

# NORTHWEST TECHNICAL INSTITUTE

## Enabling Laws

Act 1390 of 2005

A.C.A. § 6-51-901 et seq.

## History and Organization

**History** - Northwest Vocational Technical School was established in 1975 and became Northwest Technical Institute through legislation enacted in 1991. During the 1999 legislative session NTI was authorized its own individual budget status providing more local control and flexibility in the budget process. NTI offers training in 15 programs: Adult Education (ABE/GED), Ammonia Refrigeration Maintenance Technology, Architectural Drafting Technology, Automotive Service Technology, Business, Computer Information Systems, Diesel & Truck Technology, Electronics Technology, Industry Maintenance Technology, Machine Tool Technology, Math & Communications, Practical Nursing, Surgical Technology, Truck Driving and Workforce Development.

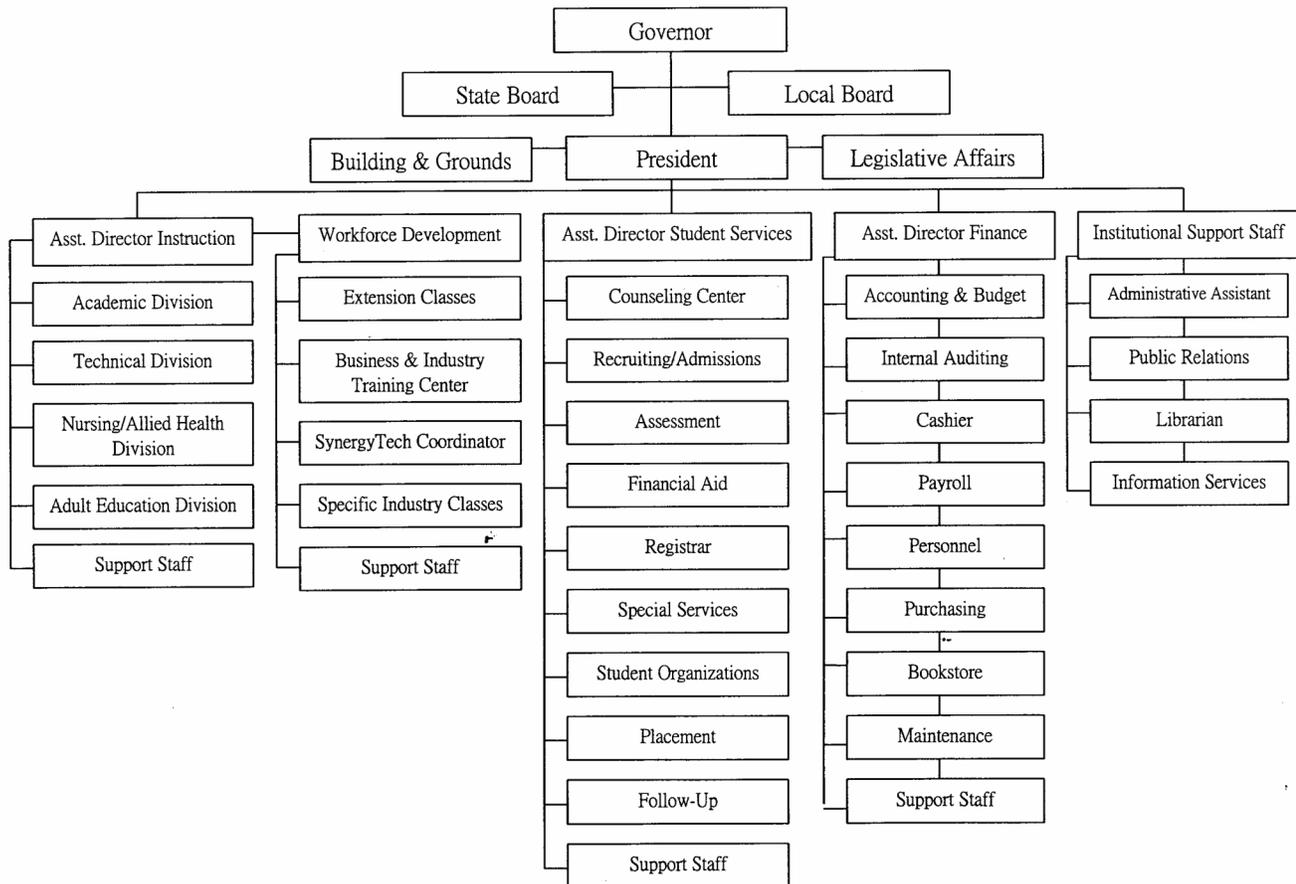
**Plant and Location** - Northwest Technical Institute is located in Springdale in Washington County, on Highway 265 in the Industrial Park area. The original building of 25,000 square feet was completed in 1975. Two additional expansions to the main building of 3,000 square feet and 8,147 square feet followed. Separate expansions followed including the GED building of 3,100 square feet, the Diesel building of 5,600 square feet, the Carpentry/Library building of 6,200 square feet and the Collegiate Center of 18,585 square feet. A Business & Industry Training facility and Ammonia Refrigeration Training building located on a ten-acre site dedicated to industry training are now completed and adds 9,332 sq. ft. to our instructional facilities. The buildings and contents have a total insured value of \$10,188,122 and consist of a total of 86,176 sq. ft. of floor space, including the maintenance shop, storage facilities, and mobile classrooms.

**Mission Statement** - "Changing lives through education, training, and skill development."

**Role** - Northwest Technical Institute has developed courses intended to strengthen basic, occupational, and technical skills necessary for adults to become economically self-sufficient and provide agriculture, business, health services, industry, and government with skilled employees to support their respective ventures. Most importantly, NTI exists so individuals may attain advancement or create a better life for themselves. In addition to diploma programs, training is available in Business & Industry Training (BIT) and extension classes. NTI is united in its commitment with business and industry, secondary and postsecondary educators, and regional employers to providing educational programs to serve the training/re-training needs of its students. NTI is a member of SynergyTech, an organization of approximately 25 business/industry entities dedicated to developing the existing workforce by coordinating and maximizing the training assets available in Northwest Arkansas. SynergyTech is housed in the Business & Industry Training Center on a 10 acre tract of land of the NTI campus dedicated specifically by the NTI Board of Directors for the development of business & industry training opportunities.

**Administration** - Dr. Charles Kelley currently serves as President for Northwest Technical Institute, a position he has held since 1988. He holds a B.S.B.A. degree in Accounting, an M.B.A. and Ed.D. in Higher Education Administration. Mike Hamley serves as the Director of Finance and holds a B.S. in Accounting. Dr. George Burch is Director of Instruction and Business & Industry Training and holds a B.S. in Agriculture, M.S. in General Agriculture, an Ed.S. in Vocational Education and an Ed.D. in Agriculture Education

**Governance** - Northwest Technical Institute is a post-secondary educational institution operating under the governance of the Arkansas Department of Workforce Education. A five-member Board of Directors, appointed by the Governor, provide local control for the institute. In addition, an Advisory Council consisting of approximately 200 business and industry leaders from various occupational fields and levels of specialization and expertise provide curriculum oversight, needs analysis, and recommendations for modification and improvement for the fifteen different programs offered at NTI. In addition, an "All School Advisory Council" required by the school's accrediting agency brings the various program recommendations to the administration and Board of Directors for official implementation. Northwest Technical Institute is nationally accredited by the Council on Occupation Education (COE).



**Agency Commentary**

The administration of Northwest Technical Institute (NTI) requests general revenue funds and appropriation for one (1) new Workforce Ed Faculty position and for the restoration of a Workforce

Ed Faculty position. Both of these positions will be used in the Practical Nursing Program. With health care demands on the rise, these two (2) positions will enable NTI to help meet the medical needs of the local area.

NTI administration is also requesting general revenue funds and appropriation for Operating Expenses. Due to drastic increases in the cost of utilities, NTI is requesting an additional \$75,000 each year. Also, \$25,000 each year is needed to upgrade software and operating systems in order to effectively meet current standards used by business and industry.

Additionally, Northwest Technical Institute requests restoration of state appropriation to the levels of Act 1390 of 2005. This restoration (\$159,239 each year in Extra Help, associated Personal Services Matching, & Conference & Travel Expenses) will allow our agency to have the flexibility to meet the training needs in Northwest Arkansas. Also, it will give the Adult Education programs the flexibility to instruct the citizens in our community that may need English as a Second Language (ESL) and/or citizenship classes or instruction for a GED. An additional \$50,000 each year in unfunded appropriation is also requested for Extra Help, associated Personal Services Matching, and Operating Expenses in the event an anticipated increase in the level of Adult Education funding received from the Department of Workforce Education is realized.

For Cash Operations, restoration of Authorized Level for Capital Outlay in the amount of \$200,000 each year is requested and will be used to purchase instructional equipment. An additional \$100,000 each year in Professional Fees is requested to meet training demands made necessary by an increase in the number of apprenticeship students seeking training at NTI. The apprenticeship funds are a pass-thru from the Department of Workforce Training to the apprenticeship programs via NTI. An increase of \$6,000 each year for Conference & Travel Expenses is requested to provide faculty with the resources to attend training seminars to further gain knowledge and enhance teaching skills.

Northwest Technical Institute is also requesting additional appropriation for the Federal Direct & Equitable program in the amount of \$22,771 each year. These increases are requested in Extra Help and associated Personal Services Matching, Operating Expenses, and Conference & Travel Expenses. The requested increases will permit NTI's Adult Education Section to provide expanded services to minority students needing instruction in Literacy, Citizenship and ESL. NTI is also requesting restoration of a Grade 15 Administrative Assistant I position. This position is crucial to the efficient operations of our Adult Education Program.

## **Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
NORTHWEST TECHNICAL INSTITUTE  
FOR THE YEAR ENDED JUNE 30, 2005

<u>Findings</u>	<u>Recommendations</u>
None	None

**Employment Summary**

	Male	Female	Total	%
White Employees	27	32	59	94 %
Black Employees	0	0	0	0 %
Other Racial Minorities	1	3	4	6 %
	Total Minorities		4	6 %
	Total Employees		63	100 %

**Cash Fund Balance Description as of June 30, 2006**

Fund Account	Balance	Type	Location
1730100	\$344,343	Checking and certificates of deposit	1st Security Bank in Springdale and Arvest Bank in Springdale

Statutory/Other Restrictions on use:

Arkansas Code 6-51-904 gives the local board power to acquire, hold and transfer real and personal property as may be necessary for the management and administration of the technical institutes.

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. 6-51-904 authorizes the agency to collect student tuition and fees.

Revenue Receipts Cycle:

Student tuition, fees and bookstore receipts are collected throughout the year. Reimbursements and apprenticeship funds are also deposited into the cash fund.

Fund Balance Utilization:

Cash funds are utilized to purchase resale items for our bookstore, make bond payments and to purchase capital outlay. Also, cash is used to make emergency purchases when general revenue is not available.

**Publications**

**A.C.A 25-1-204**

Name	Statutory Authorization	Required for		# Of Copies	Reason (s) for Continued Publication and Distribution
		Governor	General Assembly		
None	N/A	N	N	0	N/A

## Department Appropriation Summary

Historical Data						Agency Request and Executive Recommendation									
Appropriation		2005-2006		2006-2007		2006-2007		2007-2008				2008-2009			
		Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
721	Northwest TI-State	3,566,514	55	3,657,777	57	4,848,154	56	4,129,292	58	3,673,021	56	4,129,292	58	3,673,021	56
722	Northwest TI-Fed	127,659	3	138,289	3	138,589	2	177,953	3	177,953	3	177,953	3	177,953	3
B60	Northwest TI-Cash	1,224,770	5	2,122,118	8	2,186,052	9	2,231,504	8	2,125,504	8	2,231,504	8	2,125,504	8
Total		4,918,943	63	5,918,184	67	7,172,795	67	6,538,749	69	5,976,478	67	6,538,749	69	5,976,478	67

Funding Sources			%		%		%		%		%		%	
Fund Balance	4000005	326,922	6.2	344,343	6.0		0	0.0	0	0.0	0	0.0	0.0	
General Revenue	4000010	2,704,967	51.4	2,781,004	48.6		3,049,367	50.9	2,802,335	49.8	3,049,367	50.9	2,802,335	49.8
Federal Revenue	4000020	127,659	2.4	138,289	2.4		177,953	3.0	177,953	3.2	177,953	3.0	177,953	3.2
Cash Fund	4000045	1,242,191	23.6	1,581,161	27.6		1,887,161	31.5	1,781,161	31.6	1,887,161	31.5	1,781,161	31.6
Merit Adjustment Fund	4000055	53,154	1.0	6,087	0.1		0	0.0	0	0.0	0	0.0	0	0.0
Adult Basic/General	4000065	213,871	4.1	263,378	4.6		263,378	4.4	263,378	4.7	263,378	4.4	263,378	4.7
Workforce 2000	4000740	594,522	11.3	607,308	10.7		607,308	10.2	607,308	10.7	607,308	10.2	607,308	10.7
Total Funds		5,263,286	100.0	5,721,570	100.0		5,985,167	100.0	5,632,135	100.0	5,985,167	100.0	5,632,135	100.0
Excess Appropriation/(Funding)		(344,343)		196,614			553,582		344,343		553,582		344,343	
Grand Total		4,918,943		5,918,184			6,538,749		5,976,478		6,538,749		5,976,478	

**Agency Position Usage Report**

FY2004-2005						FY2005-2006						FY2006-2007					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
65	61	3	64	1	6.15%	67	62	2	64	3	7.46%	67	63	4	67	0	5.97%

## **Analysis of Budget Request**

**Appropriation:** 721 - Northwest TI-State

**Funding Sources:** ETN - Northwest Tech Institute - State

Northwest Technical Institute (NTI), in partnership with the community, provides educational programs to serve the training/re-training needs of students who wish to enter a recognized occupation or improve their occupational skills and knowledge so that they may achieve stability or advancement in a technological society. NTI also responds to business and industry needs and initiatives. This appropriation is funded by general revenue, Adult Education grants received from the Department of Workforce Education and transfers from the Work Force 2000 Development Fund.

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year for all incumbents. Personal Services Matching may reflect increases in the Base Level due to the Social Security Tax maximum income limit and certain increases in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The Base Level request for NTI totals \$3,673,021 each year of the 2007-09 biennium. NTI has the following Change Level requests totaling \$456,271 for each year of the 2007-09 biennium:

- General revenue appropriation and funds totaling \$147,032 is requested each year of the biennium to support personal services costs for two (2) faculty positions (\$73,516 in salaries & matching support for each position). A new Workforce Education Faculty position is requested to fill a shortage in the Practical Nursing area as a response to increasing demands for quality health care in northwest Arkansas. A currently authorized Workforce Ed Faculty position is also requested to be restored and used in the Practical Nursing area to give additional assistance in helping meet the medical needs of the local region.
- NTI requests \$100,000 in appropriation and funds each year for Operating Expenses due to increases in the cost of utilities (\$75,000) and purchase of technology related software and licenses to upgrade computer operating systems agency wide (\$25,000). NTI also intends to upgrade Auto Cad software for business and industry training purposes.
- A total of \$209,239 each year is requested in appropriation only. A portion of this request (\$163,093 each year) would restore Extra Help to current Authorized Level and provide authority for anticipated increases in funds received from the Department of Workforce Education for Adult Education grants. Associated Personal Services Matching support for Extra Help totals \$12,575 each year. The Conference & Travel Expenses line item request of \$10,500 each year would restore this line item to current Authorized Level. Finally, \$23,071 each year is requested for Operating Expenses for anticipated increases in Adult Education grants and will be used (in concert with the Extra Help request) to provide additional classes and permit the purchase of necessary educational supplies and materials. According to NTI, this appropriation is requested to provide flexibility in meeting the diverse training needs of Northwest Arkansas.

The Executive Recommendation provides for Base Level.

## Appropriation Summary

**Appropriation:** 721 Northwest TI-State  
**Funding Sources:** ETN - Northwest Tech Institute - State

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	2,102,348	2,188,326	2,858,058	2,176,548	2,290,452	2,176,548	2,176,548	2,290,452	2,176,548
<b>#Positions</b>	<b>55</b>	<b>57</b>	<b>56</b>	<b>56</b>	<b>58</b>	<b>56</b>	<b>56</b>	<b>58</b>	<b>56</b>
Extra Help 5010001	215,017	198,000	361,093	198,000	361,093	198,000	198,000	361,093	198,000
<b>#Extra Help</b>	<b>31</b>	<b>34</b>							
Personal Services Matching 5010003	708,982	695,974	941,126	722,996	768,699	722,996	722,996	768,699	722,996
Operating Expenses 5020002	534,217	574,477	676,377	574,477	697,548	574,477	574,477	697,548	574,477
Conference & Travel Expenses 5050009	1,137	1,000	11,500	1,000	11,500	1,000	1,000	11,500	1,000
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Promotional Items 5090028	4,813	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>3,566,514</b>	<b>3,657,777</b>	<b>4,848,154</b>	<b>3,673,021</b>	<b>4,129,292</b>	<b>3,673,021</b>	<b>3,673,021</b>	<b>4,129,292</b>	<b>3,673,021</b>
<b>Funding Sources</b>									
General Revenue 4000010	2,704,967	2,781,004		2,802,335	3,049,367	2,802,335	2,802,335	3,049,367	2,802,335
Merit Adjustment Fund 4000055	53,154	6,087		0	0	0	0	0	0
Adult Basic/General 4000065	213,871	263,378		263,378	263,378	263,378	263,378	263,378	263,378
Workforce 2000 4000740	594,522	607,308		607,308	607,308	607,308	607,308	607,308	607,308
<b>Total Funding</b>	<b>3,566,514</b>	<b>3,657,777</b>		<b>3,673,021</b>	<b>3,920,053</b>	<b>3,673,021</b>	<b>3,673,021</b>	<b>3,920,053</b>	<b>3,673,021</b>
Excess Appropriation/(Funding)	0	0		0	209,239	0	0	209,239	0
<b>Grand Total</b>	<b>3,566,514</b>	<b>3,657,777</b>		<b>3,673,021</b>	<b>4,129,292</b>	<b>3,673,021</b>	<b>3,673,021</b>	<b>4,129,292</b>	<b>3,673,021</b>

FY06 Actual Expenditures for Promotional Items may exceed Authorized Level due to the fact that the agency transferred appropriation from Operating Expenses for the purchase of promotional items as authorized by ACA 6-63-304.

Actual and/or Budgeted number of positions may exceed Authorized Level due to flexibility inherent in the authorization of all positions through one salary section in appropriation acts.

## Change Level by Appropriation

**Appropriation:**

721-Northwest TI-State

**Funding Sources:**

ETN - Northwest Tech Institute - State

### Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,673,021</b>	<b>56</b>	<b>3,673,021</b>	<b>100.0</b>	<b>3,673,021</b>	<b>56</b>	<b>3,673,021</b>	<b>100.0</b>
C01	Existing Program	148,516	1	3,821,537	104.0	148,516	1	3,821,537	104.0
C05	Unfunded Appropriation	209,239	0	4,030,776	109.7	209,239	0	4,030,776	109.7
C06	Restored Position	73,516	1	4,104,292	111.7	73,516	1	4,104,292	111.7
C08	Technology	25,000	0	4,129,292	112.4	25,000	0	4,129,292	112.4

### Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,673,021</b>	<b>56</b>	<b>3,673,021</b>	<b>100.0</b>	<b>3,673,021</b>	<b>56</b>	<b>3,673,021</b>	<b>100.0</b>
C01	Existing Program	0	0	3,673,021	100.0	0	0	3,673,021	100.0
C05	Unfunded Appropriation	0	0	3,673,021	100.0	0	0	3,673,021	100.0
C06	Restored Position	0	0	3,673,021	100.0	0	0	3,673,021	100.0
C08	Technology	0	0	3,673,021	100.0	0	0	3,673,021	100.0

### Justification

C01	Agency requests general revenue funds and appropriation in the amount of \$148,516 each year. This request consists of \$56,952 in salaries, \$16,564 in matching, and \$75,000 in operations. Agency requests salaries and matching for a full-time Workforce Ed Faculty position. This position will fill a shortage in the Practical Nursing faculty. With the population increase in Northwest Arkansas, health care demands are on the increase. The area is served by Washington Regional Medical Center in Fayetteville (588 beds), Northwest Medical Center in Bentonville (128 beds), Northwest Medical Center in Springdale (180 beds), Willow Creek Women's Hospital (30 beds), and St. Mary's Hospital in Rogers (165 beds). Mercy Hospital has a new larger hospital under construction to be located on Interstate 540. These facilities will demand more practical nurses and a shortage of nurses already exists in the area. NTI has the only Practical Nurse program in the area and has expanded its programs to the maximum without any additional faculty. Our nursing faculty are under scheduling pressure at the present time. As these hospitals grow to meet the increased demands for health care, so does the need for our students to be supervised in the clinical areas of all these hospitals plus other allied health facilities in the region. NTI must respond to these demands if we hope to continue to have local support for our program. At the present time, emphasis is also being placed on recruiting Hispanic nursing students which will add to the teaching load of our nursing faculty. NTI also requests \$75,000 in operations. This request is needed due to the drastic increases in the cost of utilities.
C05	Agency is requesting \$209,239 of appropriation only each year. This request is for anticipated increases in Adult Education state grants in the amount of \$50,000 and for \$159,239 to restore the appropriation to the levels authorized in Act 1390 of 2005. The Adult Education request is for \$25,000 of Extra Help, \$1,929 of Personal Services Matching, and \$23,071 in Operation Expenses. If funding is increased for the Adult Education section, the appropriation would be used for additional classes and for educational supplies and materials. The request to restore appropriation to the level of Act 1390 of 2005 consists of \$138,093 of Extra Help, \$10,646 of Personal Services Matching, and \$10,500 of appropriation for Conference & Travel Expenses. This restoration of appropriation will allow the Agency the flexibility to meet the training needs of Northwest Arkansas.
C06	Agency is requesting general revenue appropriation and funding associated with restoration of a Workforce Ed Faculty position. This position will fill a shortage in the Practical Nursing Program. With the population boom in Northwest Arkansas, health care demands are on the increase. To meet these challenging demands in the nursing field, this position will enable NTI to help meet the medical needs of our local area. Also, with the growth of Allied Health facilities in our area, the demand for practical nurses will increase. NTI currently has the only practical nurse program in the area and has expanded its programs to the maximum without any additional faculty. Our nursing faculty are under scheduling pressure at the present time. As these hospitals grow to meet the increased demands for health care, so does the need for our students to be supervised in the clinical areas of all these hospitals plus other allied health facilities in this region. NTI must respond to these demands if we hope to continue to have local support for our program. At the present time, emphasis is also being placed on recruiting Hispanic nursing students which will add to the teaching load of our nursing faculty.
C08	Agency requests general revenue and appropriation in the amount of \$25,000 each year for Technology. This request is for software/licenses. In order for NTI to meet the training needs of our students, we must upgrade 200 computers with Microsoft Office 2003 and upgrade the operating systems to Windows XP Professional. Also, NTI needs to upgrade its Auto Cad software for Business and Industry training as well as for the diploma seeking students.

## **Analysis of Budget Request**

**Appropriation:** 722 - Northwest TI-Fed

**Funding Sources:** FTN - Northwest Tech Institute - Federal

This federal appropriation is administered by Northwest Technical Institute (NTI) and federal funds for its support are received from the Carl D. Perkins Vocational and Applied Technology Education Act, P.L. 101-392 and reimbursement programs such as the Jobs Training Partnership Act.

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year for all incumbents. Personal Services Matching may reflect increases in the Base Level due to the Social Security Tax maximum income limit and certain increases in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The Base Level request for NTI for this appropriation includes personal services costs for two (2) regular salary positions and supporting operating expenses totaling \$122,314 each year.

Northwest Technical Institute has Change Level requests totaling \$55,639 each year of the 2007-09 biennium as follows:

- An additional \$32,868 each year is requested in appropriation for salaries and associated matching support for a new Grade 15 Administrative Assistant I position. For the 2005-07 biennium, this position is authorized from NTI's Growth Pool. For the 2007-09 biennium, this position will continue to be utilized in the Adult Education section. Duties will include program evaluation, student testing, budget planning, etc.
- In anticipation of funding increases in the Direct & Equitable Adult Education federal grant, NTI requests additional appropriation totaling \$22,771 each year. Of this amount, \$10,771 each year will support additional Extra Help and associated matching costs, \$10,000 each year will be utilized to supplement Operating Expenses, and \$2,000 each year is requested in Conference & Travel Expenses to support anticipated staff training needs. According to NTI, this request is necessary in light of plans to increase the number and size of Citizenship & English as a Second Language (ESL) classes taught.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 722 Northwest TI-Fed  
**Funding Sources:** FTN - Northwest Tech Institute - Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	71,758	78,483	78,783	66,707	90,261	90,261	66,707	90,261	90,261
<b>#Positions</b>		<b>3</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>
Extra Help	5010001	17,510	20,598	20,598	20,598	30,598	30,598	20,598	30,598	30,598
<b>#Extra Help</b>		<b>2</b>	<b>3</b>							
Personal Services Matching	5010003	27,853	28,669	28,669	24,470	34,555	34,555	24,470	34,555	34,555
Operating Expenses	5020002	10,538	10,539	10,539	10,539	20,539	20,539	10,539	20,539	20,539
Conference & Travel Expenses	5050009	0	0	0	0	2,000	2,000	0	2,000	2,000
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>127,659</b>	<b>138,289</b>	<b>138,589</b>	<b>122,314</b>	<b>177,953</b>	<b>177,953</b>	<b>122,314</b>	<b>177,953</b>	<b>177,953</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	127,659	138,289		122,314	177,953	177,953	122,314	177,953	177,953
Total Funding		127,659	138,289		122,314	177,953	177,953	122,314	177,953	177,953
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>127,659</b>	<b>138,289</b>		<b>122,314</b>	<b>177,953</b>	<b>177,953</b>	<b>122,314</b>	<b>177,953</b>	<b>177,953</b>

Actual/Budgeted # of positions may exceed Authorized level due to flexibility inherent in the authorization of all positions through one salary section in appropriation acts.

## Change Level by Appropriation

**Appropriation:** 722-Northwest TI-Fed  
**Funding Sources:** FTN - Northwest Tech Institute - Federal

### Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>122,314</b>	<b>2</b>	<b>122,314</b>	<b>100.0</b>	<b>122,314</b>	<b>2</b>	<b>122,314</b>	<b>100.0</b>
C01	Existing Program	22,771	0	145,085	118.6	22,771	0	145,085	118.6
C06	Restored Position	32,868	1	177,953	145.4	32,868	1	177,953	145.4

### Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>122,314</b>	<b>2</b>	<b>122,314</b>	<b>100.0</b>	<b>122,314</b>	<b>2</b>	<b>122,314</b>	<b>100.0</b>
C01	Existing Program	22,771	0	145,085	118.6	22,771	0	145,085	118.6
C06	Restored Position	32,868	1	177,953	145.4	32,868	1	177,953	145.4

### Justification

C01	Agency requests federal appropriation of \$22,771 for our Direct & Equitable Adult Education grant. We anticipate increases in federal funding for the next biennium. This request is for \$10,000 of additional Extra Help appropriation, \$771 of additional Personal Services Matching appropriation, \$10,000 in Operating Expenses, and \$2,000 of appropriation in Conference & Travel Expenses. If the increase in federal funding becomes available, the Adult Education section will be able to increase the number of classes being taught for Citizenship and English Second Language (ESL). Also, with more classes and students our educational supplies and material costs will increase. Conference & Travel Expenses are requested for faculty to be able to attend training seminars in order to be more effective in the classroom environment.
C06	Agency requests that the Administrative Assistant I position, funded by a federal Direct & Equitable grant, be restored for our Adult Education section. This position is vital for their section's ability to operate efficiently. This position gathers all information for the National Reporting System, generates reports to monitor student progress that are then used for program evaluation and budget planning; assists in preparing annual budget requests; provides information to prospective students and organizations and assists in testing and enrolling new students. The position also assists the Coordinator in monitoring on-site and off-site classes to ensure policies and procedures are followed for student enrollment, attendance, and testing.

## **Analysis of Budget Request**

**Appropriation:** B60 - Northwest TI-Cash

**Funding Sources:** 173 - Northwest Tech Institute - Cash

Funding for this cash appropriation is received from tuition (\$36 to \$100 per hour), resale from the bookstore, and reimbursement programs such as Apprenticeship. These funds supplement and enhance general revenue funding.

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year for all incumbents. Personal Services Matching may reflect increases in the Base Level due to the Social Security Tax maximum income limit and certain increases in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The Base Level request for Northwest Technical Institute (NTI) for this appropriation includes personal services costs for eight (8) Regular Salary positions, Extra Help, and supporting operations totaling \$1,925,504 each year.

Northwest Technical Institute has Change Level requests totaling \$306,000 each year of the 2007-09 biennium as follows:

- Increases in Professional Fees of \$100,000 each year is due to an increase in the number of apprentices that attend training offered at NTI. Apprenticeship funding is made available through the Department of Workforce Education and sufficient authority in this line item would provide NTI the means to route these funds to applicable apprenticeship programs in northwest Arkansas.
- Increases of \$6,000 each year for Conference & Travel Expenses to allow faculty to attend training seminars to enhance knowledge and skill levels.
- Increases of \$200,000 each year for Capital Outlay to restore the Authorized Level and permit purchase of instructional equipment as necessary.

The Executive Recommendation provides for Base Level with the exception of Capital Outlay which is restored to FY07 Authorized for each year.

## Appropriation Summary

**Appropriation:** B60 Northwest TI-Cash  
**Funding Sources:** 173 - Northwest Tech Institute - Cash

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	2007-2008			2008-2009		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	166,763	280,273	315,719	280,273	280,273	280,273	280,273	280,273	280,273
<b>#Positions</b>	<b>5</b>	<b>8</b>	<b>9</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
Extra Help 5010001	271,876	562,500	562,500	562,500	562,500	562,500	562,500	562,500	562,500
<b>#Extra Help</b>	<b>44</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>
Personal Services Matching 5010003	89,868	134,430	162,918	137,816	137,816	137,816	137,816	137,816	137,816
Operating Expenses 5020002	184,233	353,500	353,500	353,500	353,500	353,500	353,500	353,500	353,500
Conference & Travel Expenses 5050009	6,702	9,000	9,000	9,000	15,000	9,000	9,000	15,000	9,000
Professional Fees 5060010	308,951	250,000	250,000	250,000	350,000	250,000	250,000	350,000	250,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Resale (COGS) 5090017	133,453	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000
Capital Outlay 5120011	5,509	200,000	200,000	0	200,000	200,000	0	200,000	200,000
Debt Service 5120019	57,415	57,415	57,415	57,415	57,415	57,415	57,415	57,415	57,415
<b>Total</b>	<b>1,224,770</b>	<b>2,122,118</b>	<b>2,186,052</b>	<b>1,925,504</b>	<b>2,231,504</b>	<b>2,125,504</b>	<b>1,925,504</b>	<b>2,231,504</b>	<b>2,125,504</b>
<b>Funding Sources</b>									
Fund Balance 4000005	326,922	344,343		0	0	0	0	0	0
Cash Fund 4000045	1,242,191	1,581,161		1,581,161	1,887,161	1,781,161	1,581,161	1,887,161	1,781,161
<b>Total Funding</b>	<b>1,569,113</b>	<b>1,925,504</b>		<b>1,581,161</b>	<b>1,887,161</b>	<b>1,781,161</b>	<b>1,581,161</b>	<b>1,887,161</b>	<b>1,781,161</b>
Excess Appropriation/(Funding)	(344,343)	196,614		344,343	344,343	344,343	344,343	344,343	344,343
<b>Grand Total</b>	<b>1,224,770</b>	<b>2,122,118</b>		<b>1,925,504</b>	<b>2,231,504</b>	<b>2,125,504</b>	<b>1,925,504</b>	<b>2,231,504</b>	<b>2,125,504</b>

FY06 Actual Expenditures for Professional Fees exceeds Authorized due to transfers from the Cash Fund Holding Account to permit the agency to process payments for the Apprenticeship Program.

## Change Level by Appropriation

**Appropriation:** B60-Northwest TI-Cash

**Funding Sources:** 173 - Northwest Tech Institute - Cash

### Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,925,504</b>	<b>8</b>	<b>1,925,504</b>	<b>100.0</b>	<b>1,925,504</b>	<b>8</b>	<b>1,925,504</b>	<b>100.0</b>
C01	Existing Program	306,000	0	2,231,504	115.8	306,000	0	2,231,504	115.8

### Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,925,504</b>	<b>8</b>	<b>1,925,504</b>	<b>100.0</b>	<b>1,925,504</b>	<b>8</b>	<b>1,925,504</b>	<b>100.0</b>
C01	Existing Program	200,000	0	2,125,504	110.3	200,000	0	2,125,504	110.3

### Justification

C01	<p>Agency requests \$306,000 of cash appropriation. This request consists of \$100,000 additional appropriation in Professional Fees and an additional \$6,000 in Conference &amp; Travel Expenses. Also, the Agency requests that \$200,000 of Capital Outlay appropriation be restored to the Authorized Level reflected in Act 1390 of 2005. The Professional Fees request is needed due to an increase in number of apprentices that attend training at Northwest Technical Institute. The Apprenticeship funds are a pass-thru from the Department of Workforce Education to the various Apprenticeship programs via Northwest Technical Institute. Conference &amp; Travel Expenses is requested so that faculty will be able to attend training seminars. These seminars will enhance their knowledge and improve their abilities to better educate. Restoration of Capital Outlay will permit the purchase instructional equipment.</p>
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