



2018 – 2019 OPERATING BUDGET

June 2018



NORTHWEST ARKANSAS COMMUNITY COLLEGE

MISSION

Empower Lives, Inspire Learning and Strengthen Community, through Accessible, Affordable, Quality Education.

VISION

Positively changing the lives of those we serve.

SERVICE AREA

NWACC's service area is defined by the Arkansas Department of Higher Education as Benton and Washington counties in northwest Arkansas.

QUALITY INSTRUCTION & PROGRAMS

The commitment of NWACC to life-long learning can be seen in the quality of instruction it offers. Its classes are taught by experts in small class sizes, providing for more personalized instruction. Transfer courses are taught by instructors with a master's degree or higher; many have doctorates.

A wide variety of programs has been designed to move students into the job market in a minimum amount of time, enrich their lives, and prepare them for additional education and degrees.

STATEMENT OF NON-DISCRIMINATION

Recognition of and respect for the dignity of each human being are central to NWACC's mission. Discrimination, harassment, or any other conduct that diminishes the worth of a person is incompatible with our fundamental goals of serving and strengthening the community.

NorthWest Arkansas Community College (NWACC) adheres to all federal and state civil rights laws banning discrimination in publicly-funded institutions. NWACC does not discriminate on the basis of gender, age, race, color, creed, religion, ancestry, national or ethnic origin, sexual orientation, gender identity, disability, genetic information, military status, veteran status, familial status, or any other protected category under applicable local, state, or federal law, ordinance or regulation, including protections for those opposing discrimination or participating in any complaint process. Sexual harassment, which includes acts of sexual violence, is a type of sex discrimination prohibited under Title IX of the Education Amendments of 1972.



Dear Friends,

As we look forward to the 2018-2019 College year, we have developed a budget that continues to reflect our commitment to student success and fiscal restraint.

Our goals in preparing this budget were to scrutinize expenses, become even more efficient, and develop a balanced budget. We made every effort to maintain high quality instruction and provide the necessary support for student success. Despite no increase in state funding and increased requirements for accountability, we have prepared a balanced budget without raising tuition or fees. We continue to pursue revenue from other sources and dedicate ourselves to outstanding quality and service to students.

This year we will construct, without debt to the College, the Integrated Design Lab on our Bentonville campus. With the help of our NWACC Foundation, we will also break ground on the NWACC- Washington County Center in Springdale in order to better serve students in that area.

We will monitor the enrollment on a regular basis; we will monitor expenses; and we will assure that the public is informed of the quality and affordability of NorthWest Arkansas Community College. We will move confidently into the future, planning strategically to better serve the students of Benton and Washington counties, the northwest Arkansas region and the great state of Arkansas.

Sincerely,

A handwritten signature in black ink that reads 'Evelyn E. Jorgenson'. The signature is written in a cursive, flowing style.

Dr. Evelyn E. Jorgenson
President



NORTHWEST ARKANSAS COMMUNITY COLLEGE FY 2018 - 2019 OPERATING BUDGET

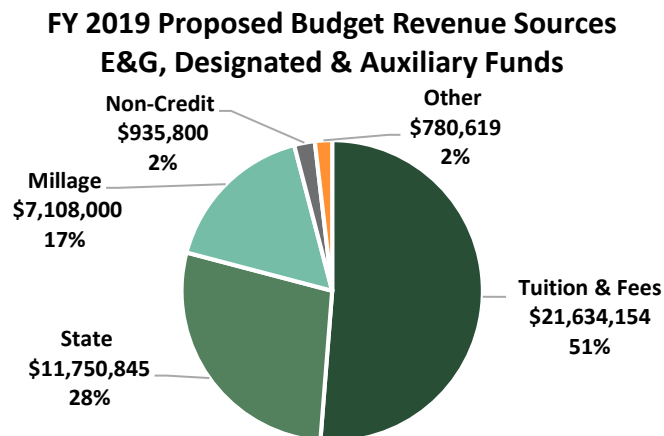
Executive Summary

The Education and General (E&G) Budget is the operating budget which supports the primary functions of the College including instruction, academic, and student services, and the various support areas. The student tuition and fees, state appropriations, local property taxes, auxiliary and other miscellaneous sources provide the income for the annual operating budget. At his State of the State speech to the Arkansas General Assembly on February 12, 2018, Governor Asa Hutchinson highlighted his priorities for the state budget: sustain economic growth, eliminate unnecessary costs, remove duplicate processes, review and reform programs, and improve salaries. Following the governor’s instructions for higher education tuition rates, the College opted **not to** increase any tuition rates for FY2019 but continue to increase efficiencies. The general revenue appropriation passed by the Arkansas General Assembly was the same as FY2018. The college administration projected the enrollment numbers for FY 2019 to remain the same as AY 2018, at 150,208 SSCH. A small 2.5% increase is projected for the millage revenue. The overall result is a 0.8% increase in projected revenue and expenditures compared to the FY 2018 budget.

General Budget Development Principles

The FY 2019 budget was developed using the following guiding principles:

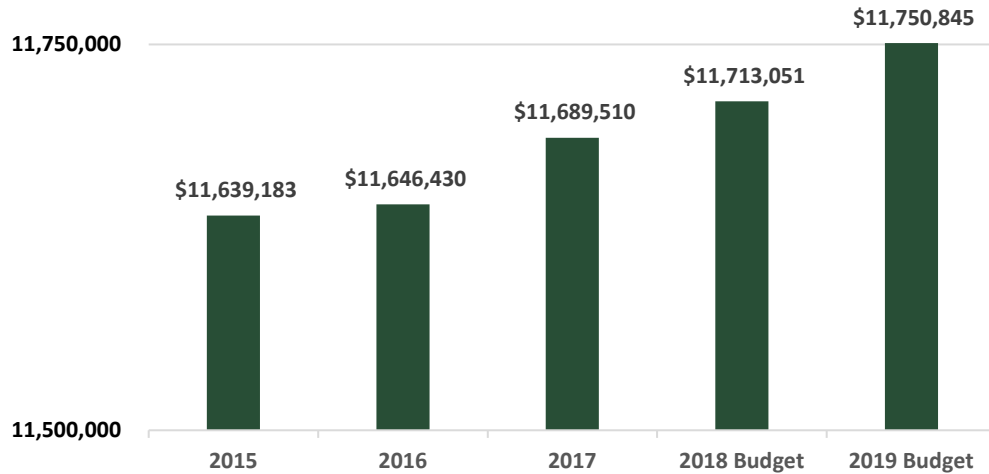
- Protect core instructional and academic functions
- Sustain key student support functions
- Avoid increases in costs to students by not increasing tuition and fee rates
- Continue to develop administrative efficiencies and reduce unnecessary costs by eliminating duplicate processes
- Review every vacant position to justify continuation, reconfiguration or elimination
- Maintain competitive salary levels for faculty and staff



State Support

The base general revenue appropriation for NWACC from the State of Arkansas and approved by the General Assembly is the same level as FY2018. Total funds appropriated from general revenue and the Educational Excellence Trust Fund (EETF) for FY 2019 are \$11,750,845.

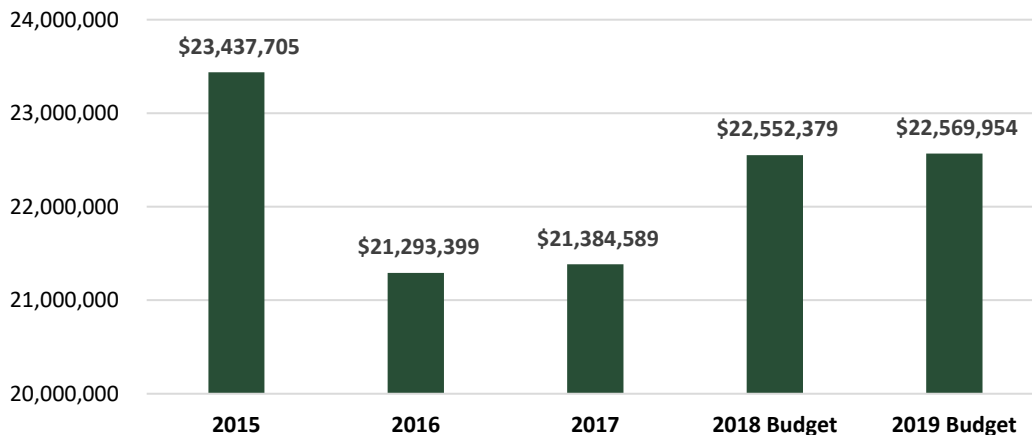
State General and EETF Revenue



Tuition and Fees

The FY2019 enrollment is projected to be the same for budget purposes at approximately 5,006 fulltime equivalent students or 150,208 SSCH. Spring 2018 enrollment is projected at the historical average of 90 percent of the fall semester total. The 2018-2019 total tuition and required fee revenue is projected at \$21,634,154 for credit programs and \$935,800 for non-credit programs. The tuition and fee rates for all residency groups remained the same as FY2018 rates.

Tuition and Fees Net of Institutional Scholarship Allowance and Includes Designated Fee Revenue

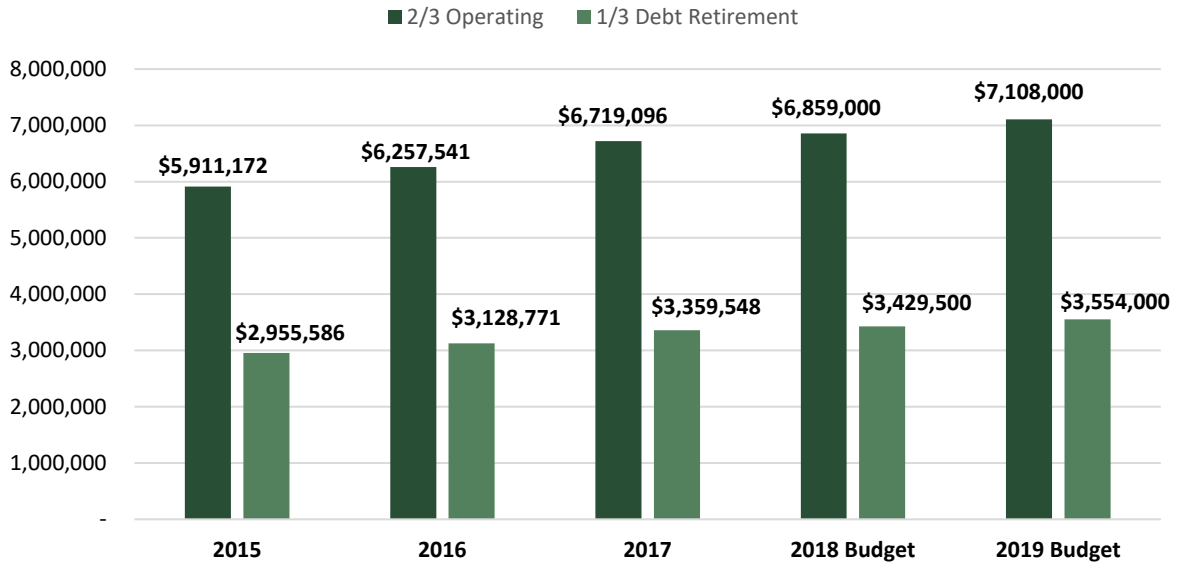


Local Support Property Taxes (Millage)

Total local property tax millage (2.6 mills) revenue is projected to increase by \$373,500 or 2.5%. With this increase, the total millage revenue will be budgeted at \$10,662,000. Two-thirds of this revenue is budgeted for non-capital operating expenditures while one-third is restricted for capital improvements and capital debt payments.

The Millage Rate for NWACC is 0.26% of Benton County's 2017 Property Value, \$4,103,537,660.

Local Property Taxes (Millage)



Operating Expenditures

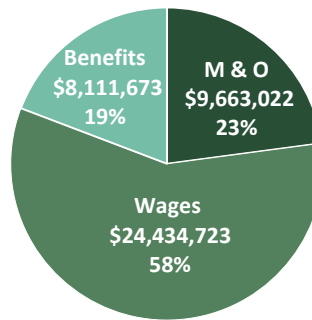
In order to balance the FY 2019 Education and General Budget, planned expenditures were adjusted in every fund category. Savings that resulted through efficiencies are reallocated to the agreed priorities, e.g., faculty step increases. The total expenditures budget increased by a very modest amount of \$330,139 or 0.8%, bringing the FY 2019 total amount to \$42,209,418. With the direction of the President, the faculty pay scale expanded to 26 steps from the current 25. The NWACC full-time faculty positions received one-step equivalent, and non-faculty staff positions received a 1% salary increase that affected fringe benefit costs as well.

The table below outlines the last 5-years' expenditure budget by Wages, Health Insurance and Payroll Deductions, and Maintenance and Operations categories.

BUDGET LINE ITEM	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>
Total Wages	\$23,645,008	\$23,249,695	\$22,992,946	\$24,185,310	\$24,434,723
Benefits and Payroll Deductions	8,215,493	8,303,278	8,303,915	8,090,502	8,111,673
Maintenance and Operations	9,314,084	9,678,544	9,359,843	9,603,467	9,663,022
Total Budget	\$41,174,585	\$41,231,517	\$40,656,704	\$41,879,279	\$42,209,418

Naturally, the salary and payroll deduction costs make up the major portion of the operating budget. For FY 2019, NWACC is budgeting \$32,546,396 million in this category, or 77% of the total operating budget. This includes funds for faculty and staff salaries, student employment, and fringe benefits such as retirement, medical insurance, and social security.

FY 2019 PROPOSED BUDGET EXPENDITURES E&G, DESIGNATED & AUXILIARY FUNDS



The table below compares FY 2015 and FY 2019 full-time salaries and number of budgeted positions.

POSITION TYPE	FY2015 Budgeted Salaries	FY2015 Budgeted Positions	FY2015 Average Salary	FY2019 Budgeted Salaries	FY2019 Budgeted Positions	FY2019 Average Salary
Academic Positions	\$9,699,007	167	\$58,078	\$10,338,504	173	\$59,760
Non-Academic Positions	9,809,071	243	40,367	9,888,044	228	43,369
Total	\$19,508,078	410	\$47,581	\$20,226,606	401	\$50,440

President / Development / Grants-IR-PR: This area includes administrative functions such as the Board Office, President's Office, Community Relations, Development/Alumni Relations, Grants, Institutional Research, and Public Relations. The combined operations budget total for this category is \$1,319,321.

Learning Division: Operations funds have been allocated to meet needs in instruction, academic support, accreditation and faculty development. A total of over \$18,352,704 in operations is budgeted in core areas including the academic departments.

Student Services: Operating budgets in the Student Services category have been allocated to meet priorities in various areas. The offices and functions in this category within the Education and General budget include Enrollment Support, Financial Aid, International Students, Disability Services, Admissions, Advising, Counseling, and Off-Campus Operations. In this category, \$1,474,216 is budgeted for equipment and operations. This includes the funds generated by the student transcript fee. Additional Student Services including Ozark Transportation and the LIFE Program are allocated through the Auxiliary funds.

Finance and Administrative Services: This category consists of many administrative functions such as the Finance Units, Human Resources, Physical Plant, Construction, Risk Management, Compliance, Purchasing, Payroll, Security and Information Technology departments. This division's operating budget for E&G, designated, and auxiliary fund group totals \$8,184,485. The designated funds include student health and safety fee, and maintenance fee.

College-wide: The FY 2019 operating budget includes significant allocations for college-wide initiatives and expenditures. A total of \$11,060,160 is budgeted for college-wide needs, which include health insurance, retirement plans and payroll taxes, leases, memberships, insurances, professional services, counsel, bad debt payments, bank fees, and the President's Advisory Council for Art.

Institutional Scholarships: For FY 2019, funds for scholarships were adjusted to incorporate compliance with Act 1118, An Act to Amend Provisions of the AR Code Concerning Concurrent Credit. The reduction in tuition and fees for the concurrent enrollment has been set up as discounted rates instead of booked as scholarships. The result of this adjustment, compared to FY 2018, reduced both tuition revenue and scholarship expense.

EXPENDITURES BY FUNCTIONAL CATEGORY

NWACC has developed a budget reporting structure that follows the NACUBO model and federal financial reporting standards for higher education. The broad budget categories and totals for FY 2019 are as follows:

Instruction: \$20,182,262 includes all expenditures such as faculty salaries, benefits, and payroll deductions, operating funds and equipment that support instructional activities. \$1,164,258 of the total is non-credit and \$249,569 is for secondary programs' instruction.

Academic Support: \$5,128,144 Academic administration, Library and Academic Support Technology including lab assistants are in this category.

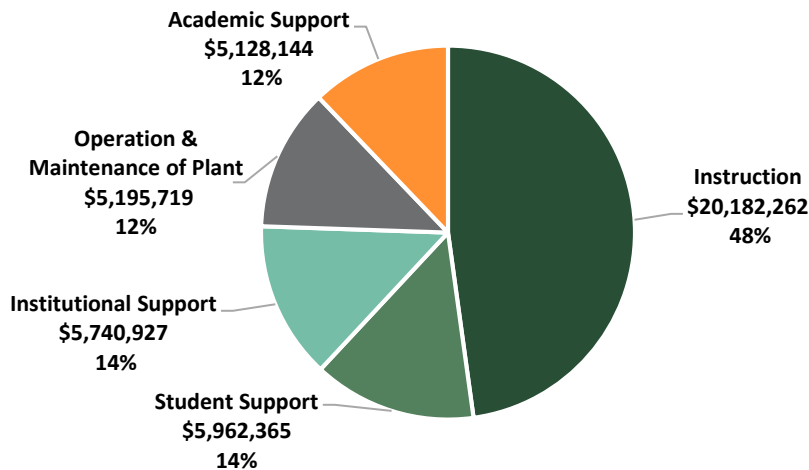
Student Services: \$5,962,365 includes areas such as Student Services administration, Financial Aid, Enrollment Support, Student Records, Advising, Testing Services, student health and counseling services, and extracurricular activities.

Institutional Support: \$5,740,927 encompasses fiscal operations, Human Resources, risk management, alumni and public relations, and general administration are in this category.

Operation & Maintenance of Physical Plant: \$5,195,719 General physical plant operations, including utilities, maintenance, grounds and custodial, construction, and public safety are in this category. This category includes \$952,639 for utilities and custodial, \$765,003 for public safety, \$315,160 for auxiliary services and \$271,000 designated for campus building repairs and preventive maintenance are in this category.

For Credit Instruction, Academic Support Technology (Information Technology) is distributed by: 40% to Programs 100 Instruction-Credit and 102 Instruction-Secondary, 20% Academic Administration and Library, 20% Student Support Services, and 20% to Institutional Support.

FY 2019 Proposed Budget Expenditures By Functional Classification





NORTHWEST ARKANSAS COMMUNITY COLLEGE

FY 2018 - 2019

BOARD OF TRUSTEES	District	TERM EXPIRATION
Mr. Lucas Pointer	1	12-31-20
Dr. DeAnne Witherspoon	2	12-31-22
Mr. Mike Shupe	3	12-31-18
Mr. Todd Schwartz (Vice Chair)	4	12-31-18
Mr. Ron Branscum (Secretary)	5	12-31-22
Mr. Mark Scott	6	12-31-20
Ms. Debra Hobbs	7	12-31-18
Mr. Mauricio Herrera	8	12-31-20
Mr. Joe Spivey (Chair)	9	12-31-22
Mr. Renato Betim (Student Trustee)		AY 2018-19

CABINET MEMBERS

Evelyn E. Jorgenson, PhD	President
Ricky Tompkins, EdD	Vice President of Learning, Chief Academic Officer
Debi Buckley, JD	Vice President of Administration
Tim Cornelius, JD	Vice President of Career and Workforce Education
Todd Kitchen, EdD	Vice President of Student Services
Gulizar Baggson	Associate Vice President, Finance
Jim Hall	Executive Director of Community and Governmental Relations
Lisa Anderson, EdD	Executive Director of Planning, Effectiveness and Public Relations

Estimated Student Semester Credit Hours (SSCH)

In District	58,130	38.7%
In District Early College Experience	6,910	4.6%
Out of District	64,139	42.7%
Out of District Early College Experience	5,708	3.8%
Out of State/Contiguous County	<u>15,321</u>	<u>10.2%</u>
Total Budgeted SSCH	150,208	100.0%

Number of Budgeted Positions *(excluding provisional and part-time positions):*

127	Full-Time Faculty, Nine Month
21	Full-Time Faculty, Twelve Month
25	Academic Administration
95	Administrative/Professional
<u>133</u>	Classified
401	



NORTHWEST ARKANSAS COMMUNITY COLLEGE

FY 2018 – 2019

CAMPUS LOCATIONS

Bentonville Campus

One College Drive
Bentonville, AR 72712
479-636-9222
479-986-4000

Washington County Center

Central Plaza
693 White Road, Suite B
Springdale, AR 72764
479-927-3330

Brightwater: A Center for the Study of Food

801 SE 8th Street
Bentonville, AR 72712
479-631-8600

The Melba Shewmaker Southern Region National Child Protection Training Center

1202 SE Eagle Way
Bentonville, AR 72712
479-986-4055

Jones Center for Families

922 East Emma Avenue
Springdale, AR 72764
479-756-8090

Farmington High School Center

278 West Main
Farmington, AR 72701
479-986-6654

Dental Assisting Program

Fayetteville Public Schools
2350 Old Farmington Road Bld. A
Fayetteville, AR 72701
479-301-2130



NORTHWEST ARKANSAS COMMUNITY COLLEGE

FY 2018 – 2019

CAMPUS BUILDINGS

College-Owned Buildings	Square Feet
Burns Hall	181,000
Becky Paneitz Student Center	81,799
Center for Health Professions	79,926
Shewmaker Center for Workforce Technologies	42,000
Physical Plant Building	12,217
Central Energy Plant	<u>3,200</u>
Total College-Owned Buildings	400,142

Leased Buildings	Square Feet
Shewmaker Center for Global Business Development	42,763
Brightwater: A Center for the Study of Food	27,500
The Melba Shewmaker Southern Region NCPTC	17,285
Washington County Center	12,922
Farmington HS Facility	4,697
Jones Center for Families	4,361
Fayetteville Public Schools-Dental Assisting Program	<u>2,765</u>
Total Leased Buildings	112,299

Total Building Space **512,441**

Other Leased Building - Parking Garage **277,104**



**NORTHWEST ARKANSAS COMMUNITY COLLEGE
FY 2019 BUDGET STATEMENT of REVENUES and EXPENDITURES**

ACCOUNT	ACCOUNT TITLE	Educational & General				TOTAL	%
		Credit	Non Credit	DESIGNATED	AUXILIARY		
51000	Tuition-Credit	\$ 14,890,377	\$ -	\$ -	\$ -	\$ 14,890,377	35.28
51010	Other Tuition-Credit	223,098	-	-	-	223,098	0.53
51020	NWACC Tuition Scholarship/Waiver	(462,972)	-	(239,734)	-	(702,706)	-1.66
51050	Tuition-Non-Credit	-	502,000	-	-	502,000	1.19
51070	Tuition ScholarWaiver NonCred Budgt	-	(700)	-	-	(700)	0.00
51100	Student Fees-Credit	3,337,045	-	3,886,340	-	7,223,385	17.11
51160	Student Fees-Non-Credit	-	434,500	-	-	434,500	1.03
51200	Other Operating Revenues	8,000	-	12,325	572,660	592,985	1.40
52000	Gifts & Grants Reimbursement	30,000	-	100,784	-	130,784	0.31
52101	General Revenue	10,619,202	-	-	-	10,619,202	25.16
52102	Educational Excellence Trust Fund	1,131,643	-	-	-	1,131,643	2.68
52200	Other Non Operating Revenue	20,000	-	36,850	-	56,850	0.13
56000	Millage	7,108,000	-	-	-	7,108,000	16.84
Total Revenue		\$36,904,393	\$ 935,800	\$ 3,796,565	\$ 572,660	\$42,209,418	100

61000	Instructional Administration Salaries	\$ 2,855,348	\$ 101,404	\$ -	\$ -	\$ 2,956,752	7.00
61010	Full-Time Instructors Salaries	7,381,810	-	-	-	7,381,810	17.49
61020	Part-Time Instructors Salaries	3,108,716	115,100	12,360	-	3,236,176	7.67
61030	Full-Time Instructors Overload Salaries	377,834	-	37,500	-	415,334	0.98
61200	Administrative/Professional Salaries	5,039,051	190,870	281,331	42,344	5,553,596	13.16
61300	Classified Salaries	3,938,467	32,106	283,288	80,587	4,334,448	10.27
61400	Part Time/Temporary	308,723	15,000	149,468	4,911	478,102	1.13
61500	Work Study Salaries	58,505	-	-	-	58,505	0.14
61600	Compensated Absences Labor	20,000	-	-	-	20,000	0.05
62000	Health Insurance	3,639,672	60,985	102,809	30,951	3,834,417	9.08
62020	Other Payroll Deductions	4,059,206	64,835	120,585	32,630	4,277,256	10.13
71000	Operating Expenses	4,204,692	75,939	1,613,219	176,599	6,070,449	14.38
72000	Travel-Professional Development	233,498	9,639	50,408	-	293,545	0.70
73000	Professional/Contract Fees & Services	806,979	162,500	60,596	159,138	1,189,213	2.82
76000	Capital Outlay	188,578	-	95,000	-	283,578	0.67
79000	Other Expenses	683,314	271	917,650	-	1,601,235	3.79
79990	Operation Contingency	-	107,151	72,351	45,500	225,002	0.53
Total Expenditures		\$36,904,393	\$ 935,800	\$ 3,796,565	\$ 572,660	\$42,209,418	100

NWACC Board of Trustee Reserve* **\$ 2,875,855**

*The BOT Reserve is funded from the prior Educational and General Fund year-end balance.



**NORTHWEST ARKANSAS COMMUNITY COLLEGE
FY 2018 AND FY 2019 BUDGET COMPARISON BY ACCOUNT**

ACCOUNT	ACCOUNT TITLE	FY 2018 TOTAL	FY 2019 TOTAL	CHANGE	% CHANGE
51000	Tuition-Credit	\$ 15,614,718	\$ 14,890,377	\$ (724,341)	-4.6
51010	Other Tuition-Credit	160,000	223,098	63,098	39.4
51020	NWACC Tuition Scholarship/Waiver	(1,594,914)	(702,706)	892,208	-55.9
51050	Tuition-Non-Credit	533,046	502,000	(31,046)	-5.8
51070	Tuition ScholarWaiver NonCred	-	(700)	(700)	100.0
51100	Student Fees-Credit	7,331,529	7,223,385	(108,144)	-1.5
51160	Student Fees-Non-Credit	508,000	434,500	(73,500)	-14.5
51200	Other Operating Revenues	635,160	592,985	(42,175)	-6.6
52000	Gifts & Grants Reimbursement	103,480	130,784	27,304	26.4
52101	General Revenue	10,619,202	10,619,202	-	0.0
52102	Educational Excellence Trust Fund	1,070,308	1,131,643	61,335	5.7
52200	Other Non Operating Revenue	39,750	56,850	17,100	43.0
56000	Property Taxes	6,859,000	7,108,000	249,000	3.6
	Total Revenue	\$ 41,879,279	\$ 42,209,418	\$ 330,139	0.8
61000	Instructional Administration	\$ 2,928,345	\$ 2,956,752	\$ 28,407	1.0
61010	Full-Time Instructors	7,174,289	7,381,810	207,521	2.9
61020	Part-Time Instructors	3,261,111	3,236,176	(24,935)	-0.8
61030	FT Instructors Overload	391,054	415,334	24,280	6.2
61200	Administrative/Professional	5,425,874	5,553,596	127,722	2.4
61300	Classified	4,459,822	4,334,448	(125,374)	-2.8
61400	Extra Help	465,942	478,102	12,160	2.6
61500	Work Study	58,873	58,505	(368)	-0.6
61600	Compensated Absences Labor	20,000	20,000	-	0.0
62000	Health Insurance	3,855,218	3,834,417	(20,801)	-0.5
62020	Other Payroll Deductions	4,235,284	4,277,256	41,972	0.0
71000	Operating Expenses	6,183,170	6,070,449	(112,721)	-1.8
72000	Travel-Prof Dev	269,533	293,545	24,012	8.9
73000	Professional/Contract Fees & Services	1,178,289	1,189,213	10,924	0.9
76000	Capital Outlay	144,000	283,578	139,578	96.9
79000	Other Expenses	1,539,801	1,601,235	61,434	4.0
79990	Operation Contingency Budget	288,674	225,002	(63,672)	-22.1
	Total Expenditures	\$ 41,879,279	\$ 42,209,418	\$ 330,139	0.8



**NORTHWEST ARKANSAS COMMUNITY COLLEGE
FY 2019 BUDGET by NACUBO FUNCTIONAL PROGRAM CODES**

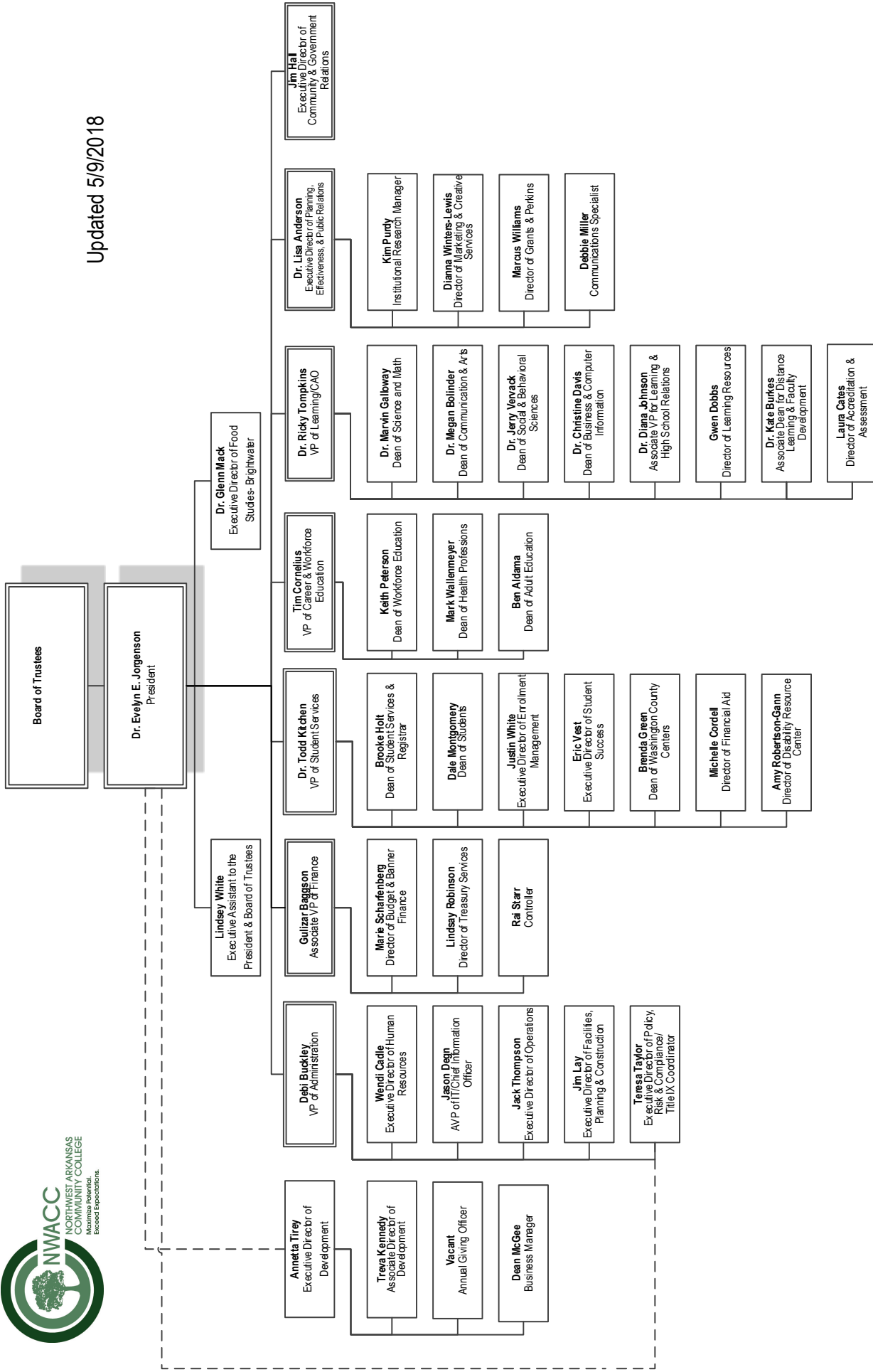
PROGRAM	PROGRAM TITLE	EDUCATION & GENERAL				TOTAL	%
		CREDIT	NON_CREDIT	DESIGNATED	AUXILIARY		
000	Tuition & Fees	\$18,450,520	\$ 936,500	\$ 3,886,340	\$ -	\$23,273,360	55.14
700	Scholarships	(462,972)	(700)	(239,734)	-	(703,406)	-1.67
001	Appropriations	18,858,845	-	-	-	18,858,845	44.68
002	Gifts, Grants & Contracts	30,000	-	100,784	-	130,784	0.31
004	Auxiliary Revenue	-	-	-	572,660	572,660	1.36
005	Other Misc Revenues	28,000	-	49,175	-	77,175	0.18
Total Revenue		\$36,904,393	\$ 935,800	\$ 3,796,565	\$ 572,660	\$42,209,418	100
100	Instruction-Credit	\$16,601,531	\$ -	\$ 903,485	\$ -	\$17,505,016	41.47
101	Instruction-Non-Credit	210,458	935,800	18,000	-	1,164,258	2.76
102	Instruction-Secondary	249,569	-	-	-	249,569	0.59
300	Academic Administration	2,973,158	-	552,000	-	3,525,158	8.35
301	Library/Educational Media Services	697,168	-	274,109	-	971,277	2.30
302	Academic Support Technology	3,110,356	-	48,191	-	3,158,547	7.48
400	Student Support Services	4,741,928	-	573,728	15,000	5,330,656	12.63
500	Institutional Support	4,781,611	-	83,534	242,500	5,107,645	12.10
600	Operation & Maintenance of Plant	3,538,614	-	1,343,518	315,160	5,197,292	12.31
Total Expenditures		\$36,904,393	\$ 935,800	\$ 3,796,565	\$ 572,660	\$42,209,418	100

EDUCATION & GENERAL - CREDIT INSTRUCTION

PROGRAM	PROGRAM TITLE	CREDIT	DESIGNATED	TOTAL	%
100	Instruction-Credit	\$18,095,242	\$ 922,761	\$19,018,004	46.99
300	Academic Administration / Support	4,292,397	835,747	5,128,144	12.67
400	Student Support Services	5,363,999	583,366	5,947,365	14.69
500	Institutional Support	5,403,682	93,172	5,496,854	13.58
600	Operation & Maintenance of Plant	3,538,614	1,343,518	4,882,132	12.06
Total Credit Expenditures		\$36,693,935	\$ 3,778,565	\$40,472,500	100
101	Instruction-Non-Credit	\$ 1,146,258	\$ 18,000	\$ 1,164,258	



Updated 5/9/2018



*Double line box indicates Cabinet member