An overview is provided of the organization, history, governance, finances, programs, and enrollment of the merged area schools in Iowa, a statewide system of 15 public two-year postsecondary educational institutions. The first section describes the state's two-year college system and its legislatively mandated mission. The next section reviews the 70-year history of the area schools, focusing on legislative influences, enrollment trends, fiscal considerations, changes in mission, and cooperative and economic development activities. After examining the governance structure of the system and outlining the role and responsibilities of the local boards of directors and the State Board of Education, the report offers information on the four major sources of revenue for the system: tuition and fees, local taxes, state general aid, and reimbursement programs. In addition, expenditures by function and category are reviewed for fiscal year 1987, and the new foundation formula for funding area colleges is explained. The next section looks at the comprehensive curricula offered by the colleges in the areas of adult basic education and high school completion courses, continuing and general education courses, supplementary vocational courses, college-parallel arts and sciences courses, preparatory vocational programs, special needs programs, customized training programs, programs for secondary school students, avocational and recreational courses, and programs for institutionalized individuals. This section also reviews the degrees and awards offered by the colleges. The final section offers a breakdown of enrollments in area colleges, reported as headcounts and full-time equivalents. (EJV)
IOWA SYSTEM OF MERGED
AREA SCHOOLS*

Charles Moench
Chief - Bureau of Area Schools
Iowa Department of Education

April, 1988

*Updated copy of paper initially prepared in 1987 as the Iowa Narrative. Information for National State Community College Systems Information Project.
IOWA SYSTEM OF MERGED AREA SCHOOLS*

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DESCRIPTION OF SYSTEM

The merged area schools in Iowa that are authorized by Chapter 280A, Iowa Code, constitute a state-wide system of public two-year post-secondary educational institutions that are popularly referred to as "Area Colleges". Each of the fifteen area colleges serve a multi-county merged area and all counties in the State are now included in these merged areas. Thirteen of the area colleges are organized as area community colleges and two are organized as area vocational schools. One of the thirteen area community colleges (merged Area IV) is approved to offer limited arts and science programs operated through the adult education programming within the institution.

The statement of policy describing the educational opportunities and services to be provided by area colleges is included in Section 280A.1, Iowa Code. This statement of policy identifies the following eleven items but does not limit the area colleges to these eleven.

1. The first two years of college work including preprofessional education.
2. Vocational and technical training.
3. Programs for in-service training and retraining of workers.
4. Programs for high school completion for students of post-high school age.
5. Programs for all students of high school age who may best serve themselves by enrolling for vocational and technical training while also enrolled in a local high school, public or private.
6. Programs for students of high school age to provide advanced college placement courses not taught at a student's high school while the student is also enrolled in the high school.
7. Student personnel services.
8. Community Services
9. Vocational education for persons who have academic, socioeconomic, or other handicaps which prevent succeeding in regular vocational education programs.
10. Training, retraining, and all necessary preparation for active employment of all citizens.
11. Vocational and technical training for persons who are not enrolled in a high school and who have not completed high school.

*Updated copy of paper initially prepared in 1987 as the Iowa Narrative. Information for National State Community College Systems Information Project.
HISTORY OF SYSTEM

The first two-year post-secondary educational institution in Iowa was established in the Mason City schools in 1918. At the time this junior college was organized there was no law authorizing this type of educational program. The Mason City Junior College was accredited by the North Central Association of Colleges and Schools during the following year.

Additional public junior colleges were organized beginning in 1920 and the movement spread rapidly, and, by 1920, at least 32 towns and cities in Iowa had organized public junior colleges as a part of their public school systems. The Iowa public junior college movement reached its crest in 1927 when nine public junior colleges were organized. After the year 1930, no public junior colleges were organized until 1946, when Clinton Junior College was founded.

In 1927, the 42nd General Assembly passed the first laws authorizing the establishment of public junior colleges. The law permitted the establishment of schools of higher order than an approved four-year high school course. The schools had to be duly authorized by the voters and approved by the State Superintendent of Public Instruction. Such schools were able to include post-secondary courses of one or two years. The State Superintendent was authorized to prepare standards and provide adequate inspection of these junior colleges.

In 1931, the 44th General Assembly approved the first restriction to the development of public junior colleges. This legislation prohibited the establishment of a public junior college in any school district having a population of less than 20,000. The 49th General Assembly in 1941 reduced the population requirement to 5,000.

In anticipation of the difficulty junior colleges might have in the depression years of the 1930's, the 45th General Assembly in 1933 passed legislation which provided that nothing in the Iowa Code could prohibit a school board from temporarily discontinuing a junior college and then opening it again at a later date. The expected enrollment decline did not materialize; enrollments actually increased during these years.

In 1949, the 53rd General Assembly established the concept of school aid to junior colleges by approving the payment of twenty-five cents per day of attendance for each student enrolled for 12 or more semester hours. In 1957, the 57th General Assembly increased the amount to $1.00 per day. The 59th General Assembly in 1961 increased state aid to $2.25 per day for non-residents.

Between the years 1918 and 1953, 35 different public junior colleges were established through the operation of public school districts. Some of these colleges closed, although ten of the closed colleges later reopened. The enrollment trend steadily increased over the years with the exception of World War II years. During the 1955-66 decade, which immediately preceded the initiation of area colleges, enrollment almost quadrupled. By 1965, sixteen public junior colleges were operating in Iowa and the total enrollment during the fall semester of the 1965-66 school year was 9,110. The colleges, operated by local public school
districts, were administered by a dean who reported directly to the local superintendent. The colleges offered college parallel programs equivalent to the first two years of the baccalaureate degree program and a limited number of occupational programs and adult education opportunities.

The sixteen public junior colleges operating during 1965 were located for the most part in small communities, which curtailed the tax base and the bonding capacity for the support of the colleges. According to the 1960 census, not one of these junior colleges was located in any of the seven most populous counties in the State.

The public junior colleges were confronted with several problems. They were an expansion of a local school district curriculum and, as a result, many of their activities were entwined with those of a local school; many, if not all, of the staff held dual teaching assignments. Separate facilities for the public junior colleges were usually not available, and the local board of directors ordinarily gave the major part of its attention to the elementary and secondary education programs.

In 1958 Congress initiated a development parallel with the public junior college movement. Title VIII of the National Defense Education Act (NDEA) made federal funds available to states on a matching basis to develop area vocational programs. To implement this legislation, the State Board of Public Instruction modified the State vocational education plan to make local school districts and Iowa State University eligible to operate as "area schools". In 1961, the 59th General Assembly increased the availability of vocational programs in area vocational-technical schools. This legislation included a specific allocation of funds to develop area vocational programs under NDEA's Title VIII, a designation of "area vocational-technical high school's", and the authorization for tuition students to attend these schools and programs.

The State Board of Public Instruction eventually designated a total of 15 schools as "area vocational-technical high schools". These schools were also designated as "area Schools" for the purposes of Title VIII. They were also used to initiate programming for the Manpower Development and Training Act. A total of 1,816 full-time day students enrolled in post-secondary vocational programs for the 1965-66 school year; the majority entered programs administered by agencies operating the area vocational-technical high schools or programs.

Even though public junior colleges and area vocational-technical high schools offered college parallel and preparatory vocational education programs, enrollment opportunities were limited for most Iowans. These limitations had long been recognized and, in 1959, the 58th General Assembly appropriated $25,000 to the Iowa Legislative Research Bureau to make a policy study of the needs of higher education in Iowa. This small appropriation limited considerably the depth of the study.

The Legislative Research Bureau employed Raymond C. Gibson, Professor of Higher Education at Indiana University, to direct the project. Gibson submitted a four volume report and summary to the 59th General Assembly. The volume on junior colleges recommended that the General Assembly authorize the establishment of regional community colleges where there would be 500 students. It also recommended that the State pay at least half the cost of building and operating the colleges.
The report did not provide recommended enabling legislation, but it did provide encouragement for the General Assembly to direct the Department of Public Instruction to conduct the two-year study on a Statewide plan for the development of public area community colleges. As a result of Gibson's study the General Assembly directed the Department of Public Instruction to conduct a two-year study on a statewide plan for the development of public area community colleges and further indicated that the study should also investigate the availability of vocational and technical education in Iowa high schools and provide recommendations for improving this education.

The Department of Public Instruction submitted its report, Education Beyond High School Age: The Community College, to the General Assembly in December, 1962. The report made recommendations and proposed enabling legislation. It recommended restructuring the county educational system and forming sixteen area education districts with boundaries of these districts drawn along existing school district lines. The districts, operating at an intermediate level of administration, would provide complementary programs and services to the local school districts. The area districts would also serve as a legal structure through which a statewide system of area colleges could be developed.

Each of the proposed area education districts was identified and defined around minimum criteria intended to insure enough human and financial potential to adequately offer programs of both intermediate and community college education. These criteria are summarized as follows:

1. Recognition was taken of the cultural, social, and economic community characteristics existing in an area or region.

2. The area must have the capability of establishing a single administrative structure for its public area community college with an attendance center or centers located so as to be within one-hour’s driving time of the majority of the students to be served.

3. The area needed to possess a minimum assessed taxable valuation of $150,000,000.

4. A minimum area school enrollment of 5000 public, private, and parochial students in grades 9 through 12 was required.

The 60th General Assembly, in 1963, took no action on the report. However, an interim legislative committee studied the problems of providing adequate programs of vocational education during the two-year period between sessions. This committee arrived at the conclusion that it would be appropriate to put vocational and two-year college education together in a single comprehensive system. Staff of the Department of Public Instruction, working closely with various groups throughout the State, arrived at conclusions similar to those of the interim committee. Passage of the Vocational Education Act of 1963 added additional impetus to this planning.
After receiving the interim committee's report in 1964, the 61st General Assembly in 1965 approved Senate File 550 permitting the development of a statewide system of two-year post-secondary educational institutions identified as merged area schools. Senate File 550 became Chapter 280A, Iowa Code. It specified that: the Department of Public Instruction was to direct the operation of the development of merged area schools; the merged area schools were to be organized by merged areas which included two or more counties; the county boards of education were to plan for the merger of county school systems or parts thereof, provided that no local school district be part of more than one merged area; each merged area would have minimum of 4,000 public and private pupils in grades nine through twelve; and merged areas were authorized to develop merged area schools as either area community colleges or area vocational schools. In addition, the legislation limited the number of merged area schools to no more than 20 and this number was reduced in 1967 to no more than 17.

Senate File 550 did not provide for the creation of an intermediate level of administration to provide complementary programs and services to the local school districts. It wasn't until 1974 that the General Assembly approved a bill to eliminate the county school districts and replace them with fifteen area education agencies.

The legislation provided for fiscal support for the area colleges through a combination of student tuitions, federal, state, and local funds. These resources included a local three quarter mil levy on the property within the merged area for operational purposes and an additional three quarter mil levy for the purchase of sites and construction of buildings. The levy for sites and construction required approval by a majority of those voting in the merged area and was initially available for a period not to exceed five years; later changed to ten years. State general aid was distributed to area colleges on the basis of $2.25 per day for the average daily enrollment of full-time students and the full-time equivalent of part-time students who were residents of Iowa. The 63rd General Assembly changed this formula in 1969 to provide for the payment of state aid equal to the full-time equivalent enrollment determined on the basis of actual contact hours of instruction. The individual area colleges were provided authority to establish tuition rates except that tuition was not to exceed the lowest tuition rate charged by the three State universities. In addition, tuition for non-residents was established at not less than 150 percent and not more than 200 percent of the tuition for residents.

The legislation approved in 1965 was rather enthusiastically accepted. The Department of Public Instruction received the first plan for an area college on July 5, 1965, one day after the legislation was effective. Plans from the other area colleges followed in quick succession. Fourteen area colleges were approved and organized in 1966 and a 15th in January, 1967. Substantially all of 92 counties were included in the 15 area colleges as initially approved. Fourteen of these area colleges began operation during the 1966-67 school year. The remaining seven counties also joined the merged areas in subsequent years with the last merger taking place in the spring of 1971.
At the present time nine of the area colleges are operated as multi-campus institutions and the 15 area colleges operate a total of 28 major campuses. In addition, the area colleges operate courses and programs at many additional sites throughout the merged areas, frequently in conjunction with local school districts and other agencies.

Two area colleges developed educational services contracts with independent colleges during the 1978-79 school year that later led to merger agreements. These merger agreements became effective during the 1979 fall term when Palmer Junior College merged with Eastern Iowa Community College District and Ottumwa Heights College merged with Indian Hills Community College. Both of these mergers were assisted by appropriations from the General Assembly.

Six of the area colleges have reciprocity agreements with institutions in adjacent states and the area colleges also have educational services contracts with other public and private educational institutions within the state.

Each of the area colleges cooperates with local school districts within the merged areas to identify and to offer needed programs for students from the local districts.

Area colleges have also been very actively involved in economic development activities within the State. Each of the area colleges offers customized training programs for business and industry. The area colleges also have the responsibility for operating the Iowa Industrial New Jobs Training Program. This program provides customized training for industries that are employing new workers and is funded through a rather innovative funding system that is funded through resources derived from certificates that are later repaid from a part of the withholding tax from wages of new employees and from incremental property taxes. In addition to these types of economic development activities, eight of the area colleges also serve as administrative entities for the service delivery areas of the federal Job Training Partnership Act and several have initiated plans for incubator centers that will support small and emerging businesses to improve their chances for success.

GOVERNANCE

The area colleges are governed by a local board of directors elected from director districts of equal population within the merged area. The local boards of education for area colleges vary from five to nine members. The length of the term of a board member is three years.

The local boards have the responsibility for the operation of the area college and develop and enforce the local policies and rules, not inconsistent with State law and administrative rules, for the governance of the administration, teachers, other personnel, and the students of the college. The local board has the responsibility for determining the curriculum to be offered and appoints the superintendent of the area college. The local board has the responsibility for the day to day operation of the local area college.
At the State level, the regulation and coordination of area colleges is the responsibility of the State Board of Education and the State Department of Education. The State Board of Education is a nine-member board appointed by the governor subject to confirmation by the senate. Not more than five members of the State Board may be of the same political party. The members of the State Board hold no other elective or appointive State office, and in order to preserve the lay character of the board, no person, the major portion of whose time is engaged in professional education or who derives a major portion of the person's income from any business activity connected with education, is eligible for membership on the State Board. The members of the State Board must include at least one member who has substantial knowledge related to vocational and technical training and at least one member who has substantial knowledge related to area colleges. The terms of the members of the State Board are six years in length.

The State Board is required to hold at least six regular meetings each year. Ordinarily, the board will meet monthly.

The State Board of Education also serves as the State Board for Vocational Rehabilitation, the State Board for Vocational Education, and the State Board of Educational Examiners. The board also has the responsibility for the regulation and coordination of elementary and secondary education school districts, the intermediate area education agencies that provide services to local school districts, and the operation of vocational rehabilitation services statewide.

The State Board has broad general powers and duties such as the adoption of policies for programs and services of the department pursuant to law, the adoption of necessary rules for carrying out the responsibilities of the department appeals aggrieved by decisions of boards of directors of school corporations, development of plans for restructuring school districts, area education agencies and area colleges, and the updating annually of a five-year plan for the achievement of educational goals.

The State Board has specific responsibilities for the approval of area college instructional programs, the approval of college budgets, and the joint approval procedure for area colleges that is conducted in conjunction with the State Board of Regents (the governing board of the three state universities and the Iowa School for the Deaf and the Iowa Braille and Sight Saving School).

The chief executive officer of the Department of Education is the State Director of Education. The director is appointed by the governor subject to confirmation by the senate and has broad responsibilities for the supervision of the educational agencies regulated and coordinated by the State Department of Education. The director has specific responsibilities relative to area colleges that include approval of changes in boundaries, the administration of the allocation and disbursement of federal and state funds for acquiring sites and constructing facilities, the administration of the allocation and disbursement of federal and state funds for operating costs of area colleges, the approval of sites and buildings, the approval of a uniform system of accounting, and the approval of lease agreements. The director appoints the staff of the Department of Education including staff in the Bureau of Area Schools.
The Bureau of Area Schools is the unit within the Department of Education that has the major role in implementing the responsibilities of the Department of Education relative to area colleges. These responsibilities include the administration of state and federal funds for area colleges, the approval of instructional programs, the review of area college budgets, coordination of road construction projects with the Department of Transportation, administration of the state approval process of area colleges, and the responsibility for such other activities and services that may be delegated to the Department relative to area colleges.

FISCAL

The unrestricted portion of the general operating fund of the area colleges has four major resources of revenue. These four major resources are tuition and fees, local tax, state general aid, and reimbursement programs.

Tuition and fees for each area college are determined locally by the board of directors. The Iowa code requires that the tuition charged by an area college may not be more than the lowest tuition charged by one of the three state universities and that the tuition for non-resident students be at least 150 percent to no more than 200 percent of the tuition charged resident students. During the current year, tuitions at area colleges range from a low of $810 to a high of $1020 for a school year of either two semesters or three quarters. The average tuition of the 15 area colleges is $937.

Each area college is authorized to levy a local tax for the general operating fund of 20.25 cents per thousand dollars of assessed value. In addition, each area college is also authorized to levy an additional tax of three cents for equipment replacement. Area colleges may also levy for the actual costs of tort liability and unemployment compensation.

The single largest source of revenue for the general operating fund of the area colleges is state general aid. In past years, state general aid has been appropriated on a line item basis which was essentially an incremental appropriation based on various funding procedures that frequently changed and lacked consistency. The appropriation request to the General Assembly was usually not funded in full and, consequently, the final line item appropriation usually was an amount equal to the amount appropriated in the preceding year plus an additional amount for allowable growth. Beginning with the 1988 fiscal year, area colleges were funded through an enrollment driven foundation formula.

The two most significant reimbursement programs for the area colleges are the state and federal vocational funds and the federal adult education funds. In Iowa, all of the federal adult education funds are allocated to area colleges. The area colleges also receive a substantial amount of the federal vocational funds made available through a grant to the State of Iowa (61.7% of the federal vocational allocation for fiscal year 1987). State vocational education funds were allocated to area colleges until fiscal year 1988 when these funds were "folded" into the state aid received from the foundation formula.
The following chart identifies the sources of revenue for the unrestricted portion of the general operating fund of area colleges both in total and percent for fiscal year 1987.

<table>
<thead>
<tr>
<th>Revenue Sources</th>
<th>Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Fees</td>
<td>$4,337,484</td>
<td>2.99%</td>
</tr>
<tr>
<td>Tuition</td>
<td>$39,896,932</td>
<td>27.61%</td>
</tr>
<tr>
<td>Local Support</td>
<td>$15,796,696</td>
<td>10.93%</td>
</tr>
<tr>
<td>State General Aid</td>
<td>$59,364,009</td>
<td>41.08%</td>
</tr>
<tr>
<td>State Vocational Aid</td>
<td>$7,935,004</td>
<td>5.49%</td>
</tr>
<tr>
<td>State Capital Outlay</td>
<td>$80,000</td>
<td>0.06%</td>
</tr>
<tr>
<td>State Aid, Other</td>
<td>$1,572,815</td>
<td>1.09%</td>
</tr>
<tr>
<td>Federal Vocational Aid</td>
<td>$3,275,646</td>
<td>2.27%</td>
</tr>
<tr>
<td>Federal Special Needs Aid</td>
<td>$1,931,301</td>
<td>1.34%</td>
</tr>
<tr>
<td>Other Federal Funds</td>
<td>$2,635,518</td>
<td>1.81%</td>
</tr>
<tr>
<td>Sales and Service</td>
<td>$2,226,236</td>
<td>1.53%</td>
</tr>
<tr>
<td>Other Income</td>
<td>$5,517,560</td>
<td>3.81%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$144,569,202</td>
<td>100.01%</td>
</tr>
<tr>
<td>Use of Fund Balance</td>
<td>&lt;56.261&gt;</td>
<td>-0.04%</td>
</tr>
<tr>
<td><strong>Grand Total Revenue</strong></td>
<td>$144,512,941</td>
<td>99.97%</td>
</tr>
</tbody>
</table>

In addition to the revenue identified for the unrestricted portion of the general operating fund, there is additional revenue received in the restricted portion of the general fund. The restricted portion of the general fund includes revenue for programs that is restricted to certain activities and services. The largest single source of revenue in this portion of the general operating fund is the revenue to repay the certificates that are sold for support of customized training programs for the training of new employees. The total amount of revenue in fiscal year 1987 for the restricted portion of the general operating fund was $24,091,085, after use of the fund balance.

The following chart identifies the expenditures by function of area colleges for the unrestricted portion of the general operating fund for fiscal year 1987.

<table>
<thead>
<tr>
<th>Expenditures by Function</th>
<th>Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liberal Arts and Sciences</td>
<td>$23,393,126</td>
<td>16.30%</td>
</tr>
<tr>
<td>Vocational Technical</td>
<td>$50,079,472</td>
<td>34.89%</td>
</tr>
<tr>
<td>Adult Education</td>
<td>$16,268,825</td>
<td>11.33%</td>
</tr>
<tr>
<td>Cooperative Programs/Services</td>
<td>$2,177,820</td>
<td>1.52%</td>
</tr>
<tr>
<td>Administration</td>
<td>$8,499,667</td>
<td>5.99%</td>
</tr>
<tr>
<td>Student Services</td>
<td>$10,291,960</td>
<td>7.17%</td>
</tr>
<tr>
<td>Learning Resources</td>
<td>$5,054,307</td>
<td>3.52%</td>
</tr>
<tr>
<td>Physical Plant</td>
<td>$16,511,238</td>
<td>11.50%</td>
</tr>
<tr>
<td>General Institution</td>
<td>$11,277,089</td>
<td>7.86%</td>
</tr>
<tr>
<td><strong>Total Disbursements</strong></td>
<td>$143,553,504</td>
<td>100.01%</td>
</tr>
</tbody>
</table>
The major categories of expenditures for fiscal year 1987 for the unrestricted portion of the General Operating fund is identified in the following chart.

<table>
<thead>
<tr>
<th>Expenditures by Category</th>
<th>Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$106,854,709</td>
<td>74.44%</td>
</tr>
<tr>
<td>Services</td>
<td>$22,187,133</td>
<td>15.46%</td>
</tr>
<tr>
<td>Materials, Supplies &amp; Travel</td>
<td>$8,742,540</td>
<td>6.11%</td>
</tr>
<tr>
<td>Current Expenses</td>
<td>$2,092,764</td>
<td>1.46%</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>$3,676,359</td>
<td>2.55%</td>
</tr>
<tr>
<td><strong>Total Disbursements</strong></td>
<td>$143,553,505</td>
<td>100.02%</td>
</tr>
</tbody>
</table>

Area colleges may levy for as long as ten years for the plant fund an additional 20.25 cents per thousand dollars of assessed value with the consent of a majority of the electorate voting. These funds may be used for acquisition of sites and buildings. There is also authorization for area colleges to use bonding for the plant fund if the bonding proposal is approved by sixty percent of the electorate voting. Two area colleges (merged areas XIV and XV) have approved bond issues.

The 1986 session of the General Assembly approved a new foundation formula for funding area colleges. This foundation formula is now included in chapter 286A of the Iowa Code. The basic concepts in the foundation formula include the following:

The foundation formula is enrollment driven on the basis of contact hours of instruction.

The foundation formula is driven by a three-year rolling average of contact hours eligible for state general aid.

The base year or foundation year for the formula is fiscal year 1986.

The base cost for the instructional cost centers is the state average cost of programs less capital outlay during fiscal year 1986. (These base costs are then reduced to 65% of costs since the state foundation support level is 65%.)

The foundation level is 65 percent of program costs except for the two smallest area colleges that have 70 percent support level.

The 65 percent foundation level is supported by state general aid and the local 20.25 cent tax for the general operating fund.

The foundation formula has five instructional cost centers which include:

- Adult Basic Education/High School Completion
- Vocational Supplementary Programs
- Continuing and General Education Programs
- Arts and Sciences Programs
The allowable support for each instructional cost center is determined by multiplying an amount equal to 65% of the direct cost of the instructional cost by the three year rolling average of contact hours eligible for state general aid.

The foundation formula also includes the following four indirect functions:

- General Institutional Services
- Physical Plant which is divided into maintenance and utilities
- Library

The four indirect functions are supported at the 65 percent level.

The amount allowable in the general institutional function is 13.96 percent of the total institutional costs reduced to the 65 percent level.

The amount allowable in the student service function is determined by multiplying the contact hours eligible for state general aid by 65 percent of the state average cost of the student services function.

The amount allowable in the physical plant function is determined on the basis of square feet for maintenance and cubic feet for utilities. The state average costs for maintenance and utilities, adjusted to 65 percent of cost, are multiplied by the number of square feet and cubic feet respectively to arrive at the allowable amount for each area college.

The amount allowable in the library function is equal to 3.33 percent of the allowable support level of the five instructional cost centers and the three indirect functions of general institutional, student services, and physical plant.

An additional adjustment of five (5) percent is also allowed for small colleges of less than one million contact hours and for the three colleges that have approved public radio stations.

The allowable growth for the foundation formula in future fiscal years is identified as the same allowable growth for the foundation formula for the local school districts. (Chapter 442, Iowa Code).

The new foundation formula was first funded during fiscal year 1988. The formula is intended to provide a 65 percent level of state and local support for the state average costs less capital outlay expenditures for both the five instructional cost centers and the four indirect functions. The remaining funds to support the general operating fund are anticipated to come from tuition and fees, federal reimbursement programs, and miscellaneous sources of revenue.
Area colleges offer a very comprehensive curriculum. Thirteen of the area colleges are approved as area community colleges and two are approved as area vocational schools. The major difference between the curriculum offered by the area community colleges and the area vocational schools is the omission of the arts and science (college parallel) courses and programs for the two area vocational schools. One of the area community colleges has a limited community college approval which simply means that it is not authorized to establish a separate division of arts and sciences courses but, instead, is approved to offer through the adult programming a limited number of arts and sciences courses in response to local needs. (A change in the status of this area college to "full community college status" was approved at the February 1988 State Board of Education meeting but this approval may be changed by action now being considered by the General Assembly.)

The State Board of Education has the responsibility for approving courses and programs of instruction in area colleges. At the present time, State Board approval is requested for each of the preparatory career programs that prepare individuals for immediate entry level employment, the college parallel career option programs that prepare people for immediate entry level employment and that are also designed to be transferable to a baccalaureate degree program, the initiation of a new campus, and the change in status of an area vocational school to an area community college. The State Board at an earlier date provided approval for area colleges to offer courses as may be required in adult basic education, high school completion, supplementary career education which includes courses to upgrade the skills of employed individuals, and continuing and general education courses which include the avocational and recreational courses that are not eligible for state general aid.

The major instructional programs offered by the area colleges may be classified according to the following ten major categories of programs.

1. Adult basic education and high school completion courses that are intended to provide basic literacy skills for under-educated adults and the completion of high school either through preparation for the high school equivalency diploma examination or the completion of high school credit courses leading to the adult high school diploma.

2. Continuing and general education courses that are eligible for state general aid that are included in seven major categories of programming identified by the Department of Education.

3. Supplementary vocational courses that are designed to upgrade skills of employed individuals that also include the related education courses for apprenticeship programs.

4. The arts and sciences (college parallel) courses intended to transfer as the first two years of a baccalaureate degree program and the career option programs that provide immediate entry level employment skills as well as transfer options into baccalaureate degree programs.
5. Preparatory vocational programs that include the full-time programs that lead to entry level employment as well as the programs that are designed specifically for students to complete entry level employment preparation through part-time preparatory vocational programs and the short-term preparatory vocational programs that are 120 contact hours or more in length but less than a full term.

6. The special needs programs and services designed to assist disadvantaged and handicapped students that include programs and services funded from the special needs allocation of federal vocational education funds as well as support for specific functions such as sheltered workshops and assessment centers.

7. The customized training programs designed to prepare new employees for new and expanding industries. These programs are supported from various special state programs such as the Iowa Industrial New Jobs Training Act, and the Iowa Small Business New Jobs Training Act and federal vocational education funds.

8. Courses and programs that are offered for students in local secondary school districts. These programs include exploratory and preparatory vocational programs as well as courses in academic disciplines.

9. The avocational and recreational courses that are not eligible for state general aid.

10. Courses and programs for individuals who are institutionalized such as incarcerated persons and those residing in health care and custodial facilities.

All area colleges also offer a variety of community services that are structured to meet the needs of the local merged areas. Included in these services are the public radio stations that are operated by four area colleges in merged areas V, X, XII, and XIII.

The state is presently implementing a statewide system of educational telelinks. This narrowcast telecommunications system will utilize the area colleges as the local focal points for a system that will include circuits with the capacity for interactive capability that will permit both the instructor and the students at other sites to both be seen and be heard. Four area colleges, merged areas III, V, IX, and X, are currently operating portions of this system.

Area colleges are authorized to offer five degrees. These degrees are the associate in arts and the associate in science that are offered for students completing arts and sciences programs, the associate of applied arts and the associate of applied science degrees that are offered to graduates of the preparatory vocational programs and the associate in general studies degree which is a degree that can be used for recognizing completion of a specialized degree program which may incorporate courses from both the arts and sciences and the preparatory vocational programs. Area colleges are also authorized to offer diplomas which are usually offered for programs of one year or more in length that do not lead toward an associate degree and certificates for the other programs offered.
The associate in arts degree has a specific core requirement since this degree is articulated with the degrees offered by the three state universities and will transfer as the first two years of a baccalaureate degree program including completion of the undergraduate lower division general education requirement. The requirements for this degree are:

A minimum of 60 semester hours of courses designed and acceptable for transfer, with the understanding that 16 semester hours of vocational courses may be included.

A distribution of 40 semester hours within the following general divisions:

- communications - 8 semester hours
- humanities - 8 semester hours
- math and/or science - 8 semester hours
- social science - 8 semester hours
- distributive requirement - 8 semester hours taken from the above four divisions

The remaining 20 semester hours must be taken from arts and sciences electives designed and acceptable for transfer, with the understanding that 16 semester hours of vocational courses may be included.

A minimum cumulative grade point average of 2.0 on all courses acceptable for transfer.

Area colleges reported 14,417 students completing preparatory career and college parallel programs during fiscal year 1987. Included in this total were 644 students from secondary schools enrolled in jointly administered programs. The type and number of awards reported for fiscal year 1987 are identified in the following chart.

<table>
<thead>
<tr>
<th>Award</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Associate in Arts</td>
<td>2,040</td>
</tr>
<tr>
<td>Associate in Applied Arts</td>
<td>582</td>
</tr>
<tr>
<td>Associate in Applied Science</td>
<td>3,019</td>
</tr>
<tr>
<td>Associate in General Studies</td>
<td>66</td>
</tr>
<tr>
<td>Associate in Science</td>
<td>707</td>
</tr>
<tr>
<td>Certificates</td>
<td>2,954</td>
</tr>
<tr>
<td>Diplomas</td>
<td>3,149</td>
</tr>
<tr>
<td>Other Completions</td>
<td>2,100</td>
</tr>
<tr>
<td>TOTAL</td>
<td>14,417</td>
</tr>
</tbody>
</table>

**ENROLLMENT AND FULL-TIME EQUIVALENCE**

Enrollments in area colleges are reported as headcounts for individual terms as well as enrollments for the fiscal year that are reported both as head counts and full-time equivalent enrollments.

The full-time equivalent enrollment is determined from the following formula which was also the basis of a funding formula for area colleges in past years; a formula that was never fully implemented.
The "full-time equivalent enrollment" means the quotient of the total number of reimbursable hours carried by residents of the state attending a single area college, divided by 540, which represents 18 reimbursable hours per week for a period of 36 weeks.

"Reimbursable hour" means any of the following:

One contact hour of lecture in an approved course in arts and sciences or vocational-technical education.

Two contact hours of laboratory in an approved course in arts and sciences or vocational-technical education.

Two contact hours in an approved course in adult education that is eligible for state general aid, except that basic adult education, high school completion, and college credit courses that qualify as lecture courses will be reimbursed on a one contact hour basis. Courses dealing with recreation, hobbies, casual culture, or self-enjoyment subjects shall not be eligible for reimbursement.

This formula was used for reporting full-time equivalent enrollments since fiscal year 1972. The formula has now been deleted from the code but it is currently being used to identify full-time equivalent enrollments for the 1988 fiscal year. The formula may be changed in the future to develop a formula that is more compatible with the new foundation formula approved by the General Assembly.

Fall term enrollments in area colleges have increased from 12,419 in 1966 to 44,703 in 1997. The distribution of enrollments during the 1987 fall term include the following.

<table>
<thead>
<tr>
<th>Vocational Preparatory</th>
<th>Career Option</th>
<th>Arts and Sciences</th>
<th>Secondary Programs</th>
<th>Other</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>18,440</td>
<td>3,620</td>
<td>20,814</td>
<td>1,642</td>
<td>187</td>
<td>44,703</td>
</tr>
</tbody>
</table>

The 1987 fall term enrollment represents an increase of 2,313 over the enrollment of the previous fall term.

The full-time equivalent enrollment of area colleges increased from 11,134 in fiscal year 1967 to 53,026 in fiscal year 1987. The total full-time equivalency reported for fiscal year 1987 included a full-time headcount of 41,122 and a part-time headcount of 474,167. The part-time enrollment includes registrations and consequently is not an unduplicated head count. The full-time equivalency includes enrollments in the following major categories.

<table>
<thead>
<tr>
<th>Category</th>
<th>FTEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts and Sciences</td>
<td>15,902</td>
</tr>
<tr>
<td>Adult Basic Education and High School</td>
<td>6,780</td>
</tr>
<tr>
<td>Completion</td>
<td>982</td>
</tr>
<tr>
<td>Continuing and General</td>
<td>861</td>
</tr>
<tr>
<td>Cooperative Programs and Services</td>
<td>23,907</td>
</tr>
<tr>
<td>Vocational Preparatory</td>
<td>4,594</td>
</tr>
</tbody>
</table>
The continuing and general education category of enrollment also includes the avocational and recreational courses that are not eligible for state general aid and the cooperative programs and services category that includes both the programs administered for students in local school districts as well as the customized training programs to train new employees that are funded from the Iowa Industrial New Jobs Training Program and the Iowa Small Business New Jobs Training Program.

SOURCES OF ADDITIONAL INFORMATION

Additional information relative to the area colleges may be obtained by contacting the Bureau of Area Schools at the following address.

Bureau of Area Schools
Department of Education
Grimes State Office Building
Des Moines, Iowa 50319
(515) 251-3124