Northwest Technical Institute is a rapidly growing training institution in an area that is booming economically and blessed with low unemployment. In order to meet the training needs of business and industry, it is vitally important than an adequate budget be provided. NTI is training not only new and re-entering workers, but also a greatly expanded program for training the existing workforce. In order to effectively prepare workers, instruction and training must reflect current technological standards for equipment, supplies and lab/shops. The quality of our instruction must be maintained as we move into exciting new areas of training with our community partners.

We are requesting funds for technology needs. This appropriation will be used for diploma, extension, and business and industry classes. Technology purchases designated for instruction will include, but are not limited to, the leasing of computers, new and updated software to train at industry standards, data processing/communication supplies related to effective computer operations, and other supplies necessary to train students.

During the last session, we have constructed two additional training buildings (Ammonia Refrigeration and a Business and Industry Training building). Maintenance and Operation is requested for building and grounds to cover the costs of maintaining these buildings and grounds and for increased utility costs.

Reclassification of our administrative positions is necessary in order to retain and hire qualified employees. Also, reclassification of various positions is requested. This request would correctly classify titles and grades for duties currently being performed. Both of these requests, along with our contingency positions, will give us more flexibility in hiring and the retention of current personnel and the ability to more accurately relate job duties and tasks to the position classification.

We are also requesting contingency appropriation, which can be transferred to any character in the approved budget to meet unexpected needs and allow response to business and industry training requests. This will give the school the ability to respond to unforeseen or unbudgeted emergencies, i.e. roof repairs, storm damage, HVAC replacements, mechanical loss of aging equipment and necessary maintenance of equipment.

NORTHWEST TECHNICAL INSTITUTE - SPRINGDALE, ARKANSAS
SUMMARY OF AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 1999

Assets				Liabilities			
Cash and Equivalents	Fixed	Other	Total	Current	Long-Term	Total	Total Equity
$ 1,017,352	$ 4,878,135	$ 65,737	$ 5,961,224	$ 82,961	$ 0	$ 82,961	$ 5,878,263
17 %	82 %	1 %	100 %	1 %	0 %	1 %	99 %

Revenues					Expenditures					
Student Fees	State Assistance	Federal Assistance	Other	Total	Administrative	Instructional	Student Services	Capital Outlay	Other	Total
$ 549,862	$ 3,164,195	$ 412,913	$ 290,562	$ 4,417,532	$ 497,882	$ 2,471,781	$ 434,126	$ 405,658	$ 689,107	$ 4,498,554
12 %	72 %	9 %	7 %	100 %	11 %	55 %	10 %	9 %	15 %	100

Findings

Using our present audit procedures and techniques, we noted substantial compliance with Arkansas fiscal and financial laws.

Audited by Division of Legislative Audit
EDVT55299

ARKANSAS BUDGET SYSTEM
EMPLOYMENT SUMMARY
AS REQUIRED BY ACT 358 OF 1993
(A.C.A 19-4-307)

AGENCY TITLE 552 - NORTHWEST VO-TECH

	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	23	34	57	93%
BLACK EMPLOYEES	0	0	0	0%
EMPLOYEES OF OTHER RACIAL MINORITIES	1	3	4	7%
TOTAL EMPLOYED AS OF 08/05/00 (DATE)			4 (TOTAL MINORITIES)	7%
			61 (TOTAL EMPLOYEES)	100%

Charles L. Kelley
AGENCY DIRECTOR

CASH FUND BALANCE DESCRIPTION
AS OF JUNE 30, 2000

AGENCY: NORTHWEST TECHNICAL INSTITUTE AGENCY #: 552

ACCOUNT INFORMATION

FUND ACCT.	BALANCE	TYPE	LOCATION
Cash Fund 173	268,853.02	Checking	1st National Bank of Springdale
	100,000.00	C.D.	1st National Bank of Springdale
	50,000	C.D.	1st National Bank of Springdale
	75,000.00	C.D.	Springdale Bank & Trust Springdale
	2,052.19	C.D.	Springdale Bank & Trust Springdale

STATUTORY/OTHER RESTRICTIONS ON USE:
A.C.A. 6-15-904 as amended. Local Board is authorized to acquire, hold, and transfer real and personal property, to enter into contracts, ...and to exercise such other rights & privileges as may be necessary for the management and administration of the Technical Institute.

STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES:
A.C.A. 6-51-904 as amended. Local Board authorized to exercise rights and privileges necessary for the management of the Technical Institute.

REVENUE RECEIPTS CYCLE:
Student tuitions, fees, bookstore sales, and other school revenues are collected throughout the year.

FUND BALANCE UTILIZATION:
Funds are collected on an irregular basis throughout the year. Cash funds are used for salaries/matching, M&O, equipment purchases, debt service on outstanding bonded indebtedness, and emergency capital expenditures.

ACCOUNT INFORMATION

FUND ACCT.	BALANCE	TYPE	LOCATION

STATUTORY/OTHER RESTRICTIONS ON USE:

STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES:

REVENUE RECEIPTS CYCLE:

FUND BALANCE UTILIZATION:

STATE AGENCY PUBLICATIONS

Fiscal Year 2001

Act 1276 of 1999

AGENCY: Northwest Technical Institute **AGENCY #** 552

NAME OF PUBLICATION	STATUTORY AUTHORIZATION ACT # OR A.C.A.	REQUIRED FOR GOVERNOR AND/OR GENERAL ASSEMBLY ONLY	NUMBER OF COPIES PUBLISHED & DISTRIBUTED	REASON(S) FOR CONTINUED PUBLICATION AND DISTRIBUTION
None				

ARKANSAS BUDGET SYSTEM
DEPARTMENT APPROPRIATION SUMMARY

AGENCY TITLE Northwest Technical Institute	1999-01 Expenditures				2001-03 Biennium Request				2001-03 Executive Recommendation			
Appropriations	Actual	No. of	Budgeted	No. of	Year 1	No. of	Year 2	No. of	Year 1	No. of	Year 2	No. of
Code Name	1999-00	Pos.	2000-01	Pos.	2001-02	Pos.	2002-03	Pos.	2001-02	Pos.	2002-03	Pos.
B60 Cash Operations	$796,078	1	$1,708,871	3	$2,247,679	3	$2,257,268	3	$1,898,315	3	$1,904,522	3
721 State Operations	3,313,481	64	3,088,599	63	5,497,693	68	5,600,505	68	4,271,745	61	4,357,120	61
722 Federal Operations	55,272	2	53,749	1	104,108	1	105,654	1	79,108	1	80,654	1
Appropriations Not Requested												
B85 Northwest Contingency												
TOTALS	$4,164,831	67	$4,851,219	67	$7,849,480	72	$7,963,427	72	$6,249,168	65	$6,342,296	65
Funding Sources		% of Total		% of Total		% of Total		% of Total		% of Total		% of Total
Fund Balances	21,710	0.5%	145,950	3.0%								
General Revenues	2,590,071	60.1%	2,722,249	56.1%	4,218,945	60.9%	4,309,493	61.3%	2,798,175	54.5%	2,866,576	55.0%
Special Revenues												
Federal Funds	55,272	1.3%	53,749	1.1%	104,108	1.5%	105,654	1.5%	79,108	1.5%	80,654	1.5%
Contingency					300,000	4.3%	300,001	4.3%	0	0.0%	0	0.0%
Reimbursements	204,230	4.7%	357,092	7.4%	357,092	5.2%	357,096	5.1%	357,092	7.0%	357,096	6.9%
Workforce 2000	519,180	12.0%										
Cash Funds	920,318	21.4%	1,562,921	32.2%	1,947,679	28.1%	1,957,268	27.8%	1,898,315	37.0%	1,904,522	36.6%
Merit Adjustment Funds			9,258	0.2%								
Total Funding	4,310,781	100.0%	4,851,219	100.0%	6,927,824	100.0%	7,029,512	100.0%	5,132,690	100.0%	5,208,848	100.0%
Excess Appro./ (Funding)	(145,950)		0		921,656		933,915		1,116,478		1,133,448	
TOTAL	$4,164,831		$4,851,219		$7,849,480		$7,963,427		$6,249,168		$6,342,296	

DEPARTMENT

Northwest Technical Institute (552)

DIRECTOR

Dr. Charles Kelley

DEPARTMENT APPROPRIATION SUMMARY

BR 40

Funding for this cash appropriation is received from tuition ($30 to approximately $35 per hour), resale from the bookstore, and reimbursement programs such as Apprenticeship. These funds supplement and enhance General Revenue funding.

Base Level includes positions and supporting operating expenses. The Base Level includes a pay plan increase of 2.6% each year over the FY01 salary levels, and related Personal Services Matching costs.

Change Level requests include additional positions and appropriation for Extra Help. During the 82nd General Assembly, the number of Extra Help positions were reduced and Part Time Faculty positions were authorized in their place. A change in the method of collecting the State's retirement contribution, which is based on the number of positions budgeted, made it fiscally impossible to budget many of these positions. As a result of the expense for insurance associated with regular positions, no Part Time Faculty positions were included in the request, and the reallocation of funds for Extra Help will allow the Institute to provide needed services. Capital Outlay is requested for new and replacement equipment as needed, Resale is requested for the bookstore, and Contingency appropriation is requested to allow the Institute to respond quickly to the needs of business and industry. In addition, personnel requests are made for reclasses.

The Executive Recommendation provides for the Agency Request with the exception of Contingency and reclasses. Operating income for this appropriation may not meet projected levels depending upon the number of requests by business and industry for training.

01	02	03	04	05	06	07	08	09	10	11	12	13	14
CHARACTER TITLE	EXPENDITURES 99-00 ACTUAL	EXPENDITURES 00-01 BUDGETED	00-01 AUTHORIZED APPRO	01-02 FISCAL YEAR BASE	01-02 CHANGE LEVEL	01-02 TOTAL REQUEST	02-03 FISCAL YEAR BASE	02-03 CHANGE LEVEL	02-03 TOTAL REQUEST	RECOMMENDATIONS EXECUTIVE 01-02	RECOMMENDATIONS EXECUTIVE 02-03	RECOMMENDATIONS LEGISLATIVE 01-02	RECOMMENDATIONS LEGISLATIVE 02-03
REGULAR SALARIES	20,484	78,428	237,171	109,522	41,234	150,756	112,369	44,058	156,427	109,522	112,369		
NUMBER OF POSITIONS	1	3	4	3	0	3	3	0	3	3	3		
EXTRA HELP	282,748	525,000	525,000	525,000	100,000	625,000	525,000	102,600	627,600	625,000	627,600		
NUMBER OF POSITIONS	51	59	59	59	8	67	59	8	67	71	71		
PERSONAL SERV MATCHING	28,511	69,943	103,122	70,647	15,776	86,423	71,208	16,533	87,741	78,293	79,053		
OPERATING EXPENSES	99,591	303,500	303,500	303,500	0	303,500	303,500	0	303,500	303,500	303,500		
CONF FEES & TRAVEL	7,625	30,000	30,000	30,000	0	30,000	30,000	0	30,000	30,000	30,000		
PROF FEES & SERVICES	118,864	150,000	150,000	150,000	0	150,000	150,000	0	150,000	150,000	150,000		
CAPITAL OUTLAY	5,030	200,000	200,000	0	200,000	200,000	0	200,000	200,000	200,000	200,000		
DATA PROCESSING	0	0	0	0	0	0	0	0	0	0	0		
RESALE	159,800	250,000	250,000	250,000	50,000	300,000	250,000	50,000	300,000	300,000	300,000		
CONTINGENCY	0	0	500,000	0	300,000	300,000	0	300,000	300,000	0	0		
DEBT SERVICE	57,415	102,000	102,000	102,000	0	102,000	102,000	0	102,000	102,000	102,000		
SPECIAL MAINTENANCE	16,010	0	200,000	0	0	0	0	0	0	0	0		
TOTAL	796,078	1,708,871	2,600,793	1,540,669	707,010	2,247,679	1,544,077	713,191	2,257,268	1,898,315	1,904,522		
PROPOSED FUNDING SOURCES			##########										
FUND BALANCES	21,710	145,950	##########										
GENERAL REVENUES			##########										
SPECIAL REVENUES			##########										
FEDERAL FUNDS			##########										
STATE CENTRAL SERVICES FUND			##########										
NON-REVENUE RECEIPTS			##########										
CASH FUNDS	920,318	1,562,921	##########	1,540,669	407,010	1,947,679	1,544,077	413,191	1,957,268	1,898,315	1,904,522		
OTHER			##########										
TOTAL FUNDING	942,028	1,708,871	##########	1,540,669	407,010	1,947,679	1,544,077	413,191	1,957,268	1,898,315	1,904,522		
EXCESS APPRO/ (FUNDING)	(146,950)		##########		300,000	300,000		300,000	300,000				
TOTAL	796,078	1,708,871	##########	1,540,669	707,010	2,247,679	1,544,077	713,191	2,257,268	1,898,315	1,904,522		

DEPT 014 DEPARTMENT OF EDUCATION

AGY 552 NORTHWEST TECHNICAL INSTITUTE

APPRO B60 CASH OPERATIONS

FUND 173 NORTHWEST VOC TECH CASH(552)

APPROPRIATION SUMMARY

BR 215

Base Level Regular Salaries and Matching will significantly exceed the FY01 Budgeted Level due to non-classified positions being budgeted in the Base at the line item maximum plus 2.6%, while actually being budgeted at levels significantly below the maximum established in law for FY01.

ARKANSAS BUDGET SYSTEM
PROGRAM/SERVICE INFORMATION LIST
RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
							2001 - 03 BIENNIUM REQUESTS								RECOMMENDATIONS			
				D	EXPENDITURES		FY 2001 - 02			FY 2002 - 03					EXECUTIVE		LEGISLATIVE	
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	E S	ACTUAL 99-00	BUDGETED 00-01	REQUEST			REQUEST					2001-02	2002-03	2001-02	2002-03
000		173	552 B60	B	796,878 1	1,708,871 3	1,540,669 3			1,544,077 3					1,540,665 3	1,544,073 3		
001		173	552 B60 040 STUDENT SERVICES	C10			49,360 0			52,742 0								

Agency requests the reclassification of one position to properly align title and grade to the duties being performed: A faculty position from unclassified to classified (Program Coordinator Grade 20). This position is doing the job tasks and duties of the requested reclassification.

002		173	552 B60 020 INSTRUCTION	C04			307,650 0			310,449 0					307,650	310,449		

Agency requests eight extra-help cash positions and appropriation. These positions will enable us to hire instructors for short-term Business and Industry training classes and provide us the ability to promptly meet the specific training needs of Business and Industry.

DEPT 014 DEPARTMENT OF EDUCATION
AGY 552 NORTHWEST TECHNICAL INSTITUTE
APPRO B60 CASH OPERATIONS
FUND 173 NORTHWEST VOC TECH CASH(552)

RANK BY APPROPRIATION
BR 264

ARKANSAS BUDGET SYSTEM
PROGRAM/SERVICE INFORMATION LIST
RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
							2001 - 03 BIENNIUM REQUESTS								RECOMMENDATIONS			
					EXPENDITURES		FY 2001 - 02				FY 2002 - 03				EXECUTIVE		LEGISLATIVE	
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	DES	ACTUAL 99-00	BUDGETED 00-01	REQUEST				REQUEST				2001-02	2002-03	2001-02	2002-03
003		173	552 B60 010 ADMINISTRATION	C07			300,000				300,000							
							0				0							

Agency requests contingency appropriation for our cash appropriation (B60). This request will allow flexibility for growth and reimbursable projects. The contingency should eliminate the need for PEER to review any cash letters from this agency.

003		173	552 B60 040 STUDENT SERVICES	C07			50,000				50,000				50,000	50,000		
							0				0							

Agency requests cash appropriation for resale. Additional resale is needed for the sale of textbooks. Increases in full-time enrollment and business and industry classes require the sale of more books.

DEPT 014 DEPARTMENT OF EDUCATION
AGY 552 NORTHWEST TECHNICAL INSTITUTE
APPRO B60 CASH OPERATIONS
FUND 173 NORTHWEST VOC TECH CASH(552)

RANK BY APPROPRIATION
BR 264

Northwest is working diligently to respond to business and industry needs through Synergy Tech, an industry driven consortium. They are responding with ammonia refrigeration as well as hospital/health training in surgical nursing.

The Base Level for this General Revenue funded appropriation includes Regular Salary positions, Extra Help, and supporting operating expenses. During the 82nd General Assembly, Extra Help positions were exchanged for Part Time Faculty positions. This resulted in a much higher cost than anticipated when the method of collecting the State's insurance contribution was calculated based on budgeted positions. For this reason, the Institute is requesting Extra Help positions in exchange for the Part Time Faculty positions in the Change Level request. No Part Time Faculty positions are requested for the biennium. Additional requests include Operating Expenses and Capital Outlay to respond to the rapidly changing technologies used in the diversified marketplace in which our workers must compete, and Travel for staff development. Contingency appropriation is requested to allow the Institute to meet unforeseen needs from the business community. Various personnel requests are made, including seven additional positions and reclass requests.

The Executive Recommendation provides for the reallocation of positions to Extra Help, the request for Capital Outlay, a 5% increase each year above the Base Level for Operating Expenses, and four of the reclass requests. All recommendations above the Base Level are for appropriation only. Workforce 2000 funds are also made available to the Institute and will supplement the funds seen in this budget. Current law provides for appropriation and funding for Workforce 2000 to be transferred to the Institute on a monthly basis. The Institute is encouraged to engage the local communities and businesses it serves by developing a partnership to meet the local workforce education needs with emphasis on accountability and productivity. Local contributions along with state resources can provide a significant enhancement of the instructional programs.

01	02	03	04	05	06	07	08	09	10	11	12	13	14
CHARACTER TITLE	EXPENDITURES 99-00 ACTUAL	EXPENDITURES 00-01 BUDGETED	00-01 AUTHORIZED APPRO	01-02 FISCAL YEAR BASE	01-02 FISCAL YEAR CHANGE LEVEL	01-02 FISCAL YEAR TOTAL REQUEST	02-03 FISCAL YEAR BASE	02-03 FISCAL YEAR CHANGE LEVEL	02-03 FISCAL YEAR TOTAL REQUEST	RECOMMENDATIONS EXECUTIVE 01-02	RECOMMENDATIONS EXECUTIVE 02-03	RECOMMENDATIONS LEGISLATIVE 01-02	RECOMMENDATIONS LEGISLATIVE 02-03
REGULAR SALARIES	1,899,873	2,051,301	2,039,577	2,616,434	278,047	2,894,481	2,684,440	292,517	2,976,957	2,588,482	2,655,760		
NUMBER OF POSITIONS	64	63	133	63	5	68	63	5	68	61	61		
EXTRA HELP	175,767	78,862	78,862	78,862	142,000	220,862	78,862	145,692	224,554	220,862	224,554		
NUMBER OF POSITIONS	11	11	11	11	25	36	11	25	36	36	36		
PERSONAL SERV MATCHING	565,203	587,000	594,563	709,471	93,022	802,493	722,849	96,288	819,137	708,894	722,412		
OVERTIME	15,467	5,000	5,000	5,000	0	5,000	5,000	0	5,000	5,000	5,000		
OPERATING EXPENSES	528,170	354,936	477,998	354,936	503,013	857,949	354,936	503,013	857,949	372,683	373,570		
CONF FEES & TRAVEL	19,812	11,500	9,000	11,500	41,084	52,584	11,500	41,084	52,584	11,500	11,500		
PROF FEES & SERVICES	0	0	0	0	0	0	0	0	0	0	0		
CAPITAL OUTLAY	103,194	0	0	0	364,324	364,324	0	364,324	364,324	364,324	364,324		
DATA PROCESSING	0	0	0	0	0	0	0	0	0	0	0		
CONTINGENCY	0	0	285,902	0	300,000	300,000	0	300,000	300,000	0	0		
PROMOTIONAL ITEMS	5,995	0	0	0	0	0	0	0	0	0	0		
TOTAL	3,313,481	3,088,599	3,490,902	3,776,203	1,721,490	5,497,693	3,857,587	1,742,918	5,600,505	4,271,745	4,357,120		
PROPOSED FUNDING SOURCES			##########										
FUND BALANCES			##########										
GENERAL REVENUES	2,590,071	2,722,249	##########	2,798,175	1,420,770	4,218,945	2,866,576	1,442,917	4,309,493	2,798,175	2,866,576		
SPECIAL REVENUES			##########										
FEDERAL FUNDS			##########										
WORKFORCE 2000	519,180		##########										
CONTINGENCY			##########		300,000	300,000		300,001	300,001				
REIMBURSEMENTS	204,230	357,092	##########	357,092		357,092	357,096		357,096	357,092	357,096		
MERIT ADJUSTMENT		9,258	##########										
TOTAL FUNDING	3,313,481	3,088,599	##########	3,155,267	1,720,770	4,876,037	3,223,672	1,742,918	4,966,590	3,155,267	3,223,672		
EXCESS APPRO/ (FUNDING)			##########	620,936	720	621,656	633,915		633,915	1,116,478	1,133,448		
TOTAL	3,313,481	3,088,599	##########	3,776,203	1,721,490	5,497,693	3,857,587	1,742,918	5,600,505	4,271,745	4,357,120		

DEPT 014 DEPARTMENT OF EDUCATION
AGY 552 NORTHWEST TECHNICAL INSTITUTE
APPRO 721 STATE OPERATIONS

FUND ETN NORTHWEST TECH INST-(552)

Budgeted exceeds Authorized due to transfers from Contingency.

The number of positions recommended is less than the base due to the reclassification of regular positions to extra help.

Base Level Regular Salaries and Matching will significantly exceed the FY01 Budgeted Level due to non-classified positions being budgeted in the Base at the line item maximum plus 2.6%, while actually being budgeted at levels significantly below the maximum established in law for FY01.

APPROPRIATION SUMMARY

BR 215

ARKANSAS BUDGET SYSTEM
PROGRAM/SERVICE INFORMATION LIST
RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	
							2001 - 03 BIENNIUM REQUESTS								RECOMMENDATIONS			
				D	EXPENDITURES		FY 2001 - 02				FY 2002 - 03				EXECUTIVE		LEGISLATI	
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	E S	ACTUAL 99-00	BUDGETED 00-01	REQUEST				REQUEST				2001-02	2002-03	2001-02	2
000		ETN	552 721	B	3,313,481 64	3,088,599 63	3,776,203 63				3,857,587 63				3,770,669 63	3,852,062 63		
001		ETN	552 721 TEC INFORMATION TECHNOLOGY	C08			205,396 0				205,396 0							
	Agency requests General Revenue funding and appropriation for our technology budget. This request includes new and updated software, leasing of computers, maintenance agreements on software and various other technology items. It is imperative that our technical institute be on the cutting edge of technology in order to properly train our students to meet job market demands in the Northwest Arkansas region.																	
002		ETN	552 721 010 ADMINISTRATION	C01			49,000 0				49,000 0							
	Agency requests General Revenue funding and appropriation for maintenance and operations. We are asking for increases in postage, printing, and adertising. These items are needed to efficiently conduct business as an educational institute.																	

DEPT 014 DEPARTMENT OF EDUCATION
AGY 552 NORTHWEST TECHNICAL INSTITUTE
APPRO 721 STATE OPERATIONS
FUND ETN NORTHWEST TECH INST-(552)

RANK BY APPROPRIATION
BR 264