 331.552, subsection 29.

5 13 Sec. 2. NOTICES. For purposes of the fiscal year  
5 14 beginning July 1, 2003, a community college shall, within  
5 15 thirty days of the effective date of this Act, deliver notice  
5 16 to the director of the department of management which includes  
5 17 the information required in section 260C.18A, subsection 1,  
5 18 paragraph "c", subparagraph (1). Upon determination by the  
5 19 director regarding the amount each community college is  
5 20 eligible to receive from workforce training and economic  
5 21 development funds, the director shall notify each community  
5 22 college and the state treasurer of the moneys to be received.

5 23 Sec. 3. EFFECTIVE DATE. This Act, being deemed of  
5 24 immediate importance, takes effect upon enactment.

5 25 EXPLANATION

5 26 This bill relates to workforce training and economic  
5 27 development funds for community colleges, creates a workforce  
5 28 training and economic development levy, and makes related  
5 29 appropriations.

5 30 The bill creates in the state treasury one workforce  
5 31 training and economic development fund, for each community  
5 32 college, under the control of the department of management.  
5 33 The bill provides that moneys in the funds shall consist of  
5 34 any moneys appropriated by the general assembly and any other  
5 35 moneys available to and obtained or accepted by the department  
6 1 of management from federal sources or private sources for  
6 2 placement in the funds.

6 3 The bill provides that for fiscal years beginning on or  
6 4 after July 1, 2003, through the fiscal year beginning July 1,  
6 5 2006, by February 14 of each year, a community college board  
6 6 shall deliver notification to the director of the department  
6 7 of management regarding the sum of moneys for which the  
6 8 community college is eligible to collect during the subsequent  
6 9 fiscal year from the community college's workforce training  
6 10 and economic development fund and the sum of moneys the  
6 11 community college is requesting to receive from the community  
6 12 college's workforce training and economic development fund  
6 13 during the subsequent fiscal year. The bill provides that the  
6 14 department of management shall not approve or deny any  
6 15 individual projects, programs, or courses for which moneys  
6 16 from a workforce training and economic development fund are  
6 17 expended. The bill provides that the director shall notify  
6 18 each community college by March 1 of each year of the  
6 19 allocation each community college will receive from the  
6 20 workforce training and economic development fund.

6 21 The bill provides that, on July 1 of each year for the  
6 22 fiscal year beginning July 1, 2003, through the fiscal year  
6 23 beginning July 1, 2006, moneys from a fund created for  
6 24 biotechnology-related purposes enacted by the general assembly  
6 25 during the 2003 legislative session are appropriated to the  
6 26 department of management for deposit in the separate workforce  
6 27 training and economic development funds in amounts determined  
6 28 by the director. The bill provides that, for fiscal years  
6 29 beginning on or after July 1, 2007, moneys for the workforce  
6 30 training and economic development funds shall be collected  
6 31 through the workforce training and economic development levy.

6 32 The bill provides that moneys deposited in the funds and  
6 33 disbursed to community colleges for a fiscal year shall be  
6 34 expended for the following purposes, provided 70 percent of  
6 35 the moneys shall be used on projects which are included in the  
7 1 areas of advanced manufacturing, information technology and  
7 2 insurance, and life sciences which include the areas of  
7 3 biotechnology, health care technology, and nursing care  
7 4 technology:

7 5 1. Projects in which an agreement between a community  
7 6 college and an employer located within the community college's  
7 7 merged area meet all of the requirements of the accelerated

7 8 career education program under Code chapter 260G.

7 9 2. Projects in which an agreement between a community  
7 10 college and a business meet all the requirements of the Iowa  
7 11 jobs training Act under Code chapter 260F.

7 12 3. Career technical academies.

7 13 4. Courses and programs for entrepreneurial development.

7 14 5. Programs and courses that provide vocational and  
7 15 technical training, and programs for in-service training and  
7 16 retraining.

7 17 The bill provides a formula for determining the amount of  
7 18 moneys that a community college is eligible to receive from  
7 19 the workforce training and economic development fund for a  
7 20 fiscal year. The formula relates to the community college's  
7 21 budgeted employer contributions under the Federal Insurance  
7 22 Contributions Act, the community college's budgeted employer  
7 23 contributions to the community college's employees retirement  
7 24 systems, and a property tax calculation.

7 25 The bill provides, for fiscal years beginning on or after  
7 26 July 1, 2003, through the fiscal year beginning July 1, 2006,  
7 27 a method for calculating the maximum cumulative total amount  
7 28 of moneys that may be deposited in all the workforce training  
7 29 and economic development funds for distribution to community  
7 30 colleges in a fiscal year. The bill provides that, if the sum  
7 31 of the requested amounts for all of the workforce training and  
7 32 economic development funds in a fiscal year exceeds the  
7 33 maximum cumulative total amount allowed, the director of the  
7 34 department of management shall prorate the allowable  
7 35 allocation for each community college by the ratio of a  
8 1 community college's requested amount for its workforce  
8 2 training and economic development fund to the total amount  
8 3 requested by all the community colleges.

8 4 For the fiscal year beginning July 1, 2007, and each  
8 5 succeeding fiscal year thereafter, the bill provides for a  
8 6 workforce training and economic development levy. The bill  
8 7 provides that a board of directors of a community college may  
8 8 certify for levy by March 15 for collection in the subsequent  
8 9 fiscal year, a tax on all taxable property in the community  
8 10 college's merged area for use for the same purposes as moneys  
8 11 from a workforce training and economic development fund of the  
8 12 community college. The bill provides that the maximum amount  
8 13 a community college may levy is the same that a community  
8 14 college is eligible to receive in a fiscal year from a  
8 15 workforce training and economic development fund; however, a  
8 16 community college may certify a lesser amount. The bill  
8 17 provides for a method of collection and payment of the levy.

8 18 The bill provides that, for purposes of the fiscal year  
8 19 beginning July 1, 2003, a community college shall, within 30  
8 20 days of the effective date of this bill, deliver notice to the  
8 21 director of the department of management which includes the  
8 22 amount the community college is eligible to receive from a  
8 23 workforce training and economic development fund and the  
8 24 amount the community college is requesting to receive.

8 25 The bill takes effect upon enactment.

8 26 LSB 3014YC 80

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