

Senate Study Bill 1321

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL
BY CO=CHAIRPERSON ZIEMAN)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to additional educational funding by increasing
2 the state regular program foundation base per pupil, by
3 modifying the community college operations levy, creating
4 local workforce and economic development funds for community
5 colleges, increasing the state cigarette tax, and including
6 effective and applicability date provisions.
7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
8 TLSB 3680XC 81
9 mg/gg/14

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1 1 Section 1. Section 257.1, subsection 2, unnumbered
1 2 paragraph 2, Code 2005, is amended to read as follows:
1 3 For the budget year commencing July 1, ~~1999~~ 2005, and for
1 4 each succeeding budget year the regular program foundation
1 5 base per pupil is ~~eighty-seven and five-tenths~~ eighty-nine and
1 6 eighty-five hundredths percent of the regular program state
1 7 cost per pupil. For the budget year commencing July 1, 1991,
1 8 and for each succeeding budget year the special education
1 9 support services foundation base is seventy-nine percent of
1 10 the special education support services state cost per pupil.
1 11 The combined foundation base is the sum of the regular program
1 12 foundation base and the special education support services
1 13 foundation base.

1 14 Sec. 2. Section 260C.17, Code 2005, is amended by striking
1 15 the section and inserting in lieu thereof the following:

1 16 260C.17 PREPARATION AND APPROVAL OF BUDGET == OPERATIONS
1 17 LEVY.

1 18 1. BUDGET APPROVAL. The board of directors of each merged
1 19 area shall prepare an annual budget designating the proposed
1 20 expenditures for operation of the community college. The
1 21 board shall further designate the amounts which are to be
1 22 raised by local taxation and the amounts which are to be
1 23 raised by other sources of revenue for the operation. The
1 24 budget of each merged area shall be submitted to the state
1 25 board no later than May 1 preceding the next fiscal year for
1 26 approval. The state board shall review the proposed budget
1 27 and shall, prior to June 1, either grant its approval or
1 28 return the budget without approval with the comments of the
1 29 state board attached to it. Any unapproved budget shall be
1 30 resubmitted to the state board for final approval.

1 31 2. BASE LEVEL. Upon approval of the budget by the state
1 32 board, the board of directors shall certify the amount to the
1 33 respective county auditors and the boards of supervisors
1 34 annually shall levy a tax of twenty and one-fourth cents per
1 35 thousand dollars of assessed value on taxable property in a
2 1 merged area for the operation of a community college.

2 2 3. OPTIONAL SUPPLEMENTAL AMOUNT. In addition to the
2 3 amount of the operations levy under subsection 2, the board of
2 4 directors of each community college may certify an additional
2 5 amount for levy by March 15 to the respective county auditors
2 6 for collection in the subsequent fiscal year, and the boards
2 7 of supervisors shall levy a tax on all taxable property in the
2 8 merged area for deposit in the local workforce and economic
2 9 development fund created in section 260C.18C. Subject to
2 10 subsection 4, the sum of the moneys collected by a community
2 11 college under this subsection shall not exceed the sum of
2 12 twenty percent of the following for the fiscal year beginning

2 13 July 1, 2006, forty percent of the following for the fiscal
2 14 year beginning July 1, 2007, sixty percent of the following
2 15 for the fiscal year beginning July 1, 2008, and eighty percent
2 16 of the following for fiscal years beginning on or after July
2 17 1, 2009:

2 18 a. The community college's budgeted employer contributions
2 19 under the Federal Insurance Contributions Act, as defined in
2 20 section 97C.2, for the fiscal year of collection.

2 21 b. The community college's budgeted employer contributions
2 22 to the community college's employees' retirement systems for
2 23 the fiscal year of collection.

2 24 c. The community college's budgeted utility costs for the
2 25 fiscal year of collection. As used in this paragraph,
2 26 "utility costs" includes the cost of electricity, water, waste
2 27 collection, fuel oil and gas for heating, heat, and air
2 28 conditioning expenditures. "Utility costs" does not include
2 29 telephone service, or gas used in laboratories and shops for
2 30 community college purposes.

2 31 d. The moneys the community college would receive from the
2 32 collection of a property tax of ten cents per thousand dollars
2 33 of assessed valuation for the fiscal year of collection.

2 34 Moneys collected under this subsection shall be deposited
2 35 in the community college's local workforce and economic
3 1 development fund.

3 2 4. LIMITATION.

3 3 a. Notwithstanding the amount calculated in subsection 3,
3 4 the sum of moneys collected by each community college under
3 5 subsection 3 for the fiscal year beginning July 1, 2009, and
3 6 succeeding fiscal years, shall not exceed the following, as
3 7 adjusted pursuant to paragraphs "b" and "c":

3 8 (1) For merged area one, two million two hundred fifty=
3 9 six thousand four hundred seventy-four dollars.

3 10 (2) For merged area two, one million six hundred eighty
3 11 thousand five hundred two dollars.

3 12 (3) For merged area three, one million eight hundred
3 13 ninety=six thousand four hundred seventy=two dollars.

3 14 (4) For merged area four, seven hundred sixty=seven
3 15 thousand three hundred thirty=seven dollars.

3 16 (5) For merged area five, two million one hundred seventy=
3 17 nine thousand three hundred ninety=eight dollars.

3 18 (6) For merged area six, one million seven hundred
3 19 seventy=eight thousand one hundred three dollars.

3 20 (7) For merged area seven, two million four hundred sixty=
3 21 six thousand two hundred thirty=nine dollars.

3 22 (8) For merged area nine, three million three hundred
3 23 seven thousand forty=nine dollars.

3 24 (9) For merged area ten, five million seven hundred three
3 25 thousand five hundred fifty=one dollars.

3 26 (10) For merged area eleven, six million three hundred
3 27 eighty=two thousand two hundred fifty=eight dollars.

3 28 (11) For merged area twelve, two million forty=one
3 29 thousand one hundred thirty dollars.

3 30 (12) For merged area thirteen, two million two hundred
3 31 forty=eight thousand five hundred eighty=nine dollars.

3 32 (13) For merged area fourteen, eight hundred thirty=six
3 33 thousand three hundred eighty dollars.

3 34 (14) For merged area fifteen, two million four hundred
3 35 eighty=four thousand three hundred sixty=seven dollars.

4 1 (15) For merged area sixteen, one million four hundred
4 2 seventy=five thousand four hundred twenty=eight dollars.

4 3 b. For the fiscal years beginning July 1, 2010, July 1,
4 4 2011, July 1, 2012, July 1, 2013, and July 1, 2014, the
4 5 maximum amounts specified in paragraph "a" shall be increased
4 6 by one and three=tenths percent each year.

4 7 c. For the fiscal year beginning July 1, 2015, and
4 8 succeeding fiscal years, the maximum amount which may be
4 9 collected by each community college shall not exceed the
4 10 maximum amount which could be collected pursuant to this
4 11 subsection for the fiscal year beginning July 1, 2014.

4 12 5. TAXES COLLECTED. Taxes collected pursuant to the levy
4 13 shall be paid by the respective county treasurers to the
4 14 treasurer of the merged area as provided in section 331.552,
4 15 subsection 29.

4 16 6. TWO=YEAR PLAN. Each community college shall do all of
4 17 the following:

4 18 a. Adopt a two=year local workforce and economic
4 19 development fund plan outlining the community college's
4 20 proposed use of moneys deposited into the fund under
4 21 subsection 3.

4 22 b. Update the two=year plan annually.

4 23 c. Prepare an annual progress report on the two=year

4 24 plan's implementation.

4 25 d. Annually submit the two-year plan and progress report
4 26 to the department of economic development in a manner
4 27 prescribed by rules adopted by the department pursuant to
4 28 chapter 17A.

4 29 Sec. 3. NEW SECTION. 260C.18C LOCAL WORKFORCE AND
4 30 ECONOMIC DEVELOPMENT FUND.

4 31 1. LOCAL WORKFORCE AND ECONOMIC DEVELOPMENT FUND. A local
4 32 workforce and economic development fund is created at each
4 33 community college. Moneys shall be deposited and expended
4 34 from the fund as provided in this section.

4 35 2. ALLOWABLE USE. Moneys deposited in the fund are at the
5 1 disposal of the community college to be spent only on the
5 2 following, provided that no more than fifteen percent of the
5 3 moneys deposited may be used as provided under paragraph "f"
5 4 and provided that seventy percent of the moneys used as
5 5 provided in paragraphs "a" through "e" shall be used on
5 6 projects in the areas of advanced manufacturing, information
5 7 technology and insurance, and life sciences which include the
5 8 areas of biotechnology, health care technology, and nursing
5 9 care technology:

5 10 a. Projects for which an agreement with the community
5 11 college and an employer within the community college's merged
5 12 area meet all of the requirements of the accelerated career
5 13 education program under chapter 260G.

5 14 b. Projects for which an agreement with the community
5 15 college and a business meet all the requirements of the Iowa
5 16 jobs training Act under chapter 260F. However, such projects
5 17 are not subject to the maximum advance or award limitations
5 18 contained in section 260F.6, subsection 2, or the allocation
5 19 limitations contained in section 260F.8, subsection 1.

5 20 c. For the development and implementation of career
5 21 academies that are designed to provide new career preparation
5 22 opportunities for high school students and that are formally
5 23 linked with postsecondary career and technical education
5 24 programs. For purposes of this section, "career academy"
5 25 means a program of study that combines a minimum of two years
5 26 of secondary education with an associate degree, or the
5 27 equivalent, career preparatory program in a nonduplicative,
5 28 sequential course of study that is standards-based, integrates
5 29 academic and technical instruction, utilizes work-based and
5 30 worksite learning where appropriate and available, utilizes an
5 31 individual career planning process with parent involvement,
5 32 and leads to an associate degree or postsecondary diploma or
5 33 certificate in a career field that prepares an individual for
5 34 entry and advancement in a high-skill and rewarding career
5 35 field and further education. The department of economic
6 1 development, in conjunction with the state board of education
6 2 and the division of community colleges and workforce
6 3 preparation of the department of education, shall adopt
6 4 administrative rules for the development and implementation of
6 5 such career academies pursuant to section 256.11, subsection
6 6 5, paragraph "h", section 260C.1, and Title II of Pub. L. No.
6 7 105=332, the Carl D. Perkins Vocational and Technical
6 8 Education Act of 1998.

6 9 d. Programs and courses that provide vocational and
6 10 technical training and programs for in-service training and
6 11 retraining of workers under section 260C.1, subsections 2 and
6 12 3.

6 13 e. Job retention projects under section 260F.9.

6 14 f. Student support services, including but not limited to:

6 15 (1) Student counseling, including personal counseling,
6 16 academic counseling, behavioral counseling, and career
6 17 counseling.

6 18 (2) Support groups for high-need students.

6 19 (3) Student mentoring.

6 20 (4) Orientation to college classes taught in high school
6 21 which include career planning.

6 22 (5) Back-to-college training for nontraditional students.

6 23 (6) Utilization of software for assessing the students'
6 24 work interests, listing current job openings, and projecting
6 25 future job openings in the state of Iowa to assist students in
6 26 planning their careers.

6 27 Sec. 4. Section 260G.3, subsection 2, paragraph e, Code
6 28 2005, is amended to read as follows:

6 29 e. Moneys from a local workforce ~~training~~ and economic
6 30 development fund created in section ~~260C.18A~~ 260C.18C, based
6 31 on the number of program job positions agreed to by the
6 32 employer to be available under the agreement, the amount of
6 33 which shall be calculated in the same manner as the program
6 34 job credits provided for in section 260G.4A.

6 35 Sec. 5. Section 453A.6, subsection 1, Code 2005, is
7 1 amended to read as follows:

7 2 1. There is imposed, and shall be collected and paid to
7 3 the department, ~~the following taxes a tax~~ on all cigarettes
7 4 used or otherwise disposed of in this state for any purpose
7 5 whatsoever+.

~~7 6 CLASS A. On cigarettes weighing not more than three pounds
7 7 per thousand, eighteen mills on each such cigarette.~~

~~7 8 CLASS B. On cigarettes weighing more than three pounds per
7 9 thousand, eighteen mills on each such equal to three and six=
7 10 tenths cents on each cigarette.~~

7 11 Sec. 6. Section 453A.6, Code 2005, is amended by adding
7 12 the following new subsection:

7 13 NEW SUBSECTION. 5A. Cigarettes shall be sold in packages
7 14 of twenty or more.

7 15 Sec. 7. Section 260C.18A, Code 2005, is repealed.

7 16 Sec. 8. EFFECTIVE AND APPLICABILITY DATES.

7 17 1. The section of this Act amending section 257.1, being
7 18 deemed of immediate importance, takes effect upon enactment
7 19 and applies to school budget years beginning on or after July
7 20 1, 2005.

7 21 2. The sections of this Act amending sections 260C.17 and
7 22 260G.3, and enacting section 260C.18C, take effect January 1,
7 23 2006, and are applicable to school budget years beginning on
7 24 or after July 1, 2006.

7 25 3. The section of this Act repealing section 260C.18A
7 26 takes effect July 1, 2006.

7 27 4. The sections of this Act amending section 453A.6, being
7 28 deemed of immediate importance, take effect on the first day
7 29 of the month that begins following enactment of this Act.

7 30 EXPLANATION

7 31 This bill increases the regular program foundation base per
7 32 pupil from 87.5 percent to 89.85 percent of the regular
7 33 program state cost per pupil. This change takes effect for
7 34 school budget years beginning on or after July 1, 2005.

7 35 The bill modifies the community college operations levy to
8 1 provide for an optional supplemental amount above the base
8 2 levy of 20.25 cents per \$1,000. The additional amount for
8 3 levy shall be certified by the board of directors of each
8 4 community college by March 15 for collection in the subsequent
8 5 fiscal year, and shall not exceed a specified percentage of
8 6 the sum of designated community college employee-related
8 7 contributions, utility costs, and projected revenues. The
8 8 percentages correspond to 20 percent for the fiscal year
8 9 beginning July 1, 2006, 40 percent for the fiscal year
8 10 beginning July 1, 2007, 60 percent for the fiscal year
8 11 beginning July 1, 2008, and 80 percent for fiscal years
8 12 beginning on or after July 1, 2009. The bill applies these
8 13 percentages, for the given fiscal year of collection, to the
8 14 sum of a community college's budgeted employer contributions
8 15 under the federal Insurance Contributions Act, a community
8 16 college's budgeted employer contributions to employees'
8 17 retirement systems, a community college's budgeted utility
8 18 costs, as defined in the bill, and moneys a community college
8 19 would receive from the collection of a property tax of 10
8 20 cents per \$1,000 of assessed valuation for the fiscal year of
8 21 collection. The bill provides that the amount collected for
8 22 the fiscal year beginning July 1, 2009, and succeeding fiscal
8 23 years, shall not exceed a specified dollar figure for each
8 24 community college merged area, increased by a percentage of
8 25 1.3 percent for the fiscal years beginning July 1 of 2010,
8 26 2011, 2012, 2013, and 2014. The bill provides that for the
8 27 fiscal year beginning July 1, 2015, and succeeding fiscal
8 28 years, the maximum amount which may be collected by each
8 29 community college shall not exceed the maximum amount which
8 30 could be collected for the fiscal year beginning July 1, 2014.

8 31 The bill provides for the establishment of a local
8 32 workforce and economic development fund. Authorized
8 33 expenditures from the fund include projects in which an
8 34 agreement with the community college and an employer within
8 35 the community college's merged area meets all of the
9 1 requirements of the accelerated career education program under
9 2 Code chapter 260G and projects in which an agreement with the
9 3 community college and a business meets all the requirements of
9 4 the Iowa jobs training Act under Code chapter 260F with stated
9 5 exemptions from advance, award, and allocation limitations.
9 6 The bill provides that revenue may also be expended for the
9 7 development and implementation of career academies, as defined
9 8 in the bill, designed to provide new career preparation
9 9 opportunities for high school students that are formally
9 10 linked with postsecondary career and technical education

9 11 programs; for programs and courses that provide vocational and
9 12 technical training and programs for in-service training and
9 13 retraining under Code section 260C.1, subsections 2 and 3; for
9 14 job retention projects under Code section 260F.9; and for
9 15 student support services, as defined in the bill. The bill
9 16 provides that no more than 15 percent of the revenue deposited
9 17 in the fund may be expended for student support services, and
9 18 that 70 percent of the revenue allocated for all other
9 19 authorized purposes shall be used on projects in the areas of
9 20 advanced manufacturing, information technology and insurance,
9 21 and life sciences.

9 22 The community college levy provisions take effect January
9 23 1, 2006, and are applicable for the school budget years
9 24 beginning on or after July 1, 2006.

9 25 The bill also increases the tax on cigarettes from 36 cents
9 26 on a pack of 20 to 72 cents on a pack of 20. The bill also
9 27 requires cigarettes to be sold in packages of 20 or more.
9 28 These provisions take effect on the first day of the month
9 29 that begins following enactment of the bill.

9 30 Code section 260C.18A is repealed, which is similar to the
9 31 new Code section 260C.18C in the bill that deals with use of
9 32 moneys in the local workforce and economic development fund.
9 33 The repeal takes effect July 1, 2006.

9 34 The bill contains effective and applicability date
9 35 provisions.

10 1 LSB 3680XC 81

10 2 mg:rj/gg/14