

SENATE FILE 287
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, increasing the excise tax on
3 cigarettes, making related appropriations, and providing
4 effective dates.

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

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SF 287
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) For fiscal years beginning on or after July 1,
15 2003, through the fiscal year beginning July 1, 2006, by
16 February 14 of each year, a community college board of
17 directors shall deliver notification to the director of the
18 department of management regarding both of the following:

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

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

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

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

35 (4) The director of the department of management shall use

1 information submitted pursuant to this paragraph for purposes
2 of making allocation determinations under subsection 4.

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

10 2. On July 1 of each year for the fiscal year beginning
11 July 1, 2003, through the fiscal year beginning July 1, 2006,
12 moneys from a fund created for biotechnology-related purposes
13 enacted by the general assembly during the 2003 legislative
14 session are appropriated to the department of management for
15 deposit in the workforce training and economic development
16 funds in amounts determined pursuant to subsection 4. For
17 fiscal years beginning on or after July 1, 2007, moneys
18 collected pursuant to section 453A.6 equivalent to nine mills
19 per cigarette are appropriated to the department of management
20 for deposit in the workforce training and economic development
21 funds. Moneys deposited in the funds and disbursed to
22 community colleges for a fiscal year shall be expended for the
23 following purposes, provided seventy percent of the moneys
24 shall be used on projects in the areas of advanced
25 manufacturing, information technology and insurance, and life
26 sciences which include the areas of biotechnology, health care
27 technology, and nursing care 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. For fiscal years beginning on or after July 1,
4 2003, through the fiscal year beginning July 1, 2006, the
5 maximum cumulative total amount of moneys that may be
6 deposited in all the workforce training and economic
7 development funds for distribution to community colleges in a
8 fiscal year shall be determined as follows:

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

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

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

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

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

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

33 Sec. 2. Section 453A.6, subsection 1, Code 2003, is
34 amended to read as follows:

35 1. There is imposed, and shall be collected and paid to

1 the department, the following taxes on all cigarettes used or
2 otherwise disposed of in this state for any purpose
3 whatsoever:

4 Class A. On cigarettes weighing not more than three pounds
5 per thousand, ~~eighteen~~ twenty-seven mills on each such
6 cigarette.

7 Class B. On cigarettes weighing more than three pounds per
8 thousand, ~~eighteen~~ twenty-seven mills on each such cigarette.

9 Sec. 3. NOTICES. For purposes of the fiscal year
10 beginning July 1, 2003, a community college shall, within
11 thirty days of the effective date of this Act, deliver notice
12 to the director of the department of management which includes
13 the information required in section 260C.18A, subsection 1,
14 paragraph "c", subparagraph (1). Upon determination by the
15 director regarding the amount each community college is
16 eligible to receive from workforce training and economic
17 development funds, the director shall notify each community
18 college and the state treasurer of the moneys to be received.

19 Sec. 4. EFFECTIVE DATES.

20 1. Sections 1, 3, and 4 of this Act, being deemed of
21 immediate importance, take effect upon enactment.

22 2. Section 2 of this Act, relating to the excise tax
23 imposed on the use or disposal of cigarettes, shall take
24 effect July 1, 2007.

25 EXPLANATION

26 This bill relates to workforce training and economic
27 development funds for community colleges, increases the excise
28 tax on cigarettes, and makes related appropriations.

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

1 placement in the funds.

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

20 The bill provides that, on July 1 of each year for the
21 fiscal year beginning July 1, 2003, through the fiscal year
22 beginning July 1, 2006, moneys from a fund created for
23 biotechnology-related purposes enacted by the general assembly
24 during the 2003 legislative session are appropriated to the
25 department of management for deposit in the separate workforce
26 training and economic development funds in amounts determined
27 by the director. The bill provides that, for fiscal years
28 beginning on or after July 1, 2007, excise tax moneys
29 collected pursuant to Code section 453A.6 equivalent to nine
30 mills per cigarette are appropriated to the department of
31 management for deposit in the workforce training and economic
32 development funds.

33 The bill provides that moneys deposited in the funds and
34 disbursed to community colleges for a fiscal year shall be
35 expended for the following purposes, provided 70 percent of

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

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

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

12 3. Career technical academies.

13 4. Courses and programs for entrepreneurial development.

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

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

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

1 community college's requested amount for its workforce
2 training and economic development fund to the total amount
3 requested by all the community colleges.

4 For the fiscal year beginning July 1, 2007, and each
5 succeeding fiscal year thereafter, the bill increases the
6 excise tax on cigarettes used or otherwise disposed of by nine
7 mills per cigarette, which is equivalent to nine-tenths of a
8 cent per cigarette. This provision takes effect on July 1,
9 2007.

10 The bill provides that, for purposes of the fiscal year
11 beginning July 1, 2003, a community college shall, within 30
12 days of the effective date of this bill, deliver notice to the
13 director of the department of management which includes the
14 amount the community college is eligible to receive from a
15 workforce training and economic development fund and the
16 amount the community college is requesting to receive.

17 With the exception of the increase on the cigarette excise
18 tax, the remainder of the bill takes effect upon enactment.

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