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SENATE FILE

BY SHULL

Passed Senate, Date _____ Passed House, 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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SF 285
ECONOMIC GROWTH

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 collegewould 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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