

The background of the cover is a photograph of a modern, two-story building with a large glass facade, situated on a grassy hill under a blue sky with white clouds. A white diamond-shaped graphic is overlaid on the top left corner, containing the college's name and the book's title.

**Kirkwood**  
COMMUNITY COLLEGE

**BUDGET BOOK**  
**FY2023**

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## President's Message

**To:** Kirkwood Community College Board of Trustees  
**From:** Dr. Lori L. Sundberg, President  
**Subject:** Budget for Fiscal Year 2023

Transmitted herewith the budget for Kirkwood Community College, for fiscal year 2023 (starting July 1, 2022-June 30, 2023).

As we enter fall of 2022, we are still feeling the effects of the pandemic. Continuing Education enrollments have rebounded nicely and nearly back to pre-pandemic levels, with credit enrollment coming back but still below pre-pandemic levels.

Financially, Kirkwood is in a strong position with substantial reserves. The College was in a very strong financial position prior to the pandemic and made very prudent decisions to manage the early months of the health crisis. With the additional government stimulus dollars, the institution was further strengthened. The College will need the reserves it has built to buffer the institution through the next couple of years while it fully recovers from the pandemic and rebuilds enrollment.

On the positive side of the enrollment front, the College has two initiatives for fall 2022 (FY23) to increase enrollment and graduation. The College is working with six of its high school partners in sharing the cost of a career counselor. We believe this will allow us to have more contact with high school students to share our information and the benefits of a college degree. The second initiative is directed toward increasing success with our students of color. As a college, we also know that our minority students do not succeed at the same rate as our white students. We are implementing success coaches for those groups. We believe this direct intervention will increase the retention and graduation rates of our minority students. Both of these initiatives are being funded through government stimulus dollars.

From a strategic planning perspective, the College has never been stronger. We are at the end of a five-year strategic plan, which for the first time employed strategies and key performance indicators tied back directly to the College's priorities. The College has implemented dashboards both internally for employees and externally for all stakeholders, as well as an



internal data system that is guiding all divisions of the institution. Kirkwood is truly becoming a data driven college in terms of its decision-making.

**The 2022-2023 budget incorporates and reflects several significant factors:**

1. The pandemic has been a major factor in the College's life cycle, and its effects will be felt for a few years.
2. Despite challenges with enrollment, the College remains financially very strong.
3. The College has a labor agreement in place until 2024, which will afford the College the ability to effectively plan for upcoming wage increases and budget accordingly.
4. Government stimulus dollars are being used to support those areas of the college, which have the greatest potential to yield enrollment growth in the long-term.

While challenged in the short-term with the effects of the pandemic, the College is well positioned both strategically and financially for the long-term to recover. We are encouraged and hopeful for the future. Above all else, we remain committed to our students and to their success.



Lori L. Sundberg, DBA  
President, Kirkwood Community College



# Mission, Vision & Values

## Mission Statement

Kirkwood Community College ensures access to quality education, training, and lifelong learning with clear educational pathways that provide opportunities and support for all students to succeed.

## Vision Statement

To be the community college leader in regional, national, and global education.

## Core Values

- Respect
- Excellence
- Responsibility
- Diversity Equity Inclusion



## Board of Trustees



**James Mollenhauer, Chair**

Represents: District 7

Elected: 2004

Occupation: Retired Banker



**Tracy Pearson, Vice Chair**

Represents: District 2

Elected: 2014

Occupation: CPA



**Dr. Keith Stamp**

Represents: District 1

Elected: 2008

Occupation: Education  
Consultant



**Kathleen (Mary) Mac Taggart**

Represents: District 3

Elected: 2021

Occupation: Freelance Artist



**Lorraine Williams**

Represents: District 4

Elected: 2015

Occupation: Business Owner



**Alan Jensen**

Represents: District 5

Elected: 2015

Occupation: Retired  
Superintendent



**Joel Thys**

Represents: District 6

Elected: 2013

Occupation: Owner, Auto  
Dealerships



**Steve Caves**

Represents: District 8

Elected: 2021

Occupation: Retired Banker



**Leslie A. Wright**

Represents: District 9

Elected: 2021

Occupation: Consultant

## Cabinet Members

**Dr. Lori Sundberg**

President

**Jasmine Almoayyed**

Vice President, Continuing Education and Training Services

**Dr. Jennifer Bradley**

Vice President, Academic Affairs

**Jon Buse**

Vice President, Student Services

**Jim Choate**

Vice President, Chief Financial/Operations Officers

**Wes Fowler**

Vice President, Human Resources

**Troy McQuillen**

Vice President, Facilities & Security

**Jon Neff**

Vice President, Technology Services

**Jody Pellerin**

Vice President, Advancement

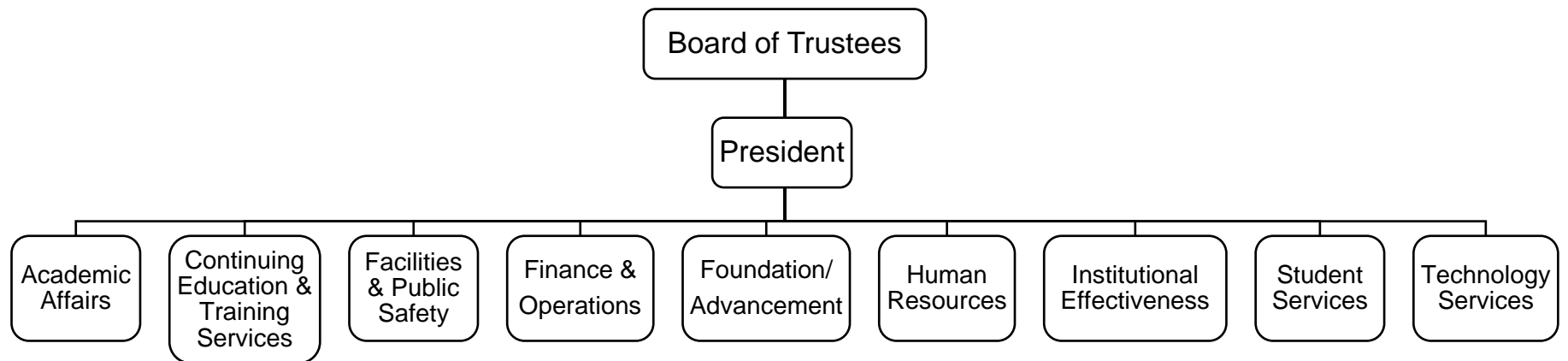
**Dr. Connie Thurman**

Vice President, Institutional Effectiveness/Research





## Organization Chart



## College History & Overview

Iowa's Community Colleges got their start in 1961 when the General Assembly directed the Iowa Department of Public Instruction "to prepare a detailed statewide plan for the development of public area community colleges and to investigate the availability of vocational-technical education".<sup>1</sup>

In 1966, the College was created and officially known as Merged Area (Education) 10, in the Counties of Benton, Cedar, Iowa, Johnson, Jones, Linn and Washington, State of Iowa. The College started in rented quarters at 107 Eighth Ave SE in Cedar Rapids. For the 200 students enrolled, classes were offered in auto mechanics, data processing, practical nursing, machine shop, floriculture, electronic technology, drafting, and design.

The school moved to 4401 Sixth Street SW in the spring of 1967 and in 1968 temporary buildings were set up on the southwest side off Bowling Street. In 1969, the College's name changed to Kirkwood Community College, after Iowa Governor Samuel J. Kirkwood.<sup>2</sup>

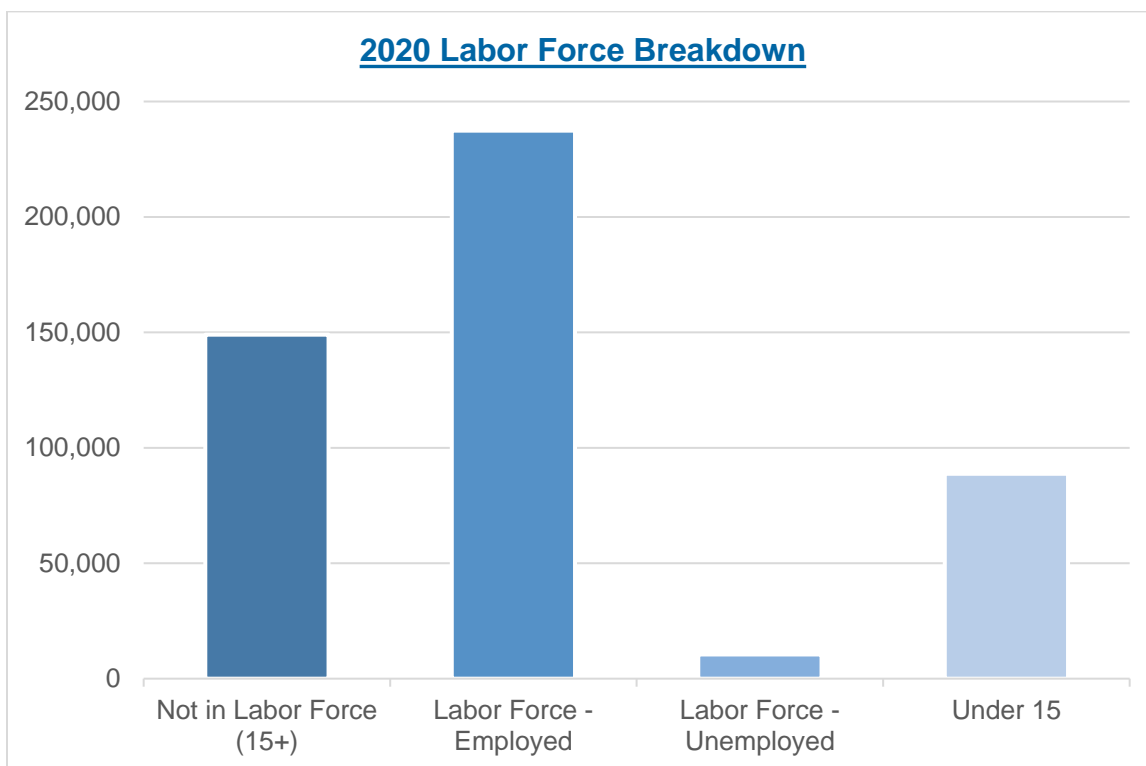
Today Kirkwood Community College has 12 locations across six counties (Benton, Iowa, Johnson, Jones, Linn and Washington). Kirkwood is the area's leading provider of accessible, affordable, and exceptional education and training. Kirkwood offers 130 career and college transfer programs, plus over 2,000 non-credit courses from personal interest to workforce training. Kirkwood ranks in the top 5% of two-year colleges in America based on the number of two-year degrees awarded. Kirkwood has one of the largest continuing education programs in the country with annual noncredit enrollment exceeding 60,000 registrations in non-credit open enrollment classes, conferences, seminars and contracted training programs focused on continuing professional education, vocational and personal enrichment programs.

<sup>1</sup> Legal Services Division. *Legislative Guide - Community Colleges*. Dec. 2016, [www.legis.iowa.gov/docs/publications/LG/802016.pdf](http://www.legis.iowa.gov/docs/publications/LG/802016.pdf).

<sup>2</sup> **Time Machine: Kirkwood turns 50** Gazette et al. <https://www.thegazette.com/news/time-machine-kirkwood-turns-50/>

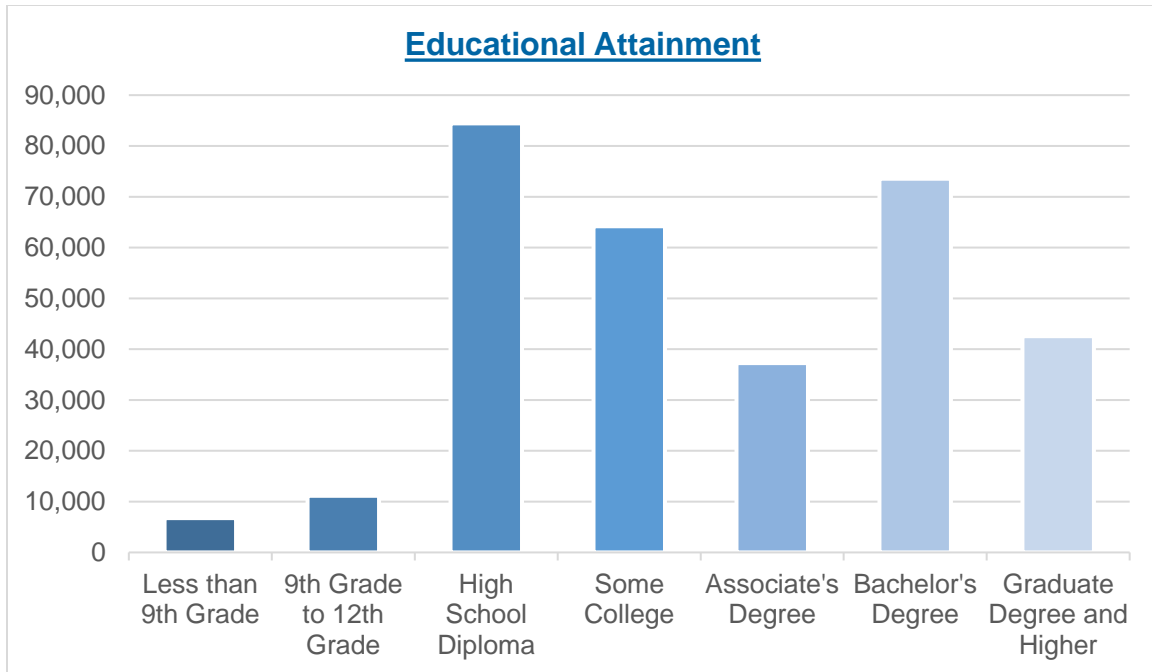
## Community Overview

Kirkwood Community College's main campus is located in Cedar Rapids Iowa. Along with this campus, the College has 12 total locations across seven counties (Benton, Iowa, Johnson, Jones, Linn and Washington). According to the Emsi Q2 2021 Data Set Economy Overview for the 7 County Region, the 2020 population of the region was 485,614 with a total labor force of 247,859.



Source: EMSI Q2 2021 Data Set 7 County Region. Emsi.

Within the labor force breakdown, in 2020, the top three industries of employment in the region were Education and Hospitals (State Government), Education and Hospitals (Local Government), and Restaurants and Other Eating places.



**Data Source:** EMSI Q2 2021 Data Set 7 County Region. Emsi.

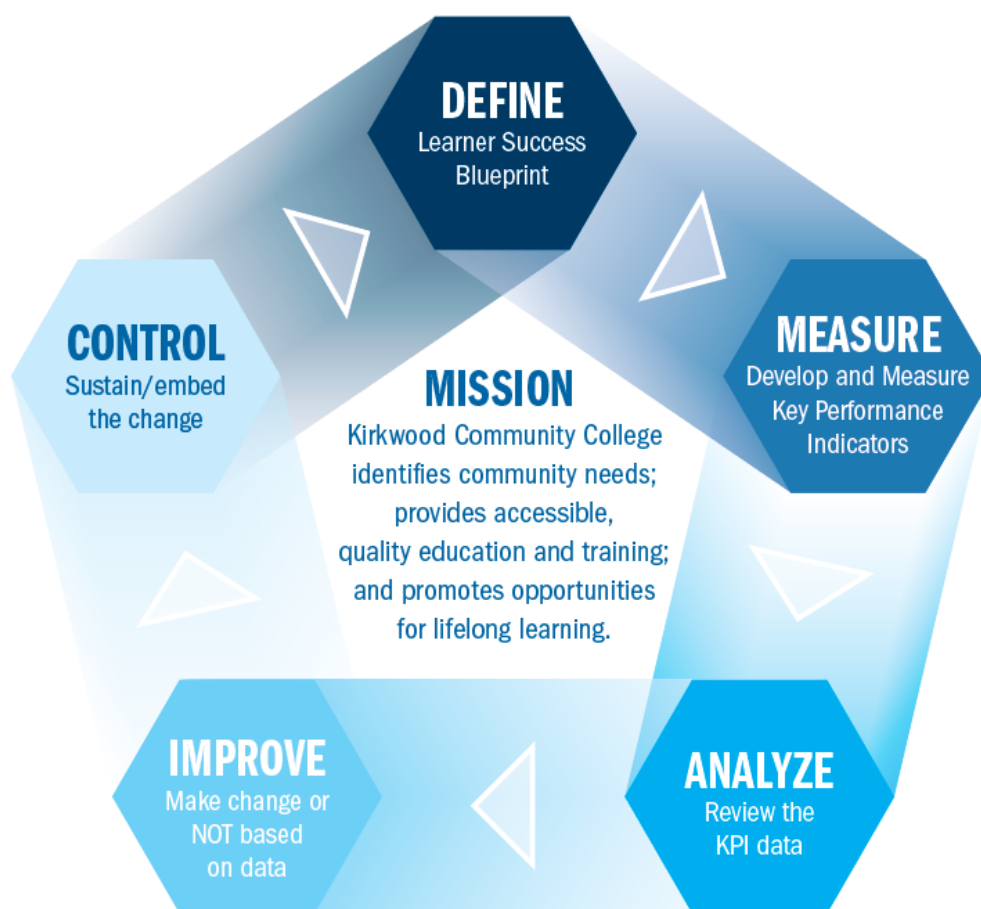
In regards to educational attainment, the Emsi Q2 2021 Data Set states that 23.0% of the regions' residents possess a Bachelor's Degree, which is 2.9% above the national average and 11.6% possess an Associate's Degree which is 3.1% above the national average.

# Strategic Goals

## Strategic Planning Process

The strategic planning process for Kirkwood Community College includes an environmental scan; Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis with input from the entire college community; and a review of the mission and vision statements, core values, and the Blueprint for Learner Success.

## Strategic Planning Cycle



The Strategic Planning Cycle is a data-driven improvement cycle used for improving, optimizing, and sharing information regarding strategic priorities and key performance indicators. The Strategic Plan is a dynamic plan, and institutional- and departmental-level KPIs will be reviewed annually in order to ensure data-driven decisions and continuous improvement based on the Mission, Vision, Core Values, and Learner Success Blueprint.



## Strengths, Weaknesses, Opportunities and Threats Analysis

A survey was administered to all employees and Trustees to evaluate the strengths and weaknesses internal to Kirkwood Community College, as well as the opportunities and threats external to the organization. Not every strength, weakness, opportunity and threat is listed; rather, the major themes that were identified are included.

<b>Strengths</b> <ul style="list-style-type: none"> <li>◆ Dedicated and talented faculty and staff</li> <li>◆ Reputation</li> <li>◆ Facilities* and beautiful campuses</li> <li>◆ Student focused</li> <li>◆ Innovative</li> <li>◆ Collaborative</li> <li>◆ Diversity*</li> <li>◆ Kirkwood culture</li> <li>◆ Brand recognition*</li> </ul>	<b>Weaknesses</b> <ul style="list-style-type: none"> <li>◆ Communication</li> <li>◆ Aging facilities*</li> <li>◆ Technology</li> <li>◆ Brand marketing*</li> <li>◆ Too much administration</li> <li>◆ No strategic plan</li> <li>◆ Emergency management</li> <li>◆ Lack of standard processes</li> <li>◆ Decentralization creates differences among departments</li> <li>◆ Diversity*</li> <li>◆ Overreliance on part-time faculty and staff</li> </ul>
<b>Opportunities</b> <ul style="list-style-type: none"> <li>◆ Capitalize on Kirkwood brand</li> <li>◆ More partnerships (K through 12, industry, businesses, other universities and colleges both private and public)</li> <li>◆ Expanded marketing</li> <li>◆ Pathways</li> <li>◆ International students</li> </ul>	<b>Threats</b> <ul style="list-style-type: none"> <li>◆ Declining high school graduates</li> <li>◆ Strong economy with low unemployment</li> <li>◆ Declining state funding</li> <li>◆ Increased pressure on tuition rates</li> <li>◆ Other nontraditional players offering education</li> <li>◆ High school students unprepared for college</li> <li>◆ Diminished view by the public of higher education</li> <li>◆ Pace of technological changes</li> <li>◆ Violence on campus</li> </ul>

*\*Indicates same theme in Strengths and Weaknesses*

## Learner Success Blueprint

The guiding institutional priorities are Learner Success, Student Experience, Employee Development, Community Impact and Operational Excellence. They serve as the foundation for institutional and departmental key performance indicators — what we do and what we measure.



## Institutional Key Performance Indicators (KPIs)

Department KPIs are monitored and reviewed by the College's Institutional Effectiveness team and reported on the Kirkwood Community College's website. Kirkwood Community College Institutional Effectiveness administers processes to engage in ongoing self-evaluation in order to measure achievements and outcomes as they relate to Kirkwood's mission. Kirkwood Community College has identified the following metrics as key performance indicators for FY2023.

Learner's Success						
Metric	Description	Primary Department	FY21	FY22	FY23 Target	Notes
1. Persistence	Proportion of credit students who return for the next semester (fall to spring)	Academic Affairs	74.0%	74.0%	76.0%	
2. Retention	Proportion of credit students who return for the next academic year (fall to fall)	Academic Affairs	48.0%	49.0%	51.0%	
3. Completion	Proportion of credit students who attain a degree, diploma, or certificate or transfer to a four-year institution within three years for <i>full-time</i> students	Academic Affairs	45.0%	46.0%	48.0%	
	Proportion of credit students who attain a degree, diploma, or certificate or transfer to a four-year institution within six years for <i>part-time</i> students	Academic Affairs	36.0%	24.0%	36.0%	
4. Teaching and Learning	Increase associate degree granting program assessment of students on each of the 8 Kirkwood Student Learning Outcomes (KSLOs) using the KSLO Planning Tool from 85% to 100% by FY2023.	Academic Affairs	76.0%	85.2%	100.0%	
	Develop and implement a co-curricular assessment plan for institutional functions by FY2023.	Academic Affairs	5.0%	5.0%	100.0%	
	Increase the student satisfaction survey participation rate by 5% by FY2023.	Academic Affairs		7.1%	12.1%	New FY23
	Increase full-time faculty collection and analysis of student assessment data from 87.2% to 90% per their KSLO assessment plan by FY2023.	Academic Affairs		87.2%	86.0%	New FY23
	Increase part-time faculty collection and analysis of student assessment data from 58.2% to 75% per their KSLO assessment plan by FY2023	Academic Affairs		58.2%	75.0%	New FY23
	Define short-term student momentum measures by FY2023.	Academic Affairs		0.0%	100.0%	New FY23
	Integrate High School Concurrent Enrollment and English Language Learner students into Guided Pathways by FY2023.	Academic Affairs		0.0%	100.0%	New FY23

Student Experience						
Metric	Description	Primary Department	FY21	FY22	FY23 Target	Notes
1. Active Collaborative Learning	Measure that the academic offerings are appropriate to higher education	Academic Affairs	45.7%		47.7%	Survey to measure completed every other year. New Data will be available in FY23
2. Academic Challenge	Measure that the institution offers programs that engage students in collecting, analyzing and communicating information; in master modes of intellectual inquiry or creative work; and in developing skills adaptable to changing environments	Academic Affairs	52.7%		54.7%	Survey to measure completed every other year. New Data will be available in FY23
3. Student-Faculty Interaction	Measure the institution has the faculty and staff needed for effective, high-quality programs and student services	Academic Affairs	51.2%		53.2%	Survey to measure completed every other year. New Data will be available in FY23
4. Support for Learners	Proper support is provided for student learning and resources for effective teaching	Academic Affairs	51.2%		53.2%	Survey to measure completed every other year. New Data will be available in FY23
5. Student Effort	Measure Student Effort to identify that the institution fulfills the claims it makes for an enriched educational environment.	Academic Affairs	46.9%		48.9%	Survey to measure completed every other year. New Data will be available in FY23
6. Equity and Inclusion	Develop and implement an equity self-study and/or equity audit to assess the campus climate for students and employees by FY2023.	Student Services		0.0%	100.0%	New FY23
	Develop a communication plan for sharing information and progress on the college's diversity, equity and inclusion efforts to inform and engage the college community in ways that are intentional and sustainable by FY2023.	Student Services		0.0%	100.0%	New FY23

Employee Development						
Metric	Description	Primary Department	FY21	FY22	FY23 Target	Notes
1. Employee Turnover	Maintain an employee departure rate of 9% or less.	Human Resources	5.58%	8.51%	9.00%	
2. Equity and Inclusion	Establish a minority employee/ population ratio of .70 minority employee population to Kirkwood's district minority population	Human Resources	0.57	0.58	0.70	
3. Employee Engagement and Inclusion	Increase Q12 Employee Engagement Mean Score from 3.85 to 3.96 by FY2023.	Human Resources		3.85%	3.96%	New FY23
	Increase Q12 participation rate from 60% to 64% by FY2023.	Human Resources	64.00%	60.0%	64.0%	

Operational Excellence						
Metric	Description	Primary Department	FY21	FY22	FY23 Target	Notes
1. Enrollment	For Academic Year 2022 – 2023 increase enrollment from 229,000 to 234,000 total attempted credit hours.	Student Services	209,623	229,401	234,000	
2. Financials	Maintain a cash balance of 75 operating days	Finance	118	156	75	
	Achieve 2.5 or higher on the Higher Learning Commission's Above the Zone Composite Financial Index Status of 1.1 – 10.0	Finance	5.5	5.5	2.5	
	Maintain Moody's Bond rating of Aa2 Stable and Standard & Poor's AA Stable	Finance	100%	100%	100%	
3. Innovation	Innovation Fund projects are executed within budget for FY2023.	Institutional Effectiveness		100.0%	100.0%	New FY23
4. Information Technology	Maintain technology experience metric (technology-service-data-security) of 4.35 through FY2023.	Technology Services	4.36	4.53	4.35	
5. Asset Management	Input 95% of all facilities assets in the college's capital maintenance management system by end of FY2023.	Facilities		60%	95%	New FY23
6. Emergency Management	Develop a comprehensive Emergency Management Plan using industry standards and best practices by FY2023.	Facilities	5%	30%	100%	
	Improve the college's emergency notification system coverage from 50% to 75% by FY2023.	Facilities	30%	50%	75%	
7. Business Continuity Management	Complete a comprehensive college-wide BCP by the end of FY2023.	Risk Management	85%	85%	100%	
	Complete a DRP to recovery and protect IT infrastructure in the event of a disaster by the end of FY2023.	Technology Services	65%	85%	100%	
8. Data Governance	Data Governance structure roles and processes are implemented and operational by FY2023.	Institutional Effectiveness		30%	100%	New FY23
9. Preventative Maintenance	Increase the preventative to reactive maintenance ratio from 42% to 50% by FY2023.	Facilities		42%	50%	New FY23
10. Reactive Maintenance	Increase the percent of reactive maintenance work order completion in 7 days from 75% to 80% by FY2023.	Facilities		75%	80%	New FY23

Community Impact						
Metric	Description	Primary Department	FY21	FY22	FY23 Target	Notes
1. Continuing Education	Maintain 7.84% non-credit Student Penetration Rate based on Kirkwood's district total population by FY2023.	Continuing Education	5.19%	4.60%	7.84%	
	Increase Continuing Education Full- Time Equivalent (FTE) enrollment as a percentage of institutional FTE enrollment to 14.12% by FY2024.	Continuing Education	10.64%	9.52%	14.12%	
2. Foundation	Broaden fundraising outreach to alumni and develop dollar goals for funds raised by alumni. Increase giving rate from 0.48% to 0.80% by FY2023	Foundation		0.48%	0.80%	New FY23
	Foundation will increase Donor Retention Rate for first time donors to 24% by FY2023.	Foundation		0%	24%	New FY23



## Priorities & Issues

The FY2023 budget includes funding for the continued implementation of major strategic initiatives and programs at the College. Funding for these new items was reviewed and approved by the President and the President's Cabinet during the budgeting process. The initiatives are designed to improve the student experience at the institution, better position the College for future financial success, and better serve the surrounding community's needs.

- **Guided Pathways Implementation:**
  - **Academic Advising** - The FY2023 budget includes additional headcount to support the implementation of the Guided Pathways Program at the College through the creation of a new Academic Advising unit. This strategic initiative included a reorganization of the College's existing Academic Advising and the inclusion of several new academic advisor positions. These positions are designed to support school retention and postsecondary success via alignment with the new program structure developed as part of the Guided Pathways reforms.
  - **Ongoing Initiatives** - Continued support is provided for the College Career Transition Coordinators who work with six local high schools and Equity in Student Success Coaches. These positions support school retention, college and career preparation, and postsecondary success. Additionally, the positions will have a focused priority on fostering greater equity in the outcomes for students of color and other equity-seeking populations. Funding for the College Career Transition Coordinator roles will be provided through the allocation of dollars received from the Higher Education Emergency Relief Funds (HEERF).
- **Aircraft Maintenance Tech Program** - Included in the budget for FY2023 are ongoing startup costs for a new Aircraft Maintenance Tech Program to be offered by the College. The budget includes expenses related to the program's new faculty and costs associated with curriculum development. The program will also incur costs associated with equipment, materials, supplies, and facility preparation for the program launch. The addition of the Aircraft Maintenance Tech Program allows the College to meet an identified community need by producing skilled workers in the field.

- **Higher Education Emergency Relief Funds (HEERF)** - The College has received federal financial assistance through the Coronavirus Aid, Relief and Economic Security Act (CARES) and American Rescue Plan Act (ARP) as a result of the COVID-19 Pandemic. The College has developed a long-term strategic spending plan to ensure the most effective allocation of these resources. Portions of these funds are being leveraged in FY2023 to fund the College Career Transition Coordinator positions added in FY2022 as part of the College's ongoing implementation of Guided Pathways.
- **Compensation Study** - Throughout FY2022, the College worked with a consultant to conduct a market analysis review of Kirkwood's compensation structure. The outcomes of this compensation study have been implemented in FY2023 and are reflected in the budget. The results include a new base pay structure consistent with best compensation practices, updated pay bands, adjustments to employee pay to align with new pay band minimums, and reallocation of flex dollars to be included as base salary. Salary adjustments resulting from the compensation study resulted in an additional \$535,000 of personnel expenditures added to the FY2023 budget.
- **Early Retirement Incentive** - In FY2022, the College accepted applications for employees to participate in the Early Retirement Incentive Program. A total of 47 employees received approval from the Board of Trustees to participate in the program. The FY2023 Budget for Full Time Personnel was updated to account for the retirements of 18 employees participating in the program with an effective date during the fiscal year. These updates provided the College with an assumed savings of \$461,000 for the fiscal year. Projected cost savings from the remaining 29 retirees who will be retiring with a FY2024 effective date are reflected in the College's long-term forecast.
- **Iowa Hall Student Center** - Beginning in the Fall Semester of FY2023, the College will open the newly renovated Iowa Hall Student Center for operations. Included in the opening of this renovated facility is the return of the College's full-service Café for student dining and campus catering. Budgeting for the College's enterprise operations included ongoing dialogue between The Hotel and Student Services in determining the operational needs of the Café and the associated financial implications. These discussions resulted in an additional \$1 million in Sales and Services revenue as well as

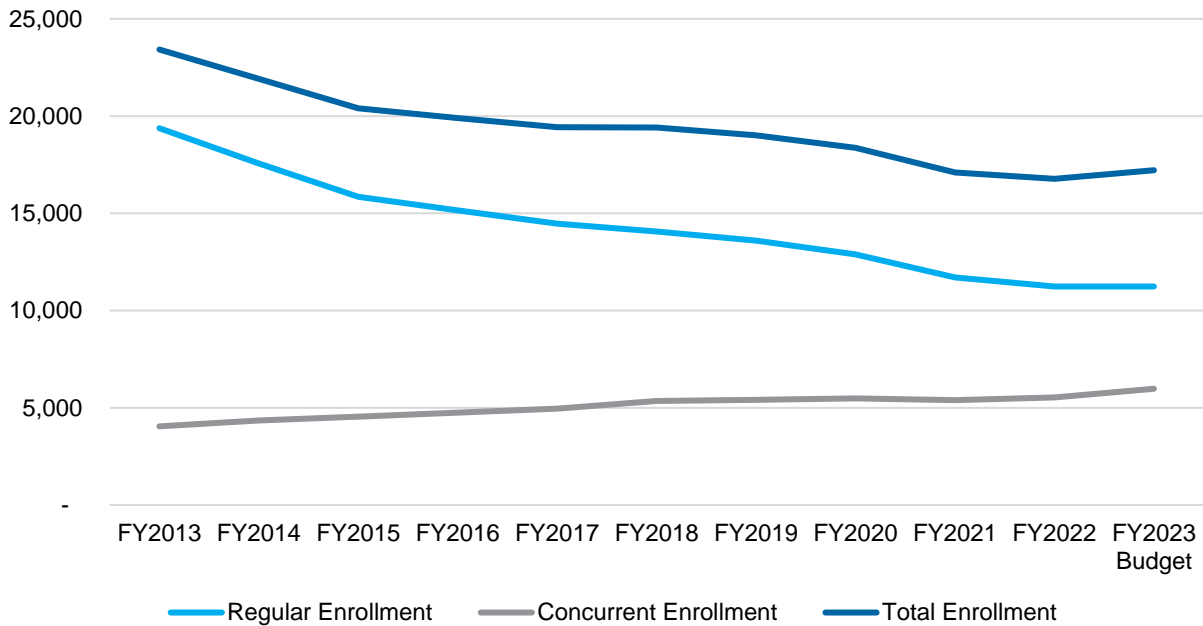
increased personnel and cost of goods sold expenditures in The Hotel's operating budget. Café operations have also been added to the College's long-term forecast.

- **GASB 84 Implementation** - The FY2023 Budget reflects the change in accounting principles associated with GASB 84. Due to this updated accounting guidance, several operating units previously held under the College's Agency Fund were moved to either the Unrestricted General Fund or Auxiliary Fund. Changes from this new accounting standard resulted in a net income effect of \$0 in the operating budget. Still, they did result in deviations for revenue, operating expense, and transfer line items compared to prior fiscal years.
- **Enrollment** - The College has been experiencing a decline in headcount since achieving record highs in the Fiscal Year 2011-2012. A further reduction in headcount of 13% for the Fall 2020 term was realized due to the ongoing COVID-19 pandemic. Fall 2022 Regular Enrollment credit hours are budgeted to remain flat, and Concurrent Enrollment credit hours are budgeted to increase by 8% comparative to the Fiscal Year 2021-2022 per the direction of the President's Cabinet.

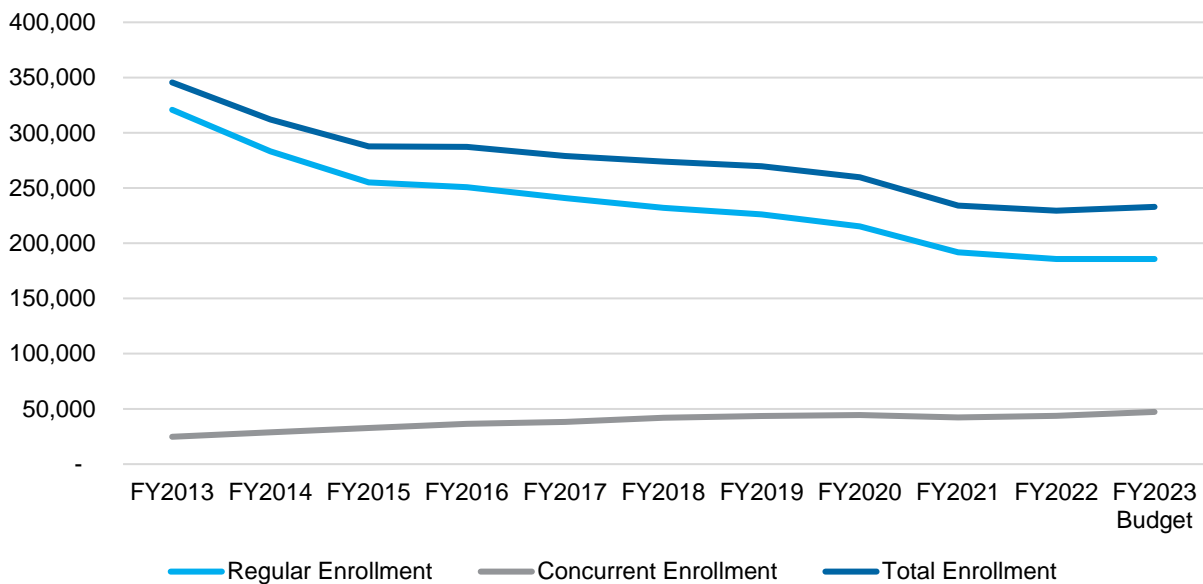
The College has committed to implementing the Guided Pathways program to assist students throughout their educational experience. Through the Guided Pathways program, the College will mitigate the impacts of declining future enrollment and increase student persistence, retention, and completion rates. As part of this implementation, the College has invested in the realignment of Academic Advising and additional headcount to support student advising efforts beginning in FY2023.

The College has also invested in College Career Transition Coordinators. They will be placed at six local school districts to assist prospective students, with an additional focus on helping students of color and other equity-seeking populations. Funding for the College Career Transition Coordinator roles will be provided through the allocation of dollars received from the Higher Education Emergency Relief Funds (HEERF).

### Enrollment by Headcount



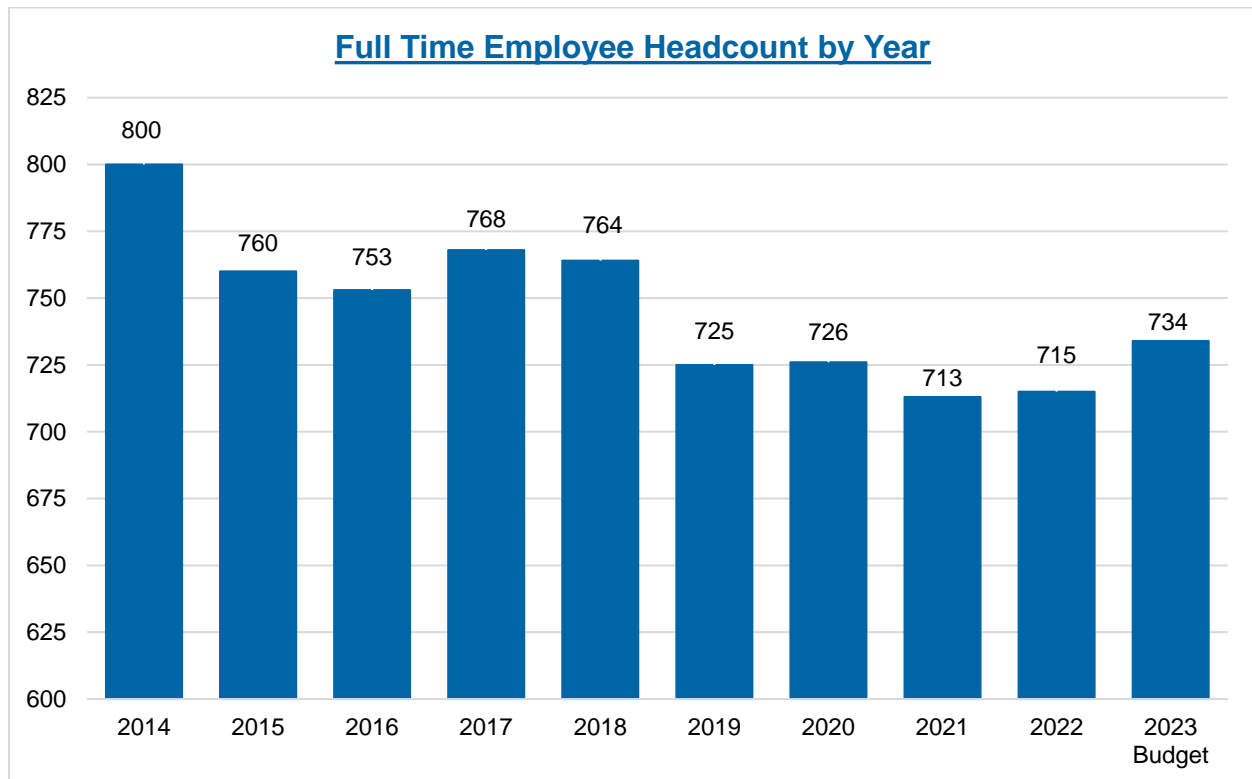
### Enrollment by Credit Hours



- **Personnel Costs** - As enrollment and credit hour tuition revenue continues on a downward trend, personnel costs have not declined proportionately. While the total full-time headcount declined between 2013 and 2022, the total personnel expenditures rose steadily over the same period.

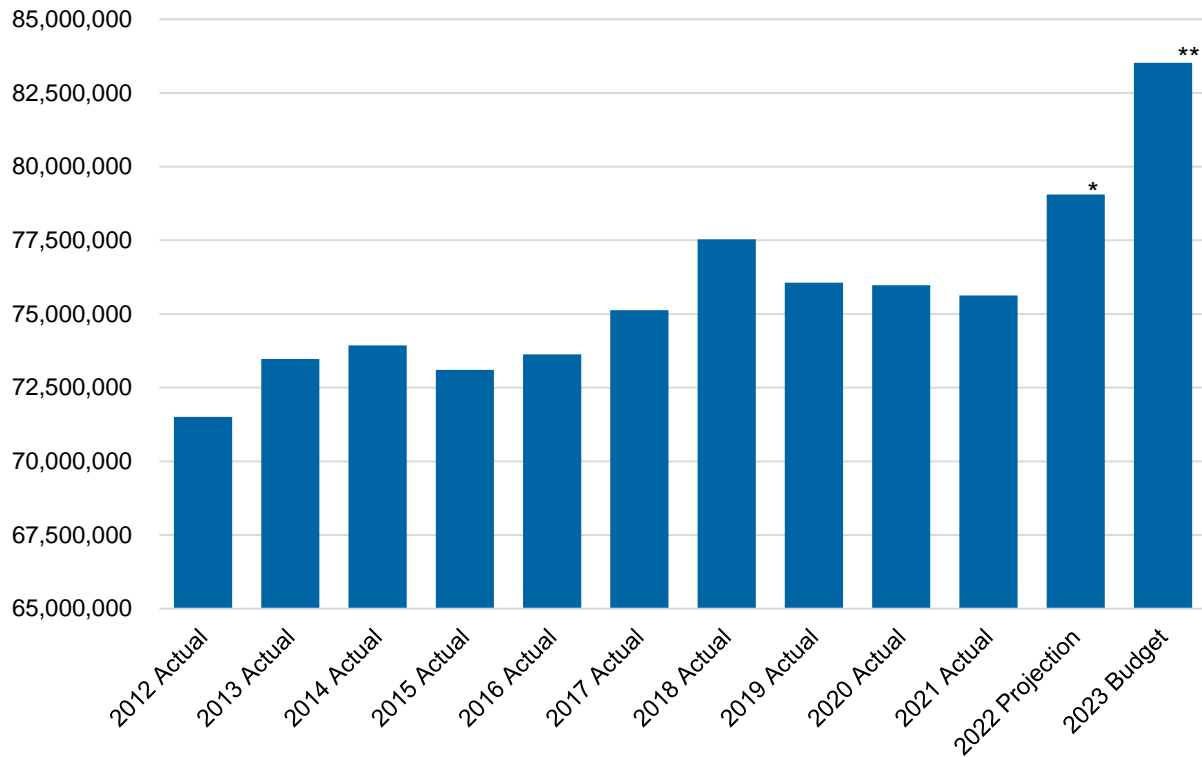
Beginning with the Fiscal Year 2022 Budget, the College's Finance Department began taking a more active role in the budgeting and analysis of full-time personnel expenses. Through this commitment of resources, the Finance Department can better assist the President's Cabinet in making decisions regarding personnel spending. This will be completed through more accurate expense projections for current and future fiscal years.

During FY2022, the Finance Department deployed a new budgeting and financial planning software, Adaptive Planning. Leveraging this new technology, the Finance Department can more accurately track and forecast personnel expenditures based on current staffing and projected hiring information for open positions.





## Salaries and Benefits



\*FY2022 Projection includes \$2,043,912 of one-time bonus payments

\*\* FY2023 salaries and benefits were budgeted for a full year for all positions

# Budget Planning Process & Financial Policies

## Budget Development Process

The annual budget process is designed to strategically allocate resources in alignment with the learner success framework to support both daily operations and strategic initiatives of the College. A Zero-Based Budgeting Strategy is employed to help ensure that the current needs of the College are assessed annually and funds are efficiently and effectively allocated to the College's initiatives. Budget development for all Part Time Personnel and Operating Expenses is completed by approximately 65 Budget Officers from the College's various departments. The College's Finance Department provide the budget allocation for all Full Time Personnel and work closely with the Budget Officers to assist with the budgeting process. A version of the College's budget is published in the local newspaper for public notice.

Beginning in March, Human Resources and the Finance Department begin accepting requests for any staffing changes for the upcoming fiscal year. Requests for new positions are reviewed and approved by the President's Cabinet. The Cabinet provides a listing of strategic budget directives for the upcoming fiscal year for the Budget Officers to follow as they are completing their budget inputs into the College's budgeting software, Adaptive Planning. The budget version for the new fiscal year is prepared in Adaptive Planning by the Finance Department and a series of tasks are assigned to the Budget Officers for input of operating expenses, part time personnel expenses, and select variable revenue inputs for the College's departments.

Upon completion of the departmental budgets, Budget Officer inputs are reviewed by the Finance Department and an initial budget is presented to the President's Cabinet. Following the initial budget presentation, members of the President's Cabinet meet with the Finance Department to analyze their areas and request modifications to the initial budget. Modification requests are applied to the budget inputs in Adaptive Planning and are incorporated into the final budget for the fiscal year. Once all members of the President's Cabinet have provided their modifications the final budget is presented to the President and the Cabinet for approval. Upon receiving President and Cabinet approval the final budget is presented to the Board of Trustees during their July meeting. The Board of Trustees provide the final approval for adoption of the budget for the fiscal year during this meeting.

## FY23 Budget Calendar

<b>March</b>	<b>Budget Tasks</b>
1	Finance Department creates financial calendar for FY23
1	Finance Department Completes updated Budget Training Videos
15	Cabinet reviews strategic priorities to set budget directives and assumptions
21	Budget Training Videos are released for Budget Officer review
31	Finance salary projections file is created
<b>April</b>	<b>Budget Tasks</b>
1	Departments submit payroll changes and new hire request to HR
4	Budget input tasks are released for Budget Officer inputs in Adaptive Planning
29	Finance Department completes full time personnel review meetings with Budget Officers
29	Completed Budget input tasks are due back to Finance Department
<b>May</b>	<b>Budget Tasks</b>
3	Initial budget review completed by Cabinet
31	Initial Cabinet initiated budget modification requests are completed
<b>June</b>	<b>Budget Tasks</b>
13	Cabinet begins review of open positions for deferred hirings/on hold positions for FY23
21	Cabinet approves new pay bands and compensation study outcomes
30	Applications for early retirement are due to Human Resources
<b>July</b>	<b>Budget Tasks</b>
14	Board of Trustees reviews and approves early retirements
15	Finance salary projections file updated for early retirements
15	Finance salary projections file updated for compensation study outcomes
19	Post compensation budget review completed by Cabinet
27	Final Cabinet initiated budget modification requests are completed
27	Cabinet finalizes deferred hirings/on hold positions for FY23
29	Finance Department updates budget for new pay bands
<b>August</b>	<b>Budget Tasks</b>
9	Final FY22 Budget review completed by the President and Cabinet
11	Board of Trustees reviews and approves the budget
12	FY23 Budget locked in Adaptive Planning

## **Basis of Accounting and Budgeting**

### **Basis of Accounting**

For financial reporting purposes, the College is considered a special-purpose government engaged only in business type activities as defined in GASB Statement No. 34. Accordingly, the basic financial statements of the College have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

### **Basis of Budgeting**

The Board of Trustees approves a budget annually designating the proposed expenditures for operation of the College on a basis consistent with accounting principles generally accepted in the United States of America. Following required public notice and hearing, and in accordance with Chapter 260C of the Code of Iowa, the Board of Trustees certifies the approved budget to the appropriate county auditors and then submits the budget to the State Board of Education for approval.

### **Amending the Budget**

The budget may be amended during the year utilizing similar statutorily prescribed procedures. Formal and legal budgetary control is based on total operating expenditures.

## Financial Policies

Kirkwood Community College has policies and procedures governing all areas of the College. The following is a summary of the financial policies and related procedures. For a complete list of policies, visit the College's website at <https://www.kirkwood.edu/about-us/trustees/board-policies-and-procedures>

### **Audit Committee (203)**

The Audit Committee is responsible for assisting the Board of Trustees to ensure the quality and integrity of accounting and financial practices. The primary function of the Audit Committee is to assist the Board of Trustees of Kirkwood Community College in fulfilling its oversight responsibilities with respect to the quality and integrity of the accounting and financial reporting practices of Kirkwood and its related financial controls through:

- Review the College's financial reporting process and systems of internal accounting and financial controls;
- Evaluate the independence and performance of the College's outside auditors; and
- Providing an avenue of communication among the outside auditors, management and the Board.

### **Payment of Bills (213)**

The Treasurer shall have the authority to approve and make payment of the bills against Kirkwood Community College. Prior to the meeting of the Board of Trustees, the Treasurer shall submit to two Trustees on a rotating basis, a list of such bills, certified by the Treasurer as a true and correct statement of the vouchers with the approval of the President noted, for review and ratification by the Board of Trustees. All unpaid vouchers shall be available for inspection by the Board of Trustees at each meeting of the Board.

### **Duties of the President (302)**

The President shall direct the preparation of an annual budget showing the estimated financial needs for the ensuing fiscal year, including recommendations for resident and non-resident tuition rates and the anticipated income from all sources, and submit the budget to the Board in accordance with the requirements of law. The President is responsible for the overall accountability of the College. This applies to not only financial accountability, but to the management and utilization of human resources, as well. The President shall provide sound

financial management and leadership regarding the finances of the College, with an emphasis on maintaining the operation of the College at its current or greater capacity regardless of external factors.

### **Depository banks (722)**

The Board of Trustees shall designate by resolution, the name and location of the bank or banks selected as the official College depository. The Board of Trustees shall also designate the maximum amount that may be kept on deposit in each institution.

### **Purchasing (730)**

It is the policy of the College to purchase products and services from within the College service territory, provided such products and services are competitive. All such purchases shall be administered through College Purchasing procedures developed, written and administered by College administration.

### **Capital Assets (730.01)**

Purchases of personal or real property will be made in accordance with the Kirkwood Purchasing Procedure as well as any applicable state or federal regulations. Donations of personal or real property will be coordinated through the Kirkwood Foundations and adhere to applicable policies and procedures.

Donated or purchased personal or real property in excess of \$5,000 with an estimated useful life of at least 3 years is considered a capital asset. Capital assets will be recorded within the fixed asset system for tracking, depreciation and reporting purposes. Each capital asset will be assigned an asset number, and if possible, an asset identification sticker will be affixed to the asset.

### **Purchasing (730.03)**

This procedure applies when a need arises for College funds to be utilized for procuring equipment, product or services directly related to College activities. Purchases will be awarded without favoritism or prejudice to the most cost effective quote or bid meeting the specifications of the request. The College reserves the right to reject any or all bids or quotes. Unless otherwise noted, all purchases for equipment, products, and services will be initiated by the

issuance of a purchase order. When possible, practical and cost competitive, purchases will be made with local vendors as well as targeted small businesses.

Based on the requirements of purchase, vendors will be contacted to obtain a quote, bid or initiate a formal RFP. Vendors may be contacted by the initiator. Once all quotes/bids/RFPs are gathered, the purchase decision will be made based on all factors. If all other factors are equal, the lowest quote/bid/RFP will be awarded the purchase.

### **Requests for Proposal (730.05)**

A Request for Proposal (RFP) is used to solicit bids from qualified vendors and identify which vendor might be the best qualified to complete the project.

Purchases of \$100,000 or greater require a sealed bid process. Construction related purchases will follow Chapter 26 of Iowa Code for sealed bid procedures.

While purchases in excess of \$100,000 require a Request for Proposal, use of the RFP to solicit bids from qualified vendors should be considered for:

- Costly and/or complex purchases, especially when there are a variety of factors you need to evaluate and consider when selecting the right vendor and solution.
- Request requires technical expertise, specialized capability, or where the product or service being requested does not yet exist, and the proposal may require research and development to create whatever is being requested.
- Re-bidding a good or service that has not been bid for five years or more.

### **Approval and Payment for Goods and Services (734)**

The Board of Trustees shall audit and allow all just claims against the community college. A payment shall be made payable only to the person performing the service or furnishing the supplies for which the payment is issued. Payments issued prior to audit and allowance by the board shall be allowed by the board at the first meeting held after the issuance and shall be entered in the minutes of the meeting.



**Balanced Budget**

The College strives to develop budgets resulting in a net zero or positive impact on the ending fund balance, thus resulting in a balanced budget for the fiscal year. General Fund operating expenditures presented in the budget cannot exceed projected funds available at the time the budget is produced. Available funds include the projected revenue for the upcoming fiscal year and any fund balances that have been carried over from prior fiscal years. In accordance with the College's strategic plan, the budget is also developed to ensure that adequate financial reserves, a cash balance supporting at least 75 operating days is required at the end of the fiscal year.

## Budget Overview

### Summary of Changes between Proposed Budget, Approved Budget and Board Adopted Budget

Fund	Category	Proposed Budget	Changes	Notes	Adopted Budget
General Fund	Revenues	108,746,266.00	589,361.00	Auxiliary Revenue Updates	109,335,627.00
	Salaries & Benefits	83,989,250.00	(465,548.00)	Deferred Projected Hire Dates of Open Positions, Auxiliary Personnel Expense Updates	83,523,702.00
	Operating Expenses	27,061,048.00	(341,039.00)	Auxiliary Operating Expense Updates	26,720,009.00
	Non-Operating Expenses	776,215.00	-		776,215.00

## Summary of Funds

Kirkwood Community College manages its resources in accordance with accounting standards as outlined by the Iowa Department of Education (IDOE) in the Iowa Community College Accounting Manual. The IDOE defines a Fund as “A sum of money or other resources segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations, and constituting an independent fiscal and accounting entity.” The College’s primary budgeting and operation include both the College’s Unrestricted General Fund and Auxiliary Fund. Below are fund definitions for each of the College’s major funds as defined by the IDOE.

### Fund Definitions

#### Fund 11 – Unrestricted General Fund

This fund is available for legally authorized purposes and therefore is used to account for all revenue and expenditures for activities not provided for in other funds. Organizational units to be financed through this fund are those, which are generally directly related with the operation

and support of the educational program of the college the only restrictions being those imposed by the budget.

### **Fund 13 – Auxiliary Fund**

This fund is to record resources received, held, and disbursed by a community college over which the community college has determination as to the nature and degree of receipts and expenditures. Includes the college's enterprise operations.

### **Fund 17 – Unexpended Plant Fund**

This fund is used to account for resources which will be expended for the acquisition or construction of physical property to be used for community college purposes and resources designated for the major repair and/or replacement of community college property.

### **Fund 22 – Restricted General Fund**

This fund is used to account for resources that are available for the operation and support of the educational program, but which are restricted as to their use. Including:

- Tort Liability
- Unemployment Compensation
- Federal Grants
- State and Local Grants
- Chapter 260E Industrial New Jobs Training Activities

### **Fund 24 – Agency Fund**

This fund is used to record resources received, held, and disbursed by a community college as fiscal agent for others. Normally, revenue and expenditure of agency funds are not community college revenue and expenditures and should be reported separately.

### **Fund 25 – Scholarship Fund**

This fund is used to account for resources available for awards to students who are not in payment of services rendered to the community college and will not require repayment to the community college.

### **Fund 27 – Expended Plant Fund**

The expended plant fund is used to account for the cumulative cost of plant assets, net of cumulative deletions.

## Fund Balance

Fund balance is defined as the net position of funds, calculated as the difference between a fund's assets and liabilities. Adequate fund balances are maintained for the purposes of risk mitigation due to unforeseen events, including loss of revenue or unanticipated expenditures. Fund balances are also intended to allow the College to maintain a strong financial position supporting ongoing daily operations. Per the College's Strategic Plan, cash balance reserves equaling 75 operating days should be maintained.

# Financial Schedules

## GENERAL FUND I – Budget and Historical Reporting

### COMBINED FUND

	<u>FY 2018-2019</u>	<u>FY 2019-2020</u>	<u>FY 2020-2021</u>	<u>FY 2021-2022</u>	<u>FY 2022-2023</u>
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>PROJECTED</u>	<u>BUDGET</u>
<b>REVENUES</b>					
State appropriations	32,167,028	32,953,890	32,912,917	34,162,898	35,055,989
Tuition and fees	51,515,386	49,734,217	45,834,180	46,280,156	50,663,987
Property tax	5,167,484	5,270,021	5,618,684	5,708,759	5,834,638
Federal appropriations	75,107	69,218	76,869	90,322	65,300
Sales and services	16,533,567	12,388,844	13,866,369	12,556,839	15,764,180
Interest on investments	766,454	570,583	83,241	84,244	12,000
Miscellaneous	1,967,444	1,685,747	1,268,288	2,037,067	1,939,533
<b>TOTAL REVENUES</b>	<b>108,192,471</b>	<b>102,672,519</b>	<b>99,660,548</b>	<b>100,920,285</b>	<b>109,335,627</b>
<b>EXPENDITURES</b>					
Salaries and benefits	76,061,556	75,974,351	75,627,332	78,962,749	83,523,702
Services	10,933,607	10,785,219	10,401,483	11,725,511	13,018,362
Materials and supplies	6,304,337	4,246,224	3,905,487	4,716,042	5,864,530
Travel	1,193,576	907,888	414,276	1,109,325	2,071,243
Plant asset acquisitions	800,758	567,021	665,905	729,964	854,000
Interest on indebtedness	612,413	590,170	567,382	546,117	523,641
Cost Of Goods Sold	4,744,497	4,041,806	4,556,088	4,392,357	4,110,950
Miscellaneous	1,145,865	1,295,877	984,285	624,656	1,654,924
<b>TOTAL EXPENDITURES</b>	<b>101,796,609</b>	<b>98,408,556</b>	<b>97,122,239</b>	<b>102,806,721</b>	<b>111,621,353</b>
<b>Excess (deficiency) of revenues</b>					
<b>over (under) expenditures</b>	<b>6,395,862</b>	<b>4,263,962</b>	<b>2,538,309</b>	<b>(1,886,436)</b>	<b>(2,285,726)</b>
Net Transfers In (Out)	(456,424)	(1,094,267)	14,061,854	8,958,018	(414,161)
<b>CHANGE IN NET POSITION</b>	<b>5,939,438</b>	<b>3,169,695</b>	<b>16,600,163</b>	<b>7,071,582</b>	<b>(2,699,887)</b>
BEGINNING FUND BALANCE	22,791,950	28,731,388	31,901,083	48,501,236	55,572,818
<b>ENDING FUND BALANCE:</b>	<b>28,731,388</b>	<b>31,901,083</b>	<b>48,501,236</b>	<b>55,572,818</b>	<b>52,872,932</b>

\*\*\*FY2019 will not tie to the respective year's audited financials due to changes in account structure

\*\*\*FY2021 and FY2022 Net Transfers In includes HEERF (Higher Education Emergency Relief Funds) grants I, II, and III.

HEERF grant programs allow for reimbursement of lost revenue as a result of the novel coronavirus 2019 (COVID-19) pandemic.

## Revenue Sources

### State Appropriations

The College receives funding through the State of Iowa Department of Education. State General Aid is set by the Iowa Legislature and is allocated to the community colleges based on a three year rolling average of full time equivalent enrollment. The allocation is communicated by the Iowa Department of Education during the budget period and the actual allocation is reflected in the College's budget for the fiscal year.

### Tuition and Fees

**Credit Tuition** – Credit tuition is paid by students on a per credit hour tuition rate based on their residency status. Tuition rates are set for the fiscal year by the Board of Trustees. Revenue is forecast by analyzing annual historic enrollment trends and an expected credit hour level is set by the President's Cabinet prior to the budgeting process. Tuition revenue is offset by any refunds that are issued throughout the semester.

#### **Credit Tuition Rates Per Credit Hour (Change from FY2022)**

**Iowa Resident Tuition:** \$200 (+\$14)

**Out of State Tuition:** \$268 (+\$19)

**International Tuition:** \$400 (+\$28)

**Contracted Training & Non Credit Tuition** – Non-Credit tuition is paid by students for courses that are not applied towards a degree program. Courses include, but are not limited to, continuing education, adult learning, state and federally mandated programs, and certifications and licensures. Budgets for these courses are submitted by the department's budget officers and are based on expected course volume for the fiscal year.

**Fees** – Fees are assessed to credit and non-credit students for various reasons and are included in the budget based on the expected credit hour levels set by the President's Cabinet prior to the budgeting process. Types of fees assessed to students include, but are not limited to, a flat \$50 technology fee for each student, lab fees for applicable courses, third party credentials, and course related materials and supplies.

**Property Tax**

The College receives funding through local property taxes based on the assessed property values of taxable properties within Merged Area X. The general property tax levy is limited to funding the general operations of the College. Property tax rates are budgeted based on predetermined levy rates and are entered to the budget by the Finance Department's budget officer.

**Federal Appropriations**

The College recognizes federal appropriations available to the general fund of the institution. These funding sources include indirect federal grant cost recovery and Veterans Affairs reimbursements. Revenue is calculated by applying the federally approved indirect cost rate agreement to qualifying grant expenses for the upcoming fiscal year and by projecting the number of qualifying students for Veterans Affairs reimbursement.

**Sales and Services**

The College generates revenue through its enterprise operations (the Hotel, EagleTech, Bookstore, Farm Lab, and the Equestrian Center), athletics, and the continuing education department. Revenue is budgeted by the managers of the enterprise operations and are based on sales forecasts for the upcoming fiscal year.

**Interest on Investments**

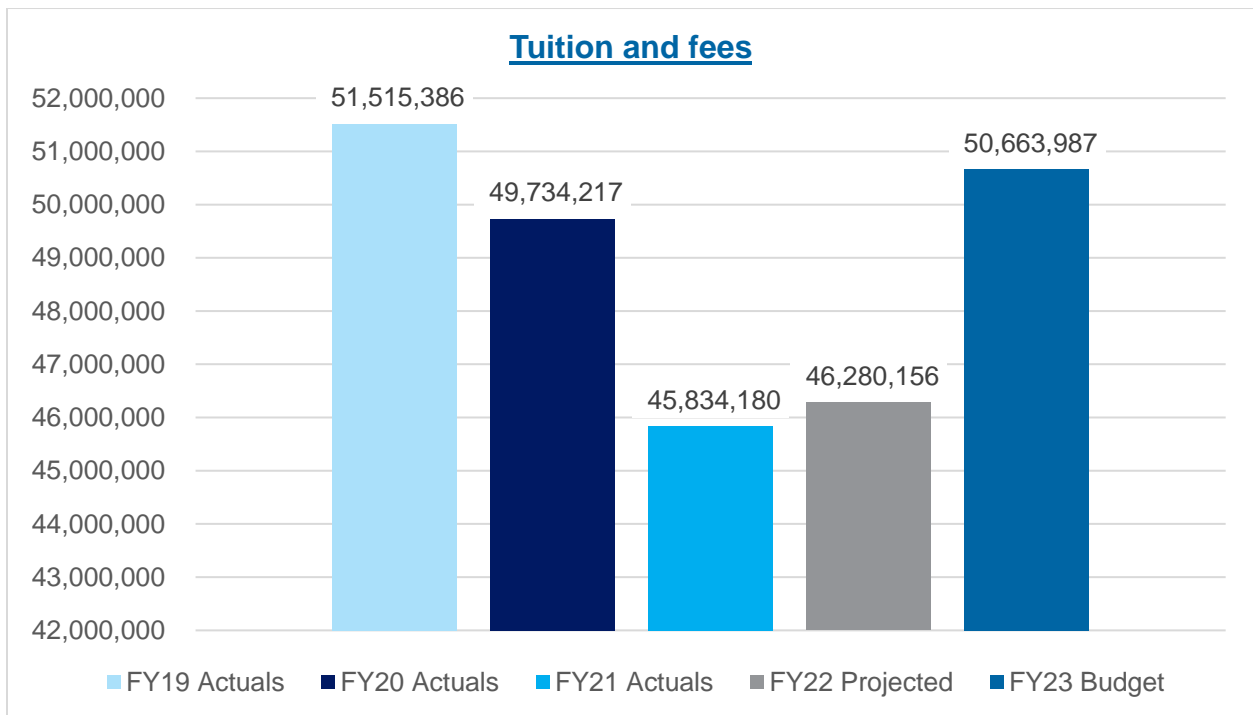
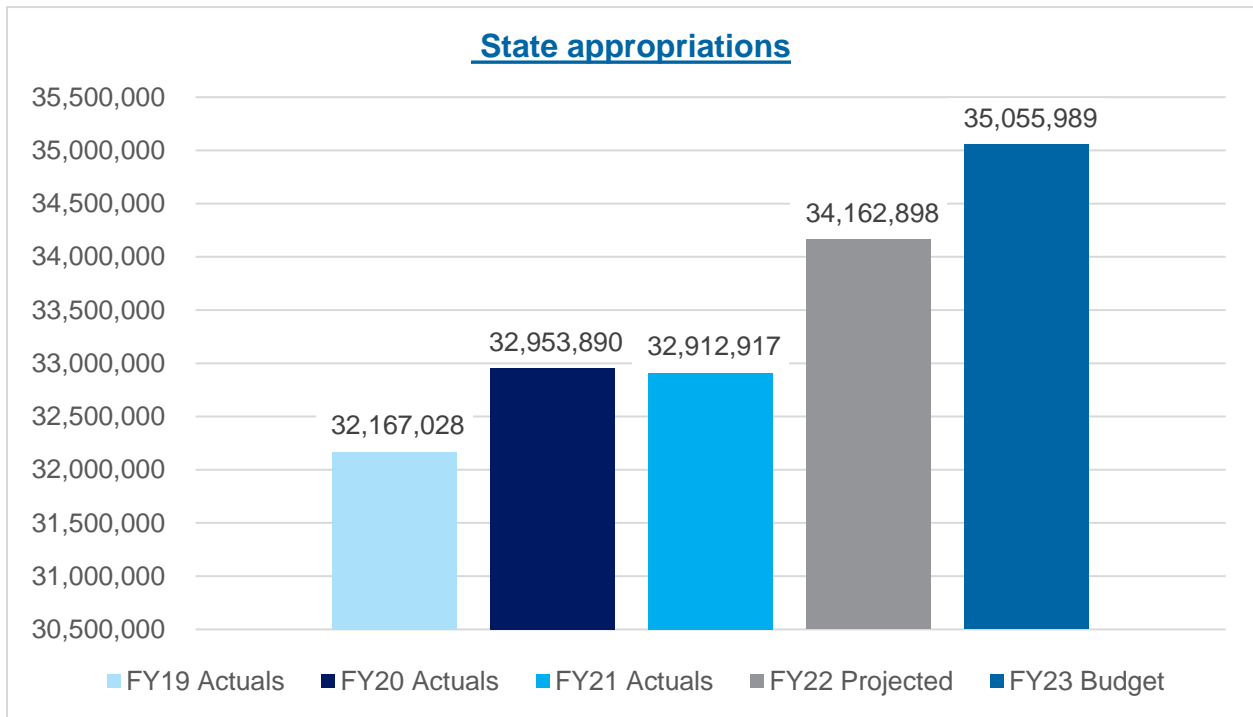
The College earns income on the investment of its fund balances. Each investment is made pursuant to the Investment Procedure and the Investment Policy of the College which is in line with the Iowa State Code. Projected interest rates and fund balances are used to estimate investment income by the Finance Department's budget officer during the budgeting period.

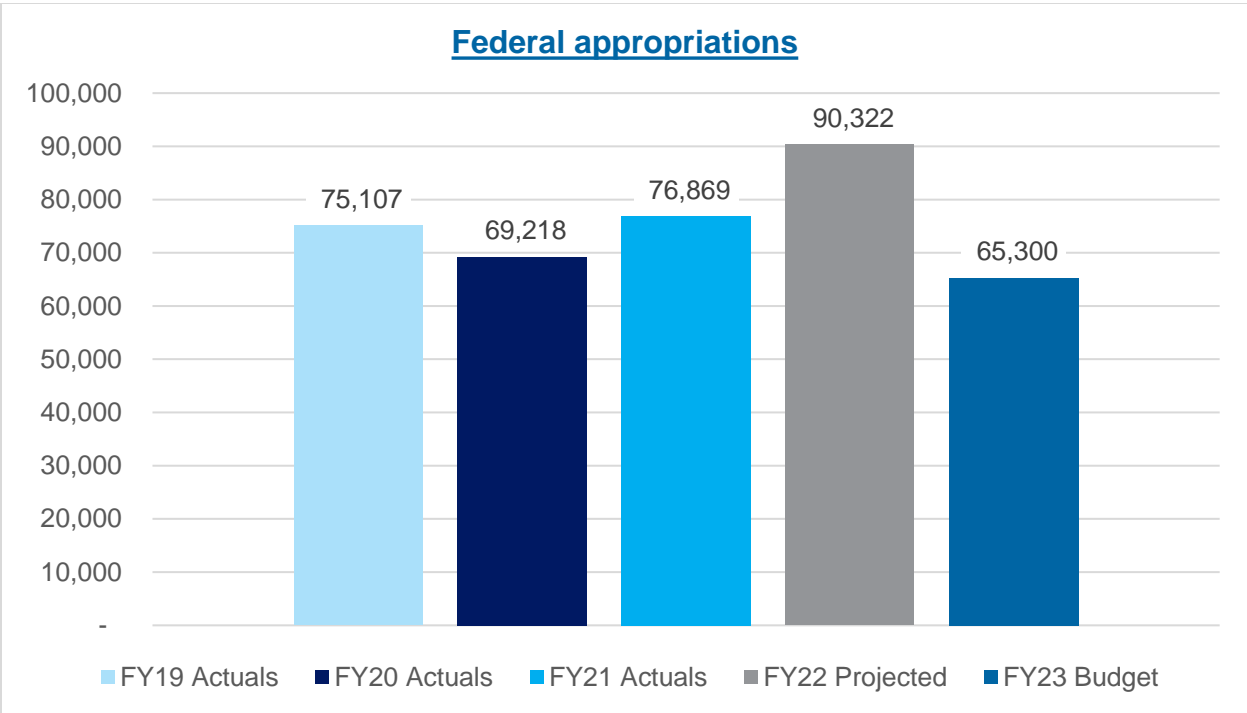
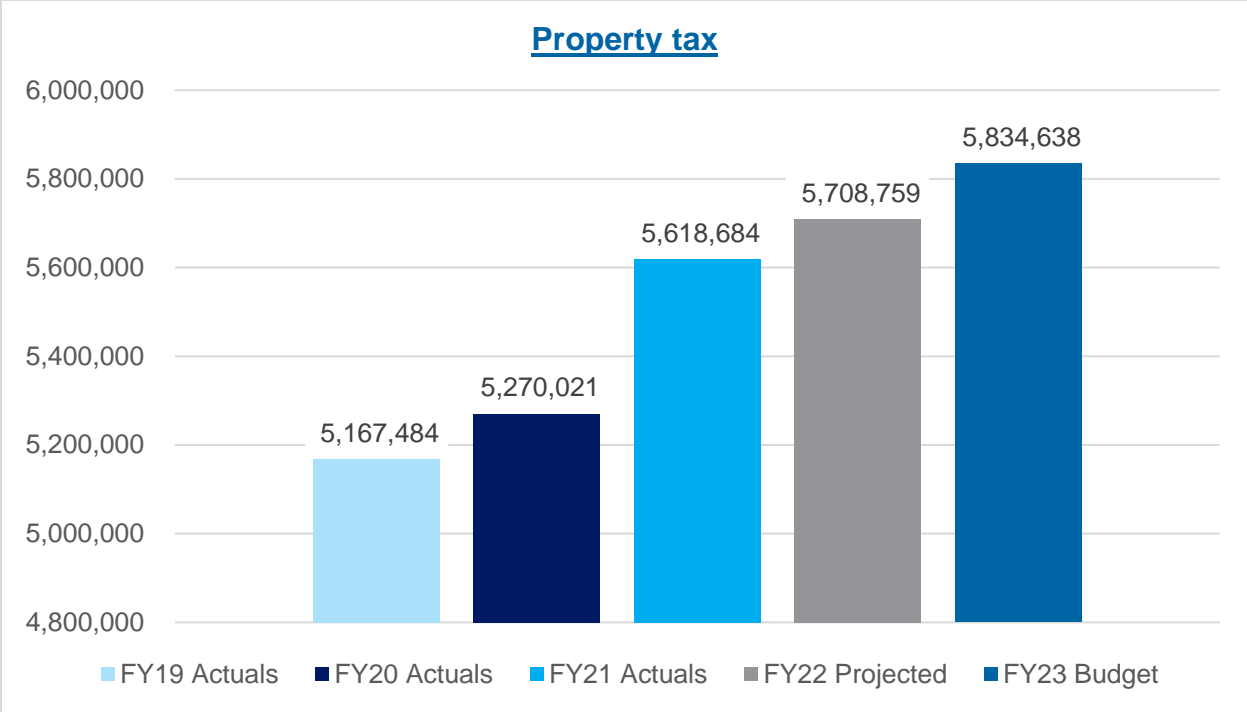
**Miscellaneous**

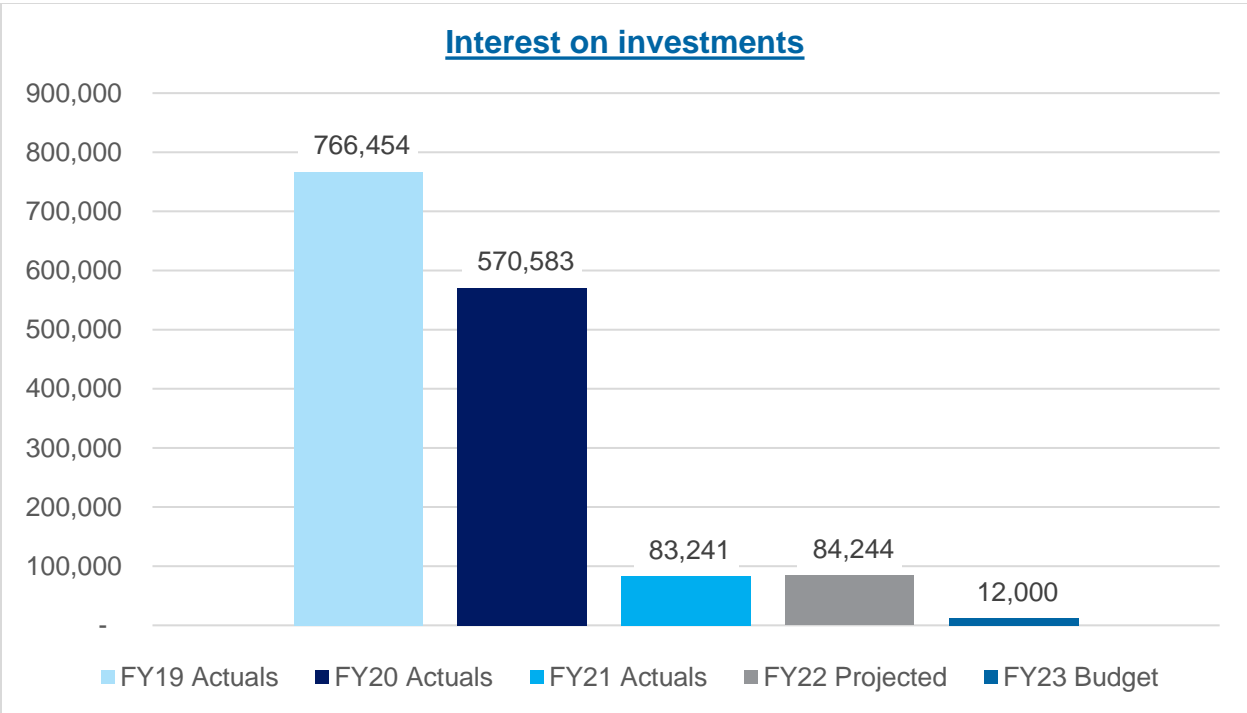
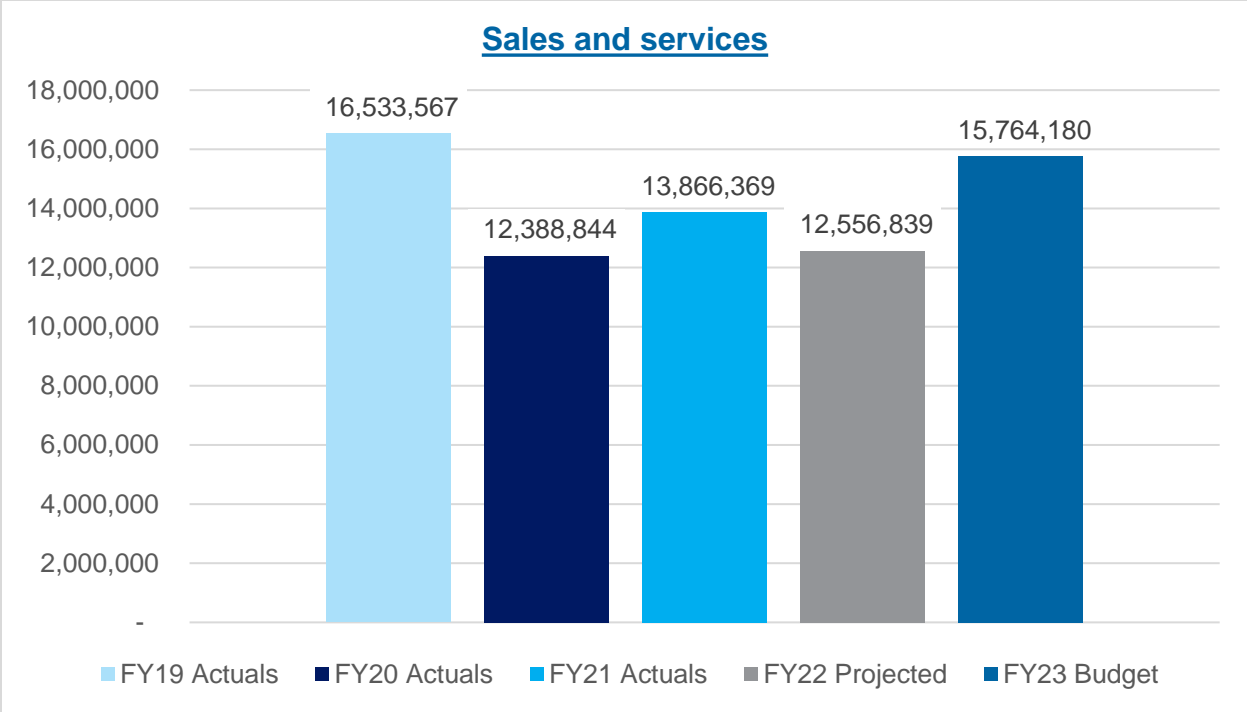
This includes revenue from various activities not captured in other revenue categories. Budgeting is based on expected activity for the upcoming fiscal year based on historical trend and is entered at the department level by the budget officers as needed.

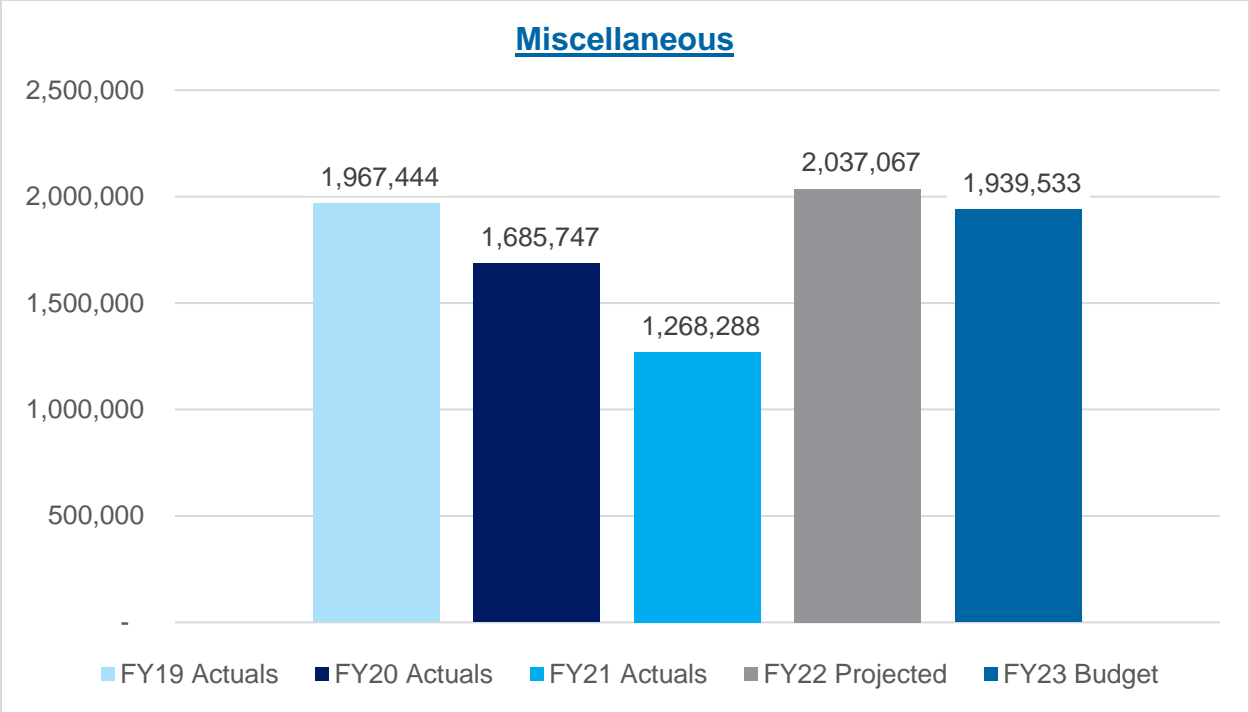


## General Fund I – Revenues









## Expenditures

### Salaries and Benefits

This expenditure category includes all of the College's Staff and Instructor's salaries, wages and benefits for all employees. Benefits include coverage pertaining to:

- Health, Vision, Dental, AD&D, and Life Insurance
- Retirement benefits such as IPERS (Iowa Public Employee's Retirement System) and TIAA-CREF
- Tuition Reimbursement
- FICA Taxes

Salaries and Wages are forecasted based on the current employee listing obtained from the human resource employee database system, utilizing each individual employee's respective salary and wage increases for the new fiscal year. Full time positions are budgeted by the Budget Officers and all full time positions are planned for a full year of expenditures in order to reflect the maximum financial exposure per position. Part time and temporary positions are input as needed by the department budget officers based on the anticipated need for the upcoming fiscal year. Benefits are then forecasted based on each individual employee's benefit selection for the new fiscal year.

### Services

This category includes:

- Contract and professional services
- Facilities and equipment maintenance
- College property expenses
- Printing, postage, and telephone
- Advertising

Budget officers forecast service expenditures based on historical trend analysis and activity projected for each college function and by program.

## **Materials and Supplies**

This category reflects the consumable expenses of the College including all Instructional, Office, and Facility Materials & Supplies.

Staff forecast service expenditures based on historical trend analysis and activity projected for each college function and by program.

## **Travel**

This category includes all projected costs associated with staff and faculty travel for the upcoming fiscal year, including:

- Mileage Reimbursement
- Hotel
- Airfare
- Vehicle Rental
- Training & Conference Fees

The budget is forecasted by the budget officers for each program, based on historical trend for common travel items such as recruiting and athletic travel events and individual program expectations related to conferences and professional development.

## **Plant Asset Acquisitions**

Cost Incurred to acquire and place an asset in operating condition at its proper location. Expenditures in this category follow the Board approved Capital Asset Policy for any purchases. Expenses are forecasted on historical trending and by identifying needs for special projects. Budgeting for these expenses is completed by the department's budget officers.

## **Interest on Indebtedness**

This category reflects costs associated with bond debt held by the College. Finance and Facilities Department budget officers plan these expenditures based on the repayment schedules for the bonds.

## **Cost of Goods Sold**

This spending category includes the cost of selling goods related to:

- The Hotel
- EagleShop
- Bookstore
- All other retail operations

Expenses are forecasted on historical trending and are budgeted by the budget officers.

*NOTE: \*A portion of this category is transitioned to Materials & Supplies. This is due to The Hotel sharing costs with the College culinary arts program and classes.*

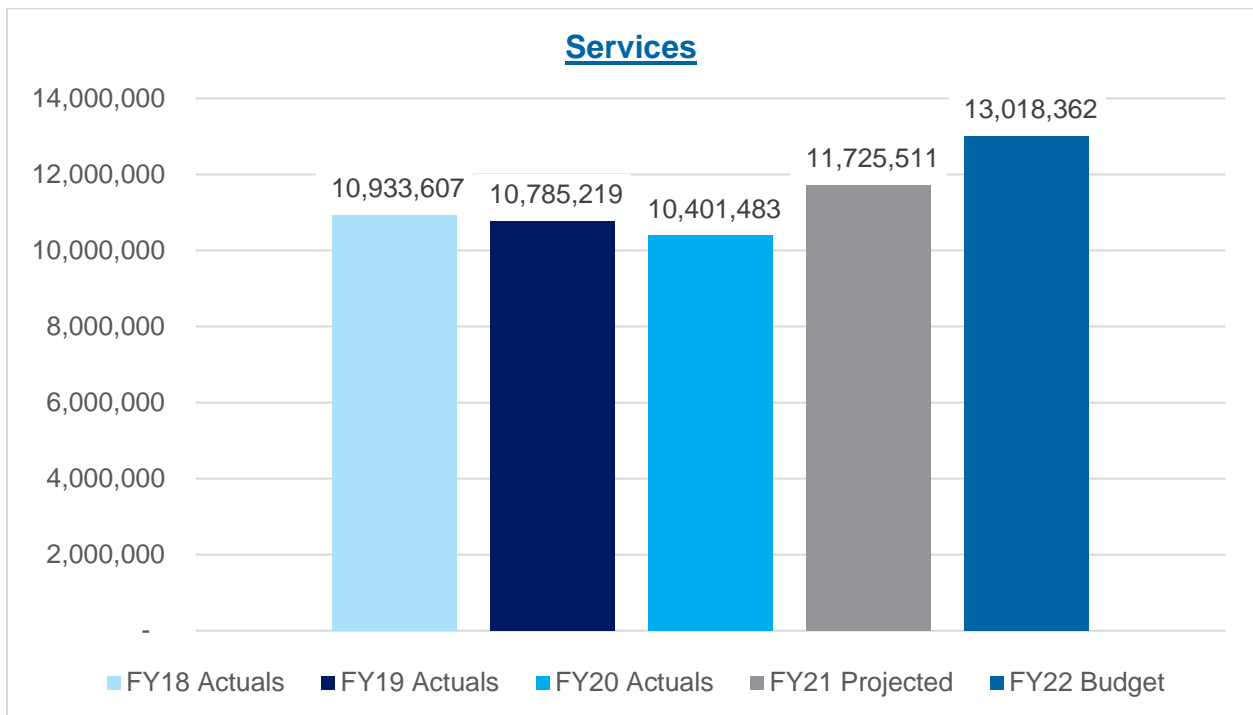
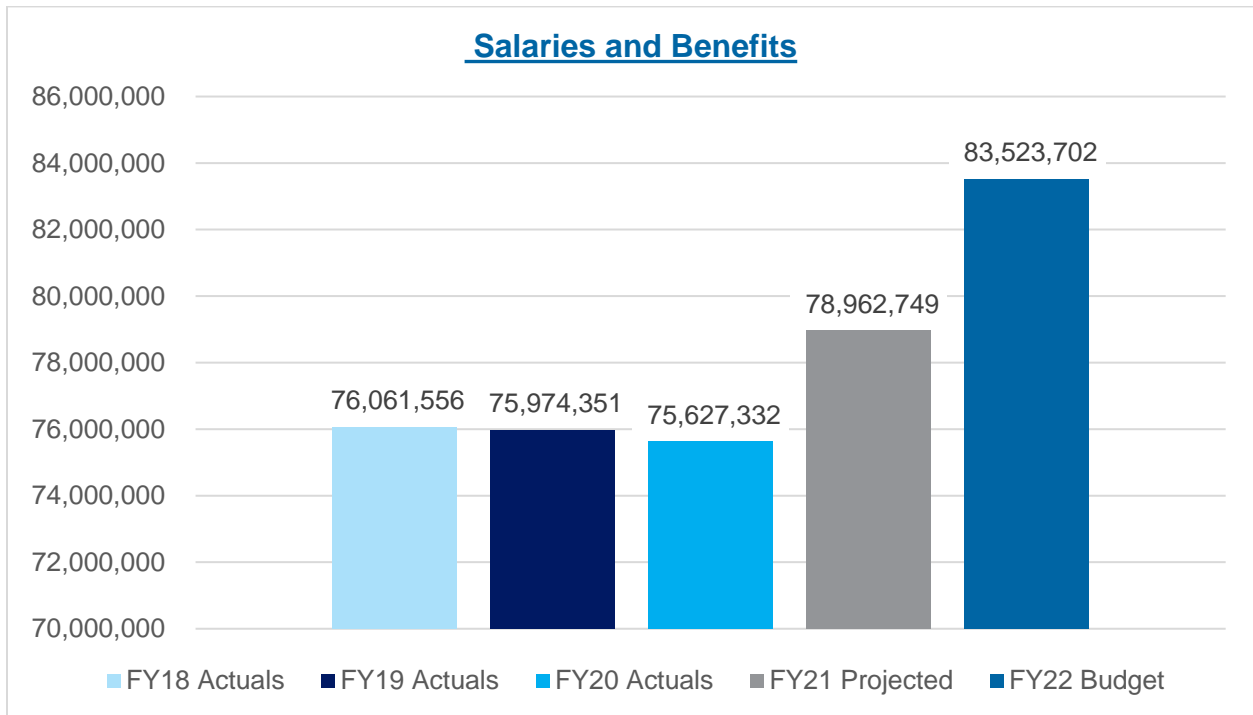
## **Miscellaneous**

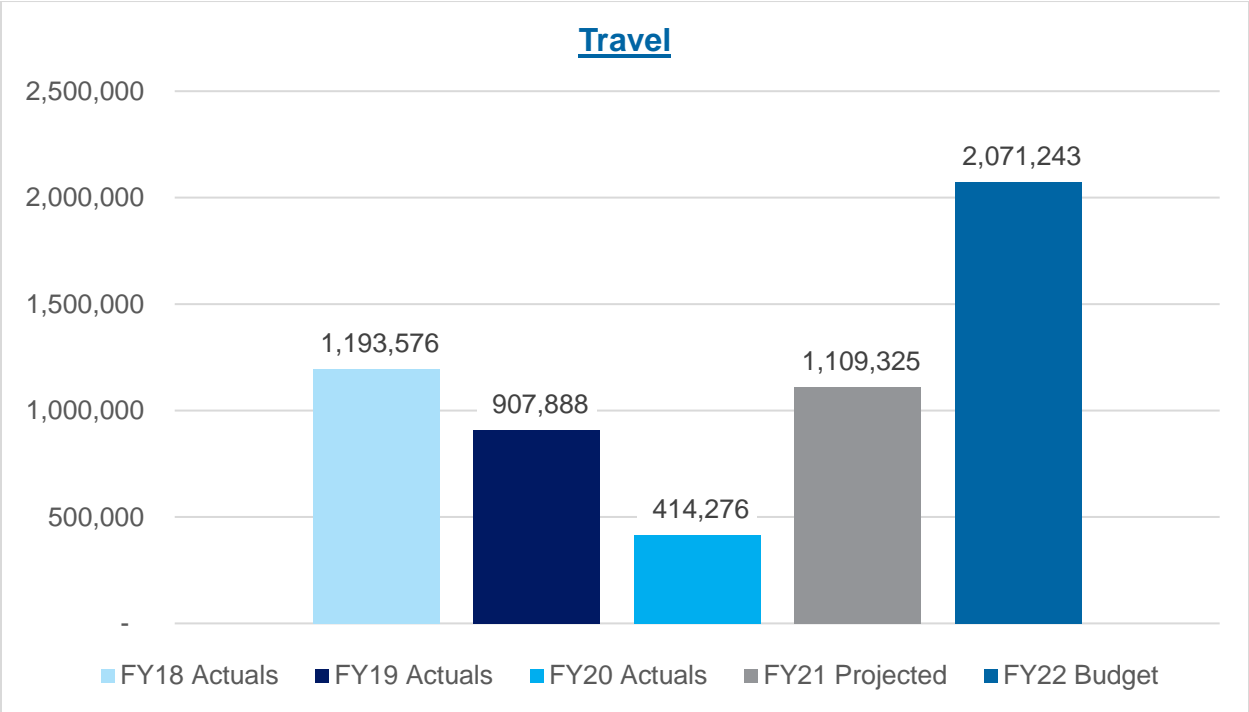
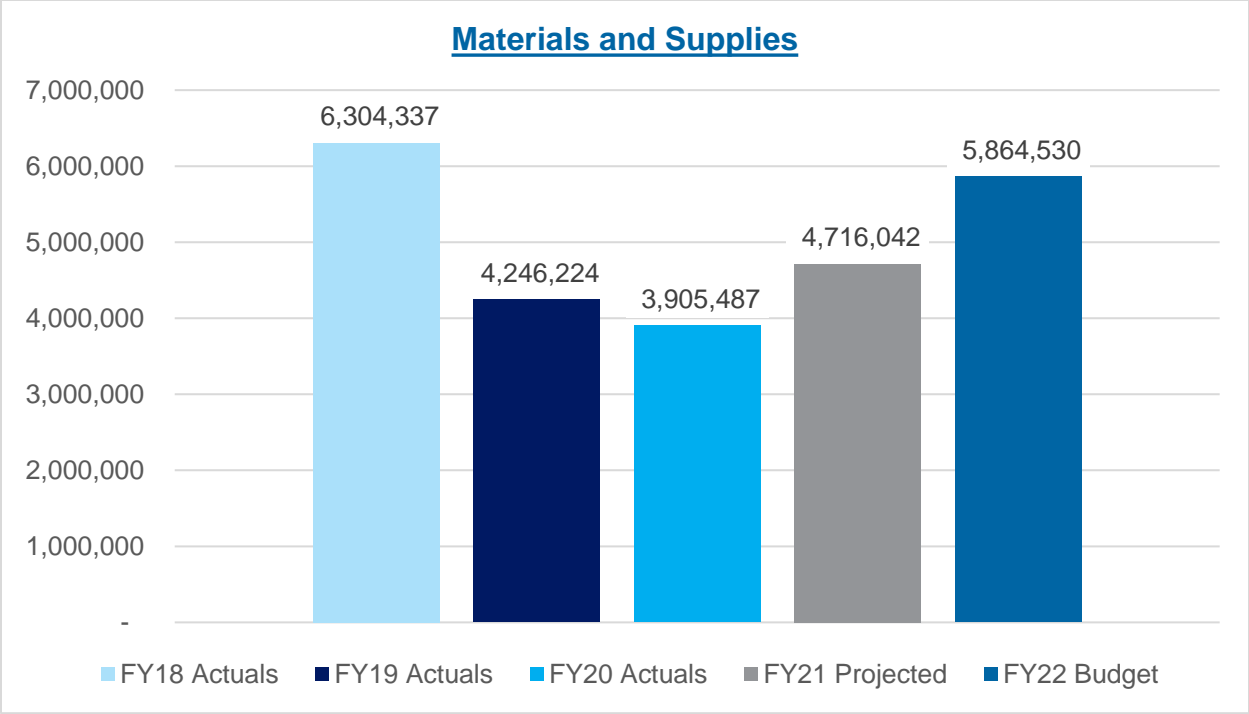
This includes expenditures from various activities not captured in other expense categories.

Budgeting is based on expected activity for the upcoming fiscal year based on historical trend and is entered at the department level by the budget officers as needed.

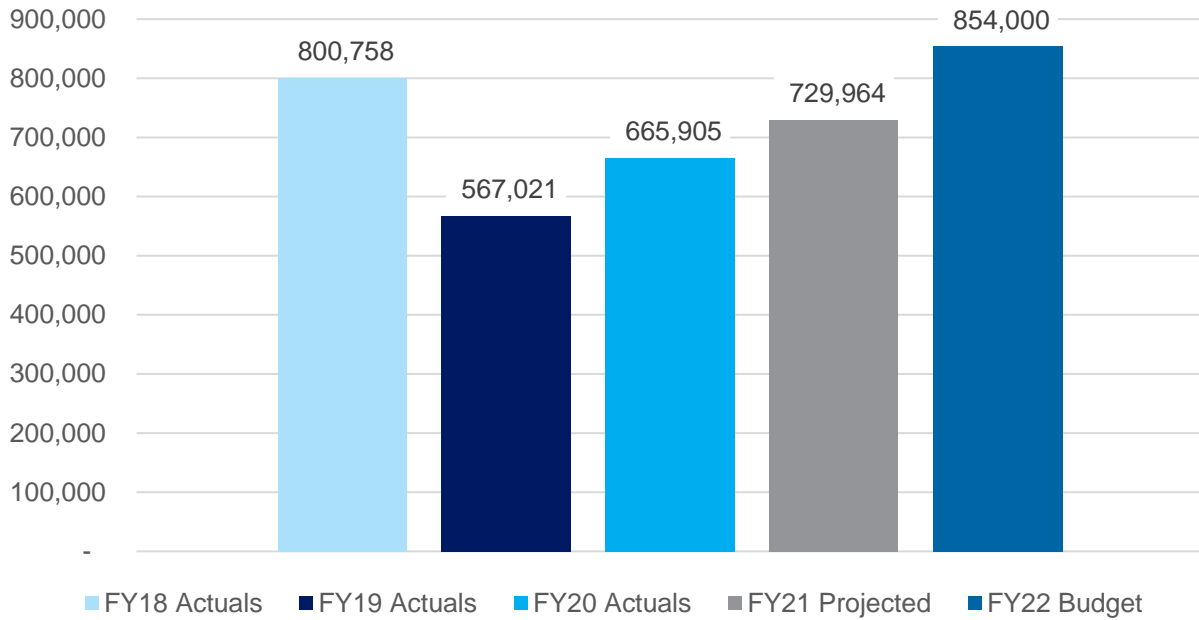


## General Fund I – Expenditures

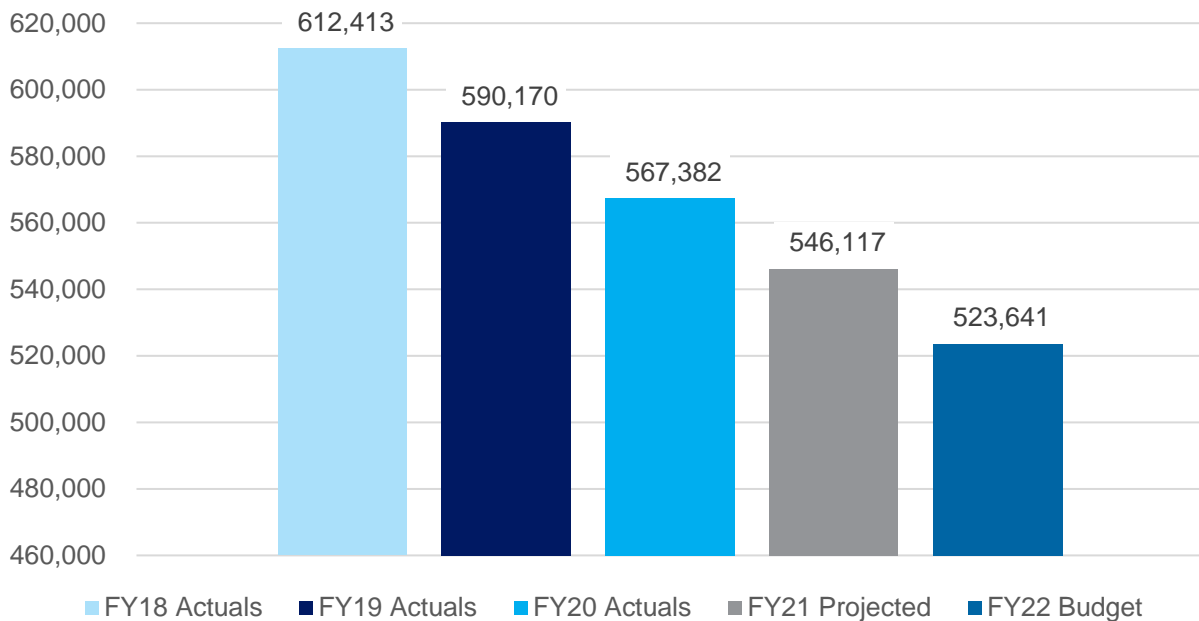


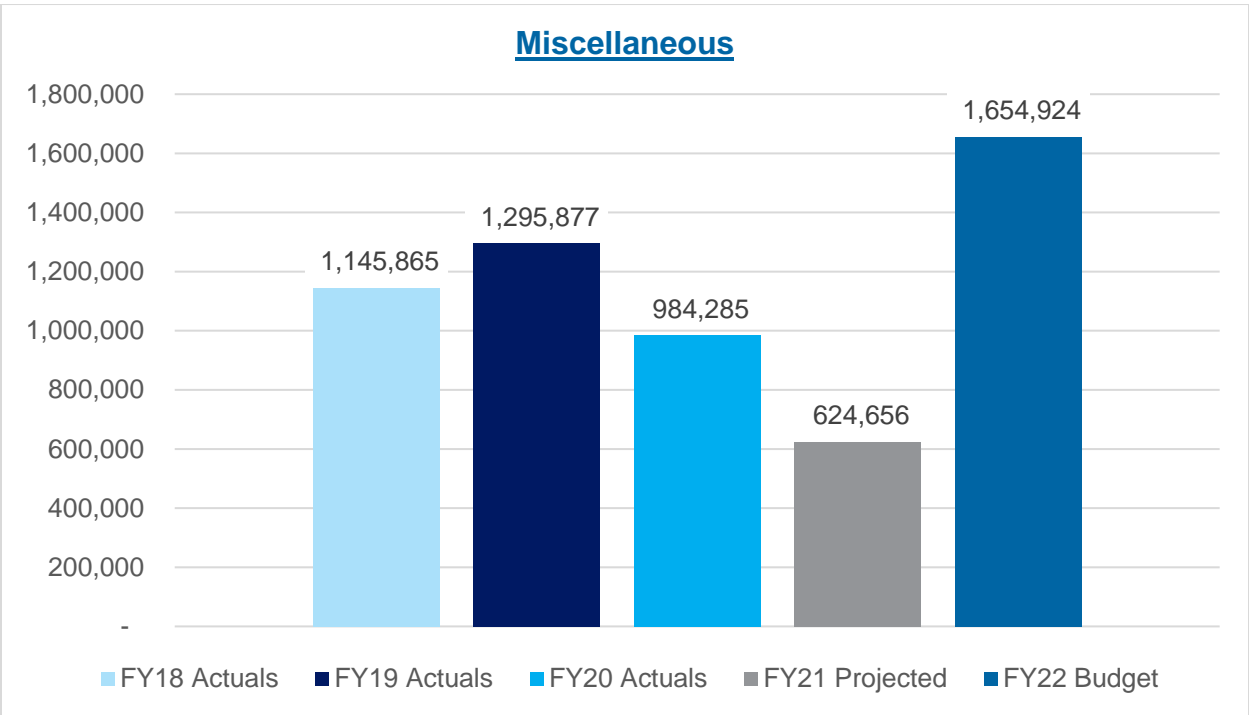
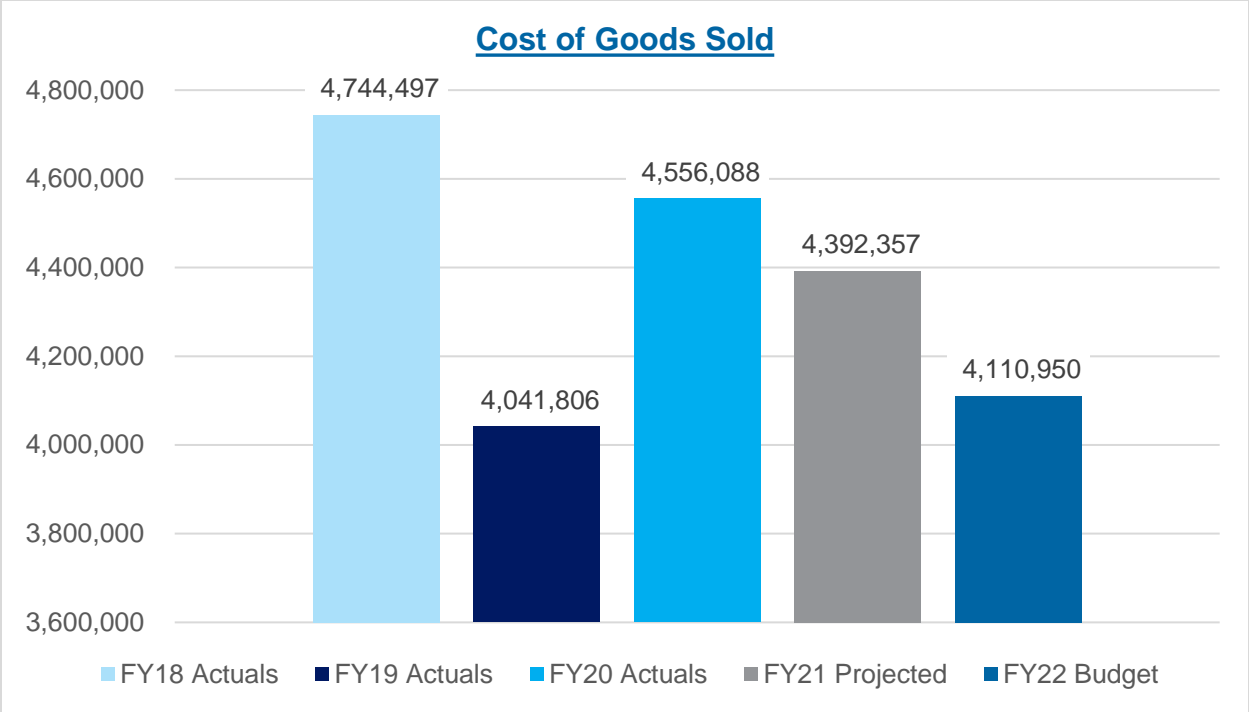


### Plant Asset Acquisitions



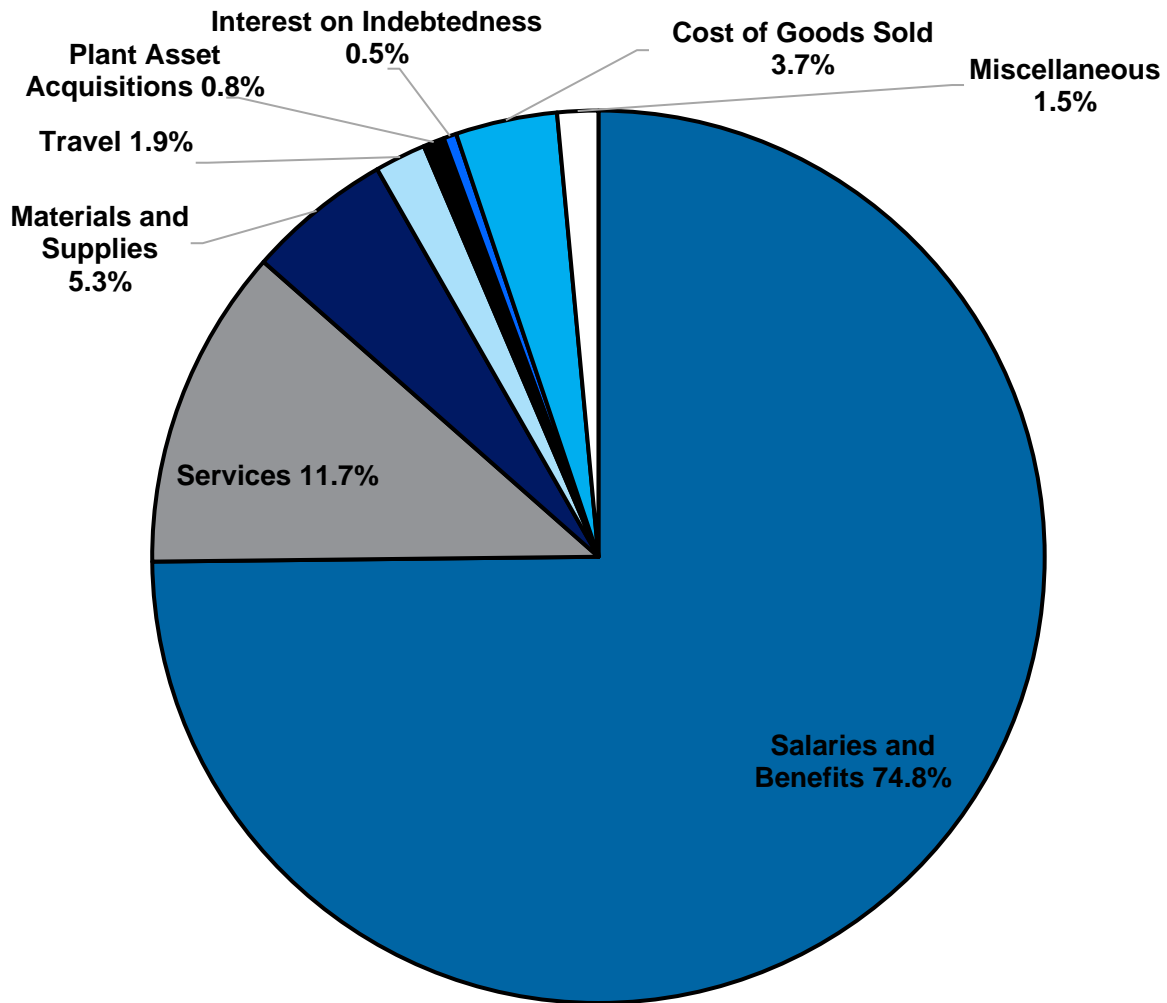
### Interest on Indebtedness





## General Fund I – Percentage of Total Expenditures

EXPENDITURES	FY19	FY20	FY21	FY22	FY23
Salaries and Benefits	74.7%	77.2%	77.9%	76.8%	74.8%
Services	10.7%	11.0%	10.7%	11.4%	11.7%
Materials and Supplies	6.2%	4.3%	4.0%	4.6%	5.3%
Travel	1.2%	0.9%	0.4%	1.1%	1.9%
Plant Asset Acquisitions	0.8%	0.6%	0.7%	0.7%	0.8%
Interest on Indebtedness	0.6%	0.6%	0.6%	0.5%	0.5%
Cost Of Goods Sold	4.7%	4.1%	4.7%	4.3%	3.7%
Miscellaneous	1.1%	1.3%	1.0%	0.6%	1.5%

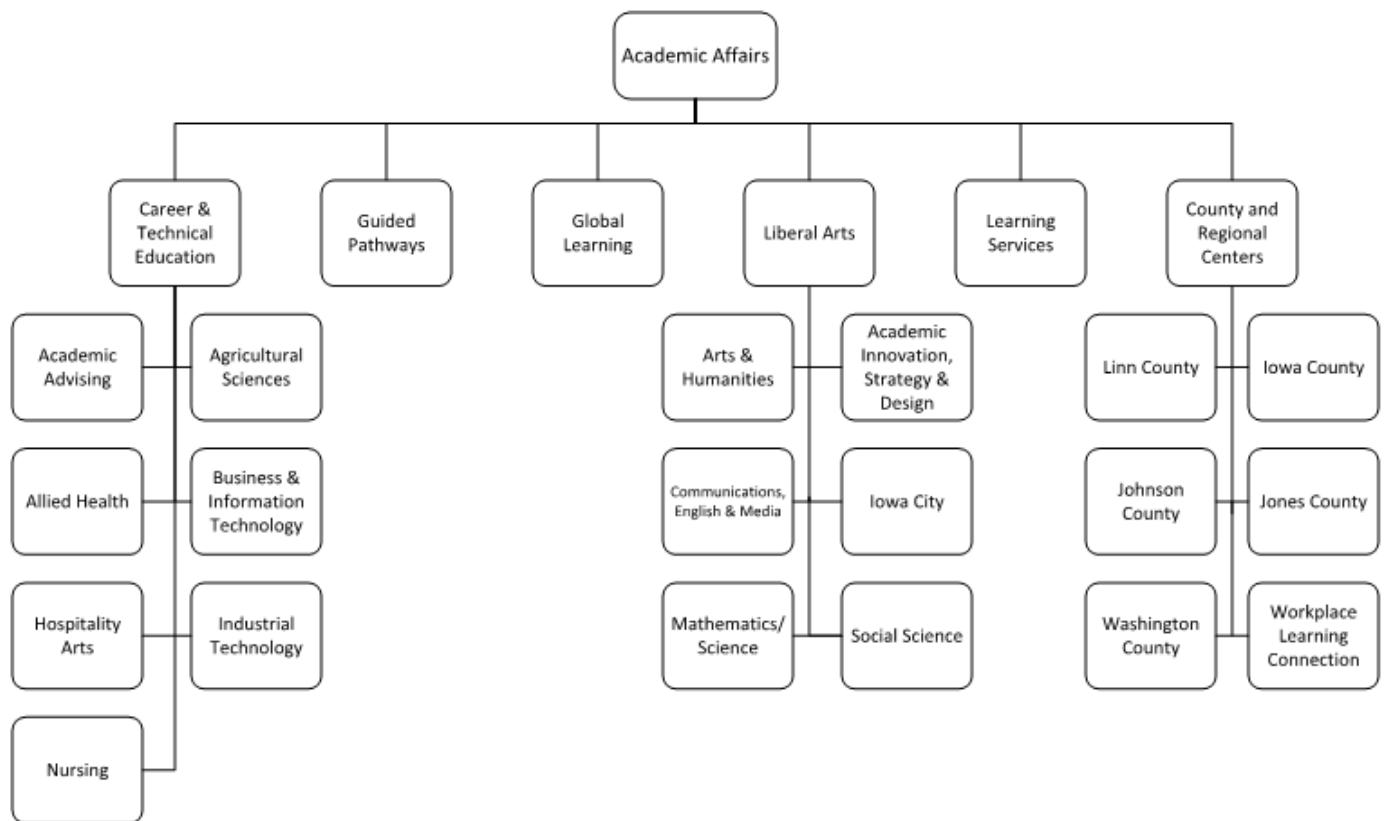


# Departments

	<u>Academic Affairs</u>	<u>Continuing Education &amp; Training Services</u>	<u>Student Services</u>	<u>Finance &amp; Operations</u>	<u>Technology Services</u>	<u>Human Resources</u>	<u>Facilities &amp; Public Safety</u>	<u>President</u>	<u>Foundation &amp; Advancement</u>	<u>Institutional Effectiveness</u>	<u>Total</u>
<b>REVENUES</b>											
State appropriations	29,742,463	5,276,905	-	36,621	-	-	-	-	-	-	35,055,989
Tuition and fees	44,429,044	6,234,293	-	650	-	-	-	-	-	-	50,663,987
Property tax	-	-	-	5,834,638	-	-	-	-	-	-	5,834,638
Federal appropriations	-	-	4,500	60,800	-	-	-	-	-	-	65,300
Sales and services	1,435,962	906,640	222,575	12,997,852	-	-	11,400	189,751	-	-	15,764,180
Interest on investments	-	-	-	12,000	-	-	-	-	-	-	12,000
Miscellaneous	486,161	-	86,600	1,198,412	-	-	168,360	-	-	-	1,939,533
<b>TOTAL REVENUES</b>	<b>76,093,630</b>	<b>12,417,838</b>	<b>313,675</b>	<b>20,140,973</b>	<b>-</b>	<b>-</b>	<b>179,760</b>	<b>189,751</b>	<b>-</b>	<b>-</b>	<b>109,335,627</b>
<b>EXPENDITURES</b>											
Salaries and benefits	47,003,429	6,072,898	8,926,020	8,875,818	3,772,735	1,527,718	4,591,437	858,072	716,504	1,179,071	83,523,702
Services	1,960,770	1,465,818	1,531,254	1,658,645	1,209,030	385,845	4,424,077	288,290	-	94,634	13,018,362
Materials and supplies	1,938,199	527,002	461,331	1,872,787	362,600	19,962	623,930	15,200	-	43,519	5,864,530
Travel	975,353	108,971	526,891	95,390	50,750	48,800	44,225	138,568	-	82,296	2,071,243
Plant asset acquisitions	-	25,000	-	15,000	360,000	-	454,000	-	-	-	854,000
Interest on indebtedness	-	-	-	523,641	-	-	-	-	-	-	523,641
Cost Of Goods Sold	21,700	-	12,000	4,077,250	-	-	-	-	-	-	4,110,950
Miscellaneous	184,400	92,650	120,087	801,487	35,000	52,000	-	363,000	-	6,300	1,654,924
<b>TOTAL EXPENDITURES</b>	<b>52,083,851</b>	<b>8,292,339</b>	<b>11,577,583</b>	<b>17,920,017</b>	<b>5,790,115</b>	<b>2,034,325</b>	<b>10,137,669</b>	<b>1,663,129</b>	<b>716,504</b>	<b>1,405,820</b>	<b>111,621,353</b>
<b>Excess (deficiency) of revenues</b>											
<b>over (under) expenditures</b>	<b>24,009,779</b>	<b>4,125,499</b>	<b>(11,263,908)</b>	<b>2,220,956</b>	<b>(5,790,115)</b>	<b>(2,034,325)</b>	<b>(9,957,909)</b>	<b>(1,473,378)</b>	<b>(716,504)</b>	<b>(1,405,820)</b>	<b>(2,285,726)</b>
Net Transfers In (Out)	128,375	(21,000)	(2,161)	(519,375)	-	-	-	-	-	-	(414,161)
<b>CHANGE IN NET POSITION</b>	<b>24,138,154</b>	<b>4,104,499</b>	<b>(11,266,069)</b>	<b>1,701,581</b>	<b>(5,790,115)</b>	<b>(2,034,325)</b>	<b>(9,957,909)</b>	<b>(1,473,378)</b>	<b>(716,504)</b>	<b>(1,405,820)</b>	<b>(2,699,887)</b>

## Academic Affairs

The Academic Affairs division consists of dedicated deans, directors, department coordinators, faculty, and support staff responsible for and committed to excellence in learning and teaching. Academic Affairs manages the College's program portfolio ensuring that the academic programs offered are of the highest quality, including exceptional instruction, up to date curriculum, and industry standard instructional equipment. Our focus is on providing academic programs that meet local industry need and students' educational goals by providing instruction, a learning environment, and academic supports designed to help students develop the skills they need to be successful at a transfer institution, in the world of work, and as a lifelong learner.





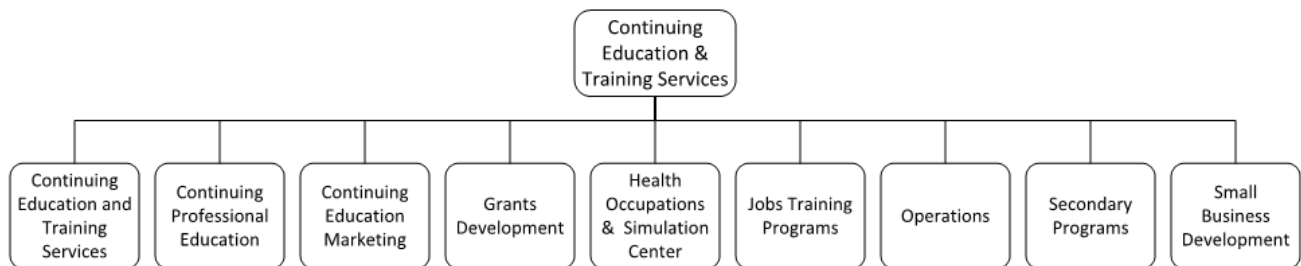
## Academic Affairs

<b>REVENUES</b>	<b><u>FY22 Budget</u></b>
State appropriations	29,742,463
Tuition and fees	44,429,044
Property tax	-
Federal appropriations	-
Sales and services	1,435,962
Interest on investments	-
Miscellaneous	486,161
<b>TOTAL REVENUES</b>	<b>76,093,630</b>
 <b>EXPENDITURES</b>	
Salaries and benefits	47,003,429
Services	1,960,770
Materials and supplies	1,938,199
Travel	975,353
Plant asset acquisitions	-
Interest on indebtedness	-
Cost Of Goods Sold	21,700
Miscellaneous	184,400
<b>TOTAL EXPENDITURES</b>	<b>52,083,851</b>
 <b>Excess (deficiency) of revenues</b>	
<b>over (under) expenditures</b>	<b>24,009,779</b>
 Net Transfers In (Out)	128,375
 <b>CHANGE IN NET POSITION</b>	<b>24,138,154</b>

*\*Note: Per Kirkwood's budgeting practice, revenues are not allocated to all departments.*

## Continuing Education & Training Services

Continuing Education offers quality classes, workshops, certificates, and training programs taught by highly skilled learning facilitators, at convenient times and locations to advance professional careers or enrich personal life. Career certificates offer a fast track to in-demand jobs in healthcare, technology, manufacturing, transportation, and more. Corporate training offers an incredibly deep, diverse resource base to develop leaders from within, employee behavior change, and skill mastery. Customizable training is led by industry-proven experts and focused on real-world application so people spend more time investing their developed skills directly into the business.



## Continuing Education & Training Services

<b>REVENUES</b>	<b><u>FY22 Budget</u></b>
State appropriations	5,276,905
Tuition and fees	6,234,293
Property tax	-
Federal appropriations	-
Sales and services	906,640
Interest on investments	-
Miscellaneous	-
<b>TOTAL REVENUES</b>	<b>12,417,838</b>
 <b>EXPENDITURES</b>	
Salaries and benefits	6,072,898
Services	1,465,818
Materials and supplies	527,002
Travel	108,971
Plant asset acquisitions	25,000
Interest on indebtedness	-
Cost Of Goods Sold	-
Miscellaneous	92,650
<b>TOTAL EXPENDITURES</b>	<b>8,292,339</b>
 <b>Excess (deficiency) of revenues</b>	
<b>over (under) expenditures</b>	<b>4,125,499</b>
 Net Transfers In (Out)	 (21,000)
 <b>CHANGE IN NET POSITION</b>	 <b>4,104,499</b>

*\*Note: Per Kirkwood's budgeting practice, revenues are not allocated to all departments.*

## Facilities & Public Safety

Facilities is responsible for taking care of every Kirkwood location across the College's seven-county service area. This includes maintenance and preventative services, construction and renovation management, grounds and landscaping, custodial services, and energy management, as well as many other duties. The College's dedicated Public Safety team works together in partnership with students, faculty, and staff as well as local, state, and federal police agencies to make this community a safer place to live, work, and learn.



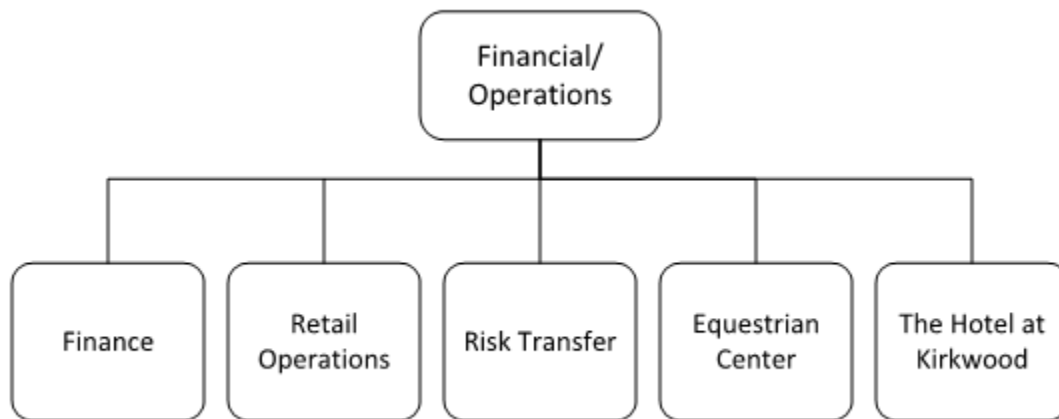
## Facilities & Public Safety

<b>REVENUES</b>	<b><u>FY22 Budget</u></b>
State appropriations	-
Tuition and fees	-
Property tax	-
Federal appropriations	-
Sales and services	11,400
Interest on investments	-
Miscellaneous	168,360
<b>TOTAL REVENUES</b>	<b>179,760</b>
 <b>EXPENDITURES</b>	
Salaries and benefits	4,591,437
Services	4,424,077
Materials and supplies	623,930
Travel	44,225
Plant asset acquisitions	454,000
Interest on indebtedness	-
Cost Of Goods Sold	-
Miscellaneous	-
<b>TOTAL EXPENDITURES</b>	<b>10,137,669</b>
 <b>Excess (deficiency) of revenues</b>	
<b>over (under) expenditures</b>	<b><u>(9,957,909)</u></b>
 Net Transfers In (Out)	-
 <b>CHANGE IN NET POSITION</b>	<b><u>(9,957,909)</u></b>

*\*Note: Per Kirkwood's budgeting practice, revenues are not allocated to all departments.*

## Financial/Operations

The role of the Finance department is to efficiently and effectively manage the financial resources and activities of the College. The essential operations of the Finance department ensure long-term institutional financial sustainability while assisting students and staff with their business needs. Functions managed by the Finance team include Accounts Payable, Accounts Receivable, Request for Proposal, Budgeting/Financial Planning, Financial Reporting, Purchasing Cards, Grants, and Risk Transfer. Enterprise entities managed within Finance and Operations include The Hotel at Kirkwood Center, Retail Operations, and the Equestrian Center.



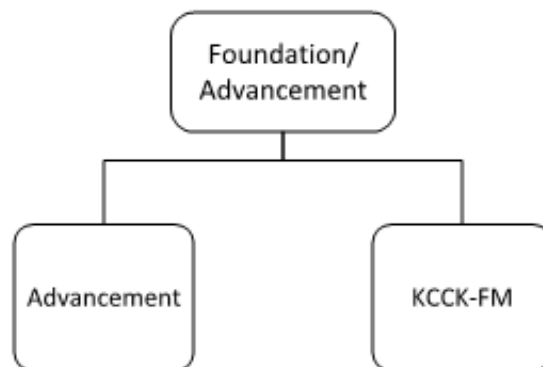
## Financial/Operations

<b>REVENUES</b>	<b><u>FY22 Budget</u></b>
State appropriations	36,621
Tuition and fees	650
Property tax	5,834,638
Federal appropriations	60,800
Sales and services	12,997,852
Interest on investments	12,000
Miscellaneous	1,198,412
<b>TOTAL REVENUES</b>	<b>20,140,973</b>
<b>EXPENDITURES</b>	
Salaries and benefits	8,875,818
Services	1,658,645
Materials and supplies	1,872,787
Travel	95,390
Plant asset acquisitions	15,000
Interest on indebtedness	523,641
Cost Of Goods Sold	4,077,250
Miscellaneous	801,487
<b>TOTAL EXPENDITURES</b>	<b>17,920,017</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>2,220,956</b>
Net Transfers In (Out)	(519,375)
<b>CHANGE IN NET POSITION</b>	<b>1,701,581</b>

*\*Note: Per Kirkwood's budgeting practice, revenues are not allocated to all departments.*

## Foundation/Advancement

The Foundation is a nonprofit, tax exempt corporation charged with raising funds to support students through education and training. The Foundation is a component unit within the College and produces its own financial statements. The Foundation vision is to be a model for excellence in fundraising, scholarship administration, alumni relations, and investment stewardship by providing resources that are not typically supported by taxes, tuition, or other funding sources. The Kirkwood Foundation is one of the largest community college scholarship programs in the country with total assets of \$43 million as of December 2020 — including \$39.5 million in investments. The Foundation consistently awards over \$3 million in annual scholarships.





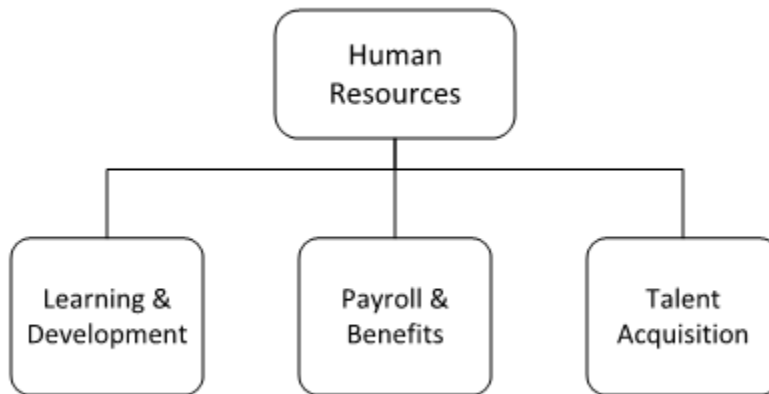
## Foundation/Advancement

<b>REVENUES</b>	<b><u>FY22 Budget</u></b>
State appropriations	-
Tuition and fees	-
Property tax	-
Federal appropriations	-
Sales and services	-
Interest on investments	-
Miscellaneous	-
<b>TOTAL REVENUES</b>	<b>-</b>
<b>EXPENDITURES</b>	
Salaries and benefits	716,504
Services	-
Materials and supplies	-
Travel	-
Plant asset acquisitions	-
Interest on indebtedness	-
Cost Of Goods Sold	-
Miscellaneous	-
<b>TOTAL EXPENDITURES</b>	<b>716,504</b>
<b>Excess (deficiency) of revenues</b>	
<b><u>over (under) expenditures</u></b>	<b><u>(716,504)</u></b>
Net Transfers In (Out)	-
<b><u>CHANGE IN NET POSITION</u></b>	<b><u>(716,504)</u></b>

*\*Note: Per Kirkwood's budgeting practice, revenues are not allocated to all departments.*

## Human Resources

Kirkwood Human Resources is responsible for all aspects of the employee life cycle at the College. This includes talent acquisition and development, payroll and benefits administration, employee relations, collective bargaining, H.R. policies and procedures, H.R. compliance, learning and development, employee engagement, managerial development, and employee diversity, equity, and inclusion. Kirkwood Human Resources works to ensure that Kirkwood is a great place to work and has a workforce able to meet the needs of our students and community.



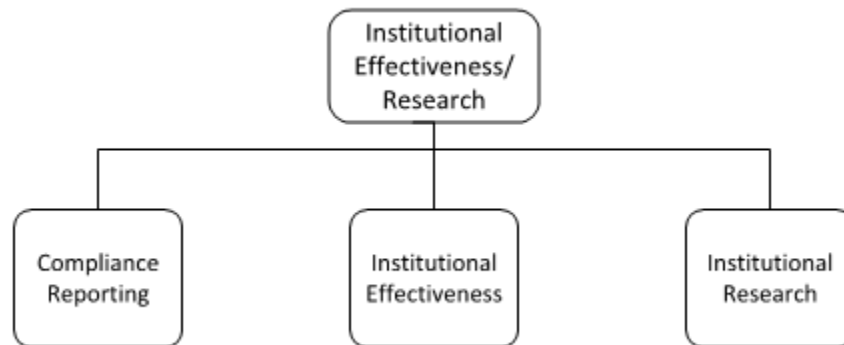
## Human Resources

<b>REVENUES</b>	<b><u>FY22 Budget</u></b>
State appropriations	-
Tuition and fees	-
Property tax	-
Federal appropriations	-
Sales and services	-
Interest on investments	-
Miscellaneous	-
<b>TOTAL REVENUES</b>	<b>-</b>
 <b>EXPENDITURES</b>	
Salaries and benefits	1,527,718
Services	385,845
Materials and supplies	19,962
Travel	48,800
Plant asset acquisitions	-
Interest on indebtedness	-
Cost Of Goods Sold	-
Miscellaneous	52,000
<b>TOTAL EXPENDITURES</b>	<b>2,034,325</b>
 <b>Excess (deficiency) of revenues</b>	
<b>over (under) expenditures</b>	<b><u>(2,034,325)</u></b>
 Net Transfers In (Out)	 -
 <b>CHANGE IN NET POSITION</b>	 <b><u>(2,034,325)</u></b>

*\*Note: Per Kirkwood's budgeting practice, revenues are not allocated to all departments.*

## Institutional Effectiveness

The Institutional Effectiveness team administers processes whereby the College engages in ongoing self-evaluation in order to measure achievements and outcomes as they relate to Kirkwood's mission. The department is responsible for facilitation and support processes involving Process Improvement, Institutional Research, The Innovation Fund, Strategic Planning, and Accreditation. The culture of Institutional Effectiveness at the College is one of collaboration while holding each other mutually accountable toward goal achievement as we strive to make data-driven decisions and continuously improve to the benefit of Kirkwood students and community partners.



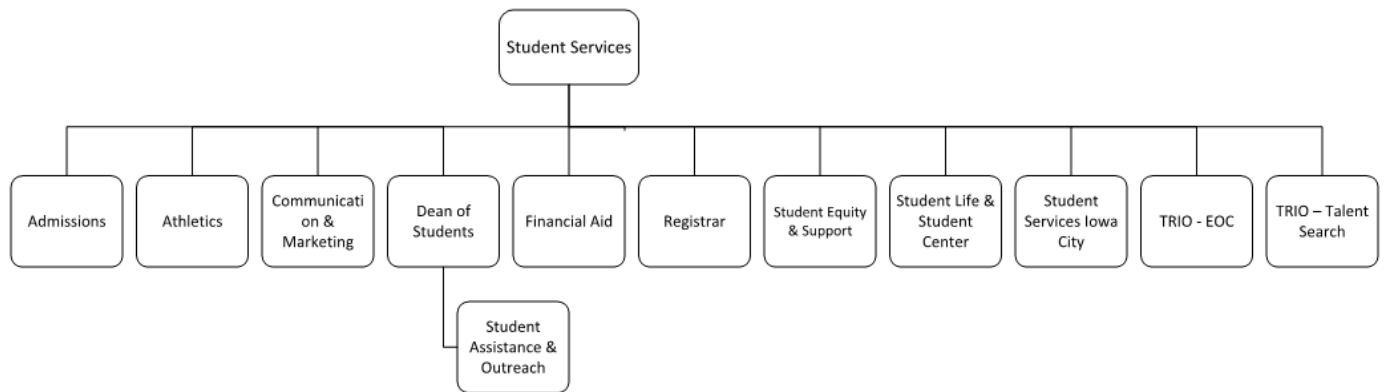
## Institutional Effectiveness

<b>REVENUES</b>	<u><b>FY22 Budget</b></u>
State appropriations	-
Tuition and fees	-
Property tax	-
Federal appropriations	-
Sales and services	-
Interest on investments	-
Miscellaneous	-
<b>TOTAL REVENUES</b>	<b>-</b>
 <b>EXPENDITURES</b>	
Salaries and benefits	1,179,071
Services	94,634
Materials and supplies	43,519
Travel	82,296
Plant asset acquisitions	-
Interest on indebtedness	-
Cost Of Goods Sold	-
Miscellaneous	6,300
<b>TOTAL EXPENDITURES</b>	<b>1,405,820</b>
 <b>Excess (deficiency) of revenues</b>	
<b>over (under) expenditures</b>	<b>(1,405,820)</b>
 Net Transfers In (Out)	-
 <b>CHANGE IN NET POSITION</b>	<b>(1,405,820)</b>

*\*Note: Per Kirkwood's budgeting practice, revenues are not allocated to all departments.*

## Student Services

Student Services provides advice and assistance to students on all matters pertaining to enrollment in classes, including admissions, academic advising, financial aid, college marketing, and registration and student records. Additionally, the division provides career exploration and decision making, job placement services, and also administers a number of student support functions including personal counseling services, the College food pantry, and specialized student assistance services. The division also provides opportunities for student engagement through student life and oversight of student organizations, campus recreation, and intercollegiate athletics.



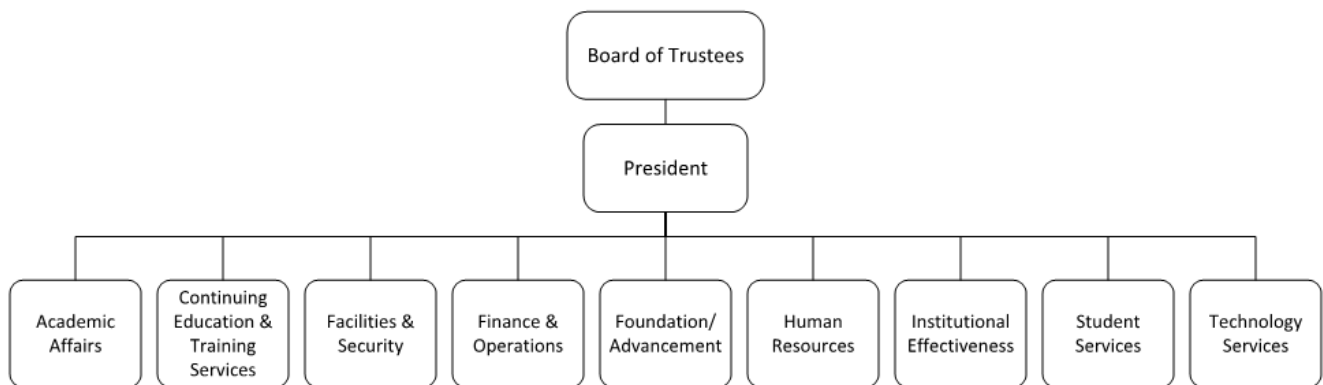
## Student Services

<b>REVENUES</b>	<b><u>FY22 Budget</u></b>
State appropriations	-
Tuition and fees	-
Property tax	-
Federal appropriations	4,500
Sales and services	222,575
Interest on investments	-
Miscellaneous	86,600
<b>TOTAL REVENUES</b>	<b>313,675</b>
 <b>EXPENDITURES</b>	
Salaries and benefits	8,926,020
Services	1,531,254
Materials and supplies	461,331
Travel	526,891
Plant asset acquisitions	-
Interest on indebtedness	-
Cost Of Goods Sold	12,000
Miscellaneous	120,087
<b>TOTAL EXPENDITURES</b>	<b>11,577,583</b>
 <b>Excess (deficiency) of revenues</b>	
<b>over (under) expenditures</b>	<b><u>(11,263,908)</u></b>
 Net Transfers In (Out)	 (2,161)
 <b>CHANGE IN NET POSITION</b>	 <b><u>(11,266,069)</u></b>

*\*Note: Per Kirkwood's budgeting practice, revenues are not allocated to all departments.*

## President's Office

The primary responsibility of the President's Office is to provide vision for the College and continuous leadership and direction for the planning and operation of all aspects of the College's programs and services in conformity with the Board of Trustees policies. The board is charged with setting Kirkwood policy and ensuring the effectiveness of the institution by monitoring and evaluating strategic initiatives and the financial direction of the College.





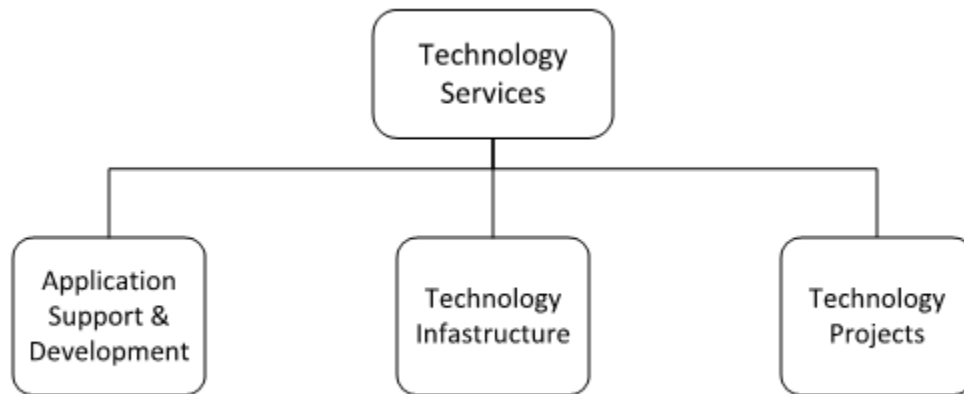
## President's Office

<b>REVENUES</b>	<b><u>FY22 Budget</u></b>
State appropriations	-
Tuition and fees	-
Property tax	-
Federal appropriations	-
Sales and services	189,751
Interest on investments	-
Miscellaneous	-
<b>TOTAL REVENUES</b>	<b>189,751</b>
 <b>EXPENDITURES</b>	
Salaries and benefits	858,072
Services	288,290
Materials and supplies	15,200
Travel	138,568
Plant asset acquisitions	-
Interest on indebtedness	-
Cost Of Goods Sold	-
Miscellaneous	363,000
<b>TOTAL EXPENDITURES</b>	<b>1,663,129</b>
 <b>Excess (deficiency) of revenues</b>	
<b>over (under) expenditures</b>	<b><u>(1,473,378)</u></b>
 Net Transfers In (Out)	-
 <b>CHANGE IN NET POSITION</b>	<b><u>(1,473,378)</u></b>

*\*Note: Per Kirkwood's budgeting practice, revenues are not allocated to all departments.*

## Technology Services

Kirkwood Technology Services is responsible for serving the technology needs of the entire college. In addition to ensuring that the technology requirements are met in classrooms, departments, and offices, the division also handles application support and development, hardware and infrastructure, as well as other technology-related projects.



## Technology Services

<b>REVENUES</b>	<b><u>FY22 Budget</u></b>
State appropriations	-
Tuition and fees	-
Property tax	-
Federal appropriations	-
Sales and services	-
Interest on investments	-
Miscellaneous	-
<b>TOTAL REVENUES</b>	<b>-</b>
<b>EXPENDITURES</b>	
Salaries and benefits	3,772,735
Services	1,209,030
Materials and supplies	362,600
Travel	50,750
Plant asset acquisitions	360,000
Interest on indebtedness	-
Cost Of Goods Sold	-
Miscellaneous	35,000
<b>TOTAL EXPENDITURES</b>	<b>5,790,115</b>
<b>Excess (deficiency) of revenues</b>	
<b>over (under) expenditures</b>	<b><u>(5,790,115)</u></b>
Net Transfers In (Out)	-
 <b>CHANGE IN NET POSITION</b>	 <b><u>(5,790,115)</u></b>

*\*Note: Per Kirkwood's budgeting practice, revenues are not allocated to all departments.*

## Personnel

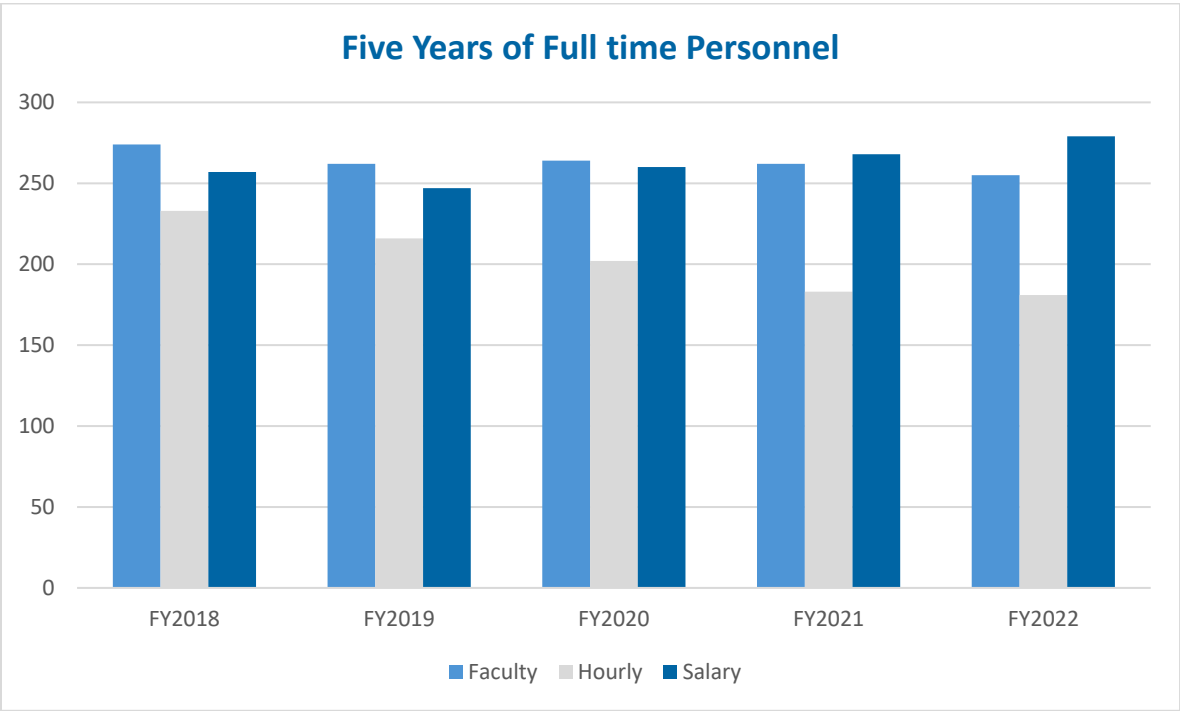
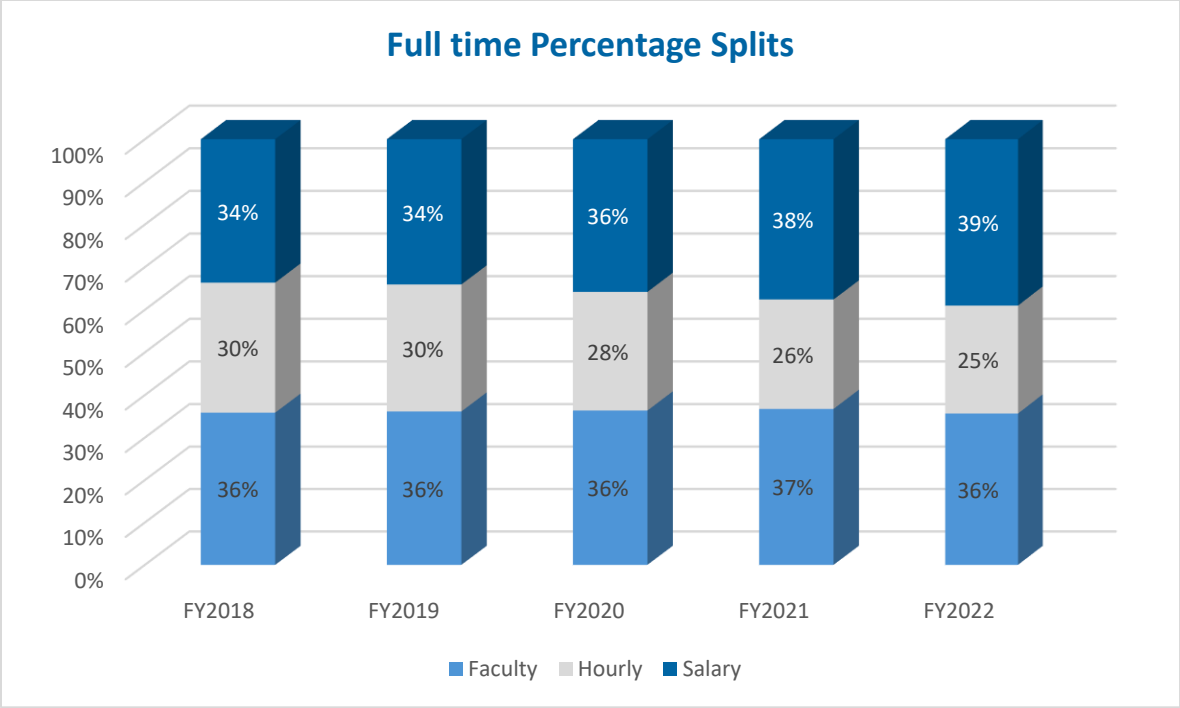
The College commits approximately 75% of the operating budget to salaries and benefits. The information below provides analysis of the General Funded full-time employees. This chart does not include part-time, temporary, or adjunct positions. The actual numbers are from November 1<sup>st</sup> of the fiscal year.

Full-time Personnel					
REPORTING					
YEAR	2018	2019	2020	2021	2022
Faculty	274	262	264	262	255
Hourly	233	216	202	183	181
Salary	257	247	260	268	279
<b>TOTAL</b>	<b>764</b>	<b>725</b>	<b>726</b>	<b>713</b>	<b>715</b>

Full time employment status is determined by the position classification held.

- **Full time Faculty** is all instructors and instructor coordinators teaching or coordinating post high school credit courses, counselors, counselor-coordinators for students applying for admission to or enrolled in post-high school credit courses, and librarians, who are employed by Kirkwood Community College on a contract of nine months or longer.
- **Full time Staff** (includes hourly and salary) is defined as the rest of the positions who are not instructors and instructor coordinators.

Over the past five years, the full-time percentage split between faculty, hourly and salaried positions have stayed consistent.



**Data Source:** IPEDS Human Resources Reports

## Employee Turnover

Because of the disruption and loss of knowledge when employees leave, the College has instituted a Key Performance Indicator (KPI) to maintain an employee turnover rate of 9% or less. The employee turnover percentage is calculated based on full-time regular employees and does not include departures from retirement.

Employee Turnover					
Fiscal Year	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Employee Turnover %	7.10	9.18	8.92	5.58	8.51

**Data Source:** NCCBP Report; completed by Compliance Reporting Team Annually

### Notes:

- Fiscal Years 2016-2017 – Data was provided by Kirkwood Community College Human Resources
- Fiscal Years 2017-2021 – Data pulled from database by the Compliance Reporting Team

## Long-Term Forecast

Kirkwood Community College maintains a long-term forecast that projects the College's financial activities for the next three fiscal years. Forecasts are based on current year revenue and expense projections along with key drivers and assumptions affecting the College's operations. These assumptions are actively monitored throughout the fiscal year and are updated at least quarterly to provide the President's Cabinet with up to date financial information. Using the long-term forecast the President's Cabinet is able to assess the implications of personnel, strategic initiatives and projects, and courses of action to achieve the College's priorities.

The long-term forecast is designed to ensure that the College has the resources to deliver on its strategic goals and initiatives. By actively monitoring the long-term forecast the College:

- Maintains an understanding of projected funding and expense commitments.
- Identifies and monitors key drivers that result in revenue and expense variability.
- Evaluates financial risk.
- Assesses the financial implications of strategic initiatives.
- Ensures proper allocation of future funding for the College to meet its strategic goals.
- Provides leadership with actionable data for strategic decision making.

## General & Auxiliary Fund Forecast

	<u>FY2023</u> <u>Budget</u>	<u>FY2024</u> <u>Forecast</u>	<u>FY2025</u> <u>Forecast</u>	<u>FY2026</u> <u>Forecast</u>
<b>REVENUES</b>				
Credit Tuition	44,398,066	44,411,960	45,965,453	47,930,246
Contracted Training & Non-Credit Tuition	5,762,310	6,189,967	6,375,666	6,566,936
Tuition Refunds & Foundation Transfer	(1,263,580)	(1,286,295)	(1,286,295)	(1,286,295)
Fees	1,767,191	1,880,999	1,880,999	1,899,809
Sales & Service	15,791,280	15,949,192	16,108,684	16,269,771
State & Federal Appropriations	35,121,289	36,018,486	36,918,948	37,841,922
Property Tax	5,834,638	5,999,525	6,209,509	6,426,841
Other & Non-Operating	1,924,433	2,097,089	2,097,089	2,097,089
<b>TOTAL REVENUES</b>	<b>109,335,627</b>	<b>111,260,924</b>	<b>114,270,054</b>	<b>117,746,321</b>
<b>EXPENDITURES</b>				
Salaries & Benefits	83,523,702	85,116,901	86,126,962	86,825,827
Operating Expenses	26,720,009	27,530,656	28,933,454	29,817,216
Non-Operating Expenses	1,791,802	1,844,038	1,844,038	1,844,038
<b>TOTAL EXPENDITURES</b>	<b>112,035,514</b>	<b>114,491,595</b>	<b>116,904,454</b>	<b>118,487,081</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(2,699,887)</b>	<b>(3,230,671)</b>	<b>(2,634,401)</b>	<b>(740,760)</b>
HEERF Funding Allocated to Special Projects	1,015,587	1,048,408	1,079,860	1,112,256
<b>CHANGE IN NET POSITION</b>	<b>(1,684,299)</b>	<b>(2,182,263)</b>	<b>(1,554,541)</b>	<b>371,496</b>

## Credit Tuition

Credit tuition revenue forecasts are set using predictive modeling based on historical enrollment trends and a series of key external drivers known to affect enrollment rates. In conjunction with the predictive model additional drivers have been applied to the current forecast to account for the increased retention and persistence rates realized from the implementation of the Guided Pathways program.

### Forecasted Tuition Rates (\$ Increase)

	FY2024	FY2025	FY2026
Iowa Resident Tuition	\$211 (+\$11)	\$221 (+\$10)	\$231 (+\$10)
Out of State Tuition	\$279 (+\$11)	\$289 (+\$10)	\$299 (+\$10)
International Tuition	\$400 (+\$0)	\$400 (+\$0)	\$400 (+\$0)

### Forecasted Credit Hour Increase/(Decrease)

	FY2024	FY2025	FY2026
Iowa Resident Tuition	-2.5%	-1.5%	-0.5%
Out of State Tuition	-2.5%	-1.5%	-0.5%
International Tuition	-2.5%	-1.5%	-0.5%

## Contracted Training & Non-Credit Tuition

Revenue from contracted training is forecast to grow at a rate of 3% annually. Assumed increases to budgeted revenue in this space are based on expected growth rates in Continuing Education.

## Tuition Refunds & Foundation Transfer

Projected to remain stable in future fiscal years.

## Fees

Projected to remain stable in future fiscal years.

## Sales & Services

Sales and services revenues generated by Kirkwood's enterprise operations (the Hotel, EagleTech, Bookstore, Farm Lab, and the Equestrian Center), athletics, and the continuing education department are forecast based on expected growth rates based on sales forecasts for the upcoming fiscal years. The current forecast projects revenue growth for these areas to be 1% annually.



## State & Federal Appropriations

Based on historical trend analysis the College forecasts that funding received through the State of Iowa Department of Education will increase at a rate of 2.5% annually. The college maintains conservative estimates for long term growth of state general aid funding. Throughout the fiscal year the College actively monitors discussions within the Iowa Legislature and adjusts future projections in accordance with the latest information on projected state funding.

## Property Tax

Forecasting for property tax rates are based on predetermined levy rates.

## Other & Non-Operating

Projected to remain stable in future fiscal years.

## General & Auxiliary Fund Expenditure Assumptions

### Salaries and Benefits

Forecasting for Salaries and Benefits are based on bargained annual raise levels set between the College and the Kirkwood Faculty Association (KFA). The current agreement ending in FY2024 sets the annual raise at 2.8%. For the purpose of this forecast the raise level for FY2025 – FY2026 has been set at 3.0%. Following the adoption of a new KFA agreement the forecast will be updated accordingly to align with the new bargained rates. In addition to annual raises in line with the current KFA agreement the forecast includes a projected annual savings from the FY2022 Early Retirement Incentive Program of \$861,000. Additional savings are included in the forecast in FY2024 – FY2026 for assumed expense control via open position management and operational efficiencies.

### Operating Expenses

All operating expenses are forecast to receive an inflationary allowance each fiscal year as shown in the table below. This rate is set by analyzing current inflation rates in the local economy and adjusting to account for anticipated operational efficiencies and expense mitigation practices.

#### Forecasted Inflation Adjustment

	FY2024	FY2025	FY2026
Operating Expenses	5%	5%	3%

## **Non-Operating Expenses**

Projected to remain stable in future fiscal years.

## **General & Auxiliary Fund Special Considerations**

### **HEERF Allocations**

In FY2024 – FY2026 the College will be allocating funds to support the development of the Aircraft Maintenance Tech Program and College Career Transition Coordinator positions added in FY2022 as part of the College's ongoing implementation of Guided Pathways. Forecasts for the allocations are based on the outcomes from the assumptions noted in the expenditure section of the forecast for these specific areas of operation.

### **Kirkwood Community College Foundation**

Beginning in FY2024 the College has removed the operations of the Kirkwood Community College Foundation from the long term forecast. Following the completion of the FY2023 the Foundation will begin funding their own operating budget and will no longer be reflected in the College operating budget. As a result, the Foundation's forecasted expenditures have been removed from the forecast for FY2024 – FY2026.

## Capital Expenditures

According to the Capital Assets policy 730.01, donated or purchased personal or real property in excess of \$5,000 with an estimated useful life of at least 3 years is considered a capital asset. Beyond these requirements, the specific identification of capital projects is based on project type and is described in additional detail below.

### **Annual Capital Improvements**

These requests are generally repair or renovation projects that are less than \$25,000 in cost and unable to be completed through the normal work order process. The requests are reviewed by Cabinet. Facilities will visit specified areas to gather cost estimates and determine priorities. Order of priority is influenced by improvements that directly impact College safety, student learning and availability of funds. The complete list of requests with estimates and priorities is reviewed by the President and Vice President of Facilities for final approval. Approved projects will be scheduled once funding becomes available.

### **Long-Term Capital Plan**

The long-term capital plan is formulated and maintained by several parties including but not limited to the President, the Vice President of Facilities, the Chief Financial Officer and other members of Cabinet. Project requests of this nature are generally large in scope and funding. All such requests are approved by the Board of Trustees prior to requesting bids. Generally, a sealed-bid process is utilized for these requests. Once the bid process is complete and a vendor is awarded, the project commences. The Vice President of Facilities oversees the project and any related contracts.

### **Land**

Purchases of land by the College are restricted by Iowa Code Section 260C.35. The College may not purchase land that would increase the aggregate of purchased land owned by the merged area to more than 320 acres. Donated land is excluded from this restriction.

### **Site Improvements, Buildings and Building Improvements**

Requests related to site improvements, buildings or building improvements will generally fall within the annual capital improvement process or within the long-term capital plan. All such requests will be coordinated through the Facilities department.

## Cost & Sources of Capital Expenditures Funding

Unrestricted General Fund					
Unit	Object	FY 2022 Budget	FY 20223 Budget	Increase/ Decrease	% Change
Drivers Education	Vehicles	22,000	25,000	3,000	15.0%
Central Receiving/Mail Service	Vehicles	35,000	35,000	-	0.0%
Grounds	Furniture & Equipment	100,000	149,000	49,000	53.6%
Plant Operation General Maint	Vehicles	70,000	75,000	5,000	10.3%
Capital Improvements	Furniture & Equipment	20,000	50,000	30,000	150.0%
Capital Improvements	Other Structures & Improvements	100,000	-	(100,000)	100.0%
Custodial Operations	Furniture & Equipment	35,000	35,000	-	100.0%
Infrastructure	Hardware/Software	410,000	360,000	(50,000)	-7.0%
Iowa City Campus	Furniture & Equipment	49,000	-	(49,000)	100.0%
<b>Unrestricted General Fund Total</b>		<b>841,000</b>	<b>729,000</b>	<b>(88,172)</b>	<b>-9.5%</b>
Auxiliary Fund					
Unit	Object	FY 2022 Budget	FY 20223 Budget	Increase/ Decrease	% Change
Fleet Management	Vehicles	49,000	110,000	61,000	174.3%
Equestrian Center	Furniture & Equipment	35,000	15,000	(20,000)	100.0%
Equestrian Center	Other Structures & Improvements	300,000	-	(300,000)	100.0%
<b>Auxiliary Fund Total</b>		<b>384,000</b>	<b>125,000</b>	<b>349,000</b>	<b>997.1%</b>

## Debt Obligations

The College's debt service fund consists of certificates payable, notes payable, general obligation bonds payable and certificates of participation. The table below represents the outstanding obligations of the College at July 1, 2022 and the budgeted activity for FY23 related to principal and interest amounts due for the year. The table also identifies the primary source of repayment funding for each specific type of obligation. Only the certificates of participation are ultimately guaranteed by the general fund operations of the College. Other payable types are backed by participating company tax withholdings, statutory tax levy, and voter tax levy.

Type:	Certificates Payable	Notes Payable	Bonds Payable	Certificates of Participation	Totals
Payment Source:	Company WH Tax	Statutory Tax Levy	Voter Tax Levy	Fund 1	
<b>Debt Rollforward:</b>					
Beg of Yr 07/01/22	\$43,925,000	\$38,520,233	\$70,315,000	\$14,545,000	\$167,305,233
Additions	\$4,000,000				\$4,000,000
Refinancings					\$0
Deletions	(\$7,340,000)	(\$2,077,059)	(\$5,375,000)	(\$605,000)	(\$15,397,059)
End of Yr 06/30/23	\$42,840,000	\$45,335,207	\$64,940,000	\$13,940,000	\$167,055,207
<b>Short Term Debt versus Long Term Debt Split:</b>					
Due in Less Than 1 Yr	\$6,805,000	\$2,087,957	\$5,840,000	\$620,000	\$15,352,957
Long-Term Liability	\$36,035,000	\$43,247,250	\$59,100,000	\$13,320,000	\$151,702,250
<b>Interest Expense</b>					
Interest Expense	\$921,515	\$1,739,748	\$2,327,775	\$507,841	\$5,496,879

Fiscal Year	Certificates Payable		Notes Payable		Bonds Payable		Certificates of Participation		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	6,805,000	799,093	2,087,957	1,663,510	5,840,000	2,160,175	620,000	491,616	15,352,957	5,114,394
2025	6,390,000	647,026	2,164,938	1,584,329	6,120,000	2,058,075	635,000	477,066	15,309,938	4,766,496
2026	4,830,000	508,303	2,246,943	1,502,134	6,445,000	1,929,650	655,000	459,916	14,176,943	4,400,003
2027	4,300,000	406,613	2,333,974	1,416,693	6,680,000	1,699,350	675,000	440,116	13,988,974	3,962,772
2028	4,075,000	315,375	2,426,030	1,326,237	6,950,000	1,432,150	960,000	418,897	14,411,030	3,492,660
2029	3,605,000	227,245	2,518,112	1,235,355	7,220,000	1,161,650	995,000	385,286	14,338,112	3,009,536
2030	3,115,000	149,975	2,610,220	1,139,247	7,500,000	880,350	1,030,000	351,650	14,255,220	2,521,222
2031	2,780,000	85,025	2,540,000	1,040,050	7,785,000	596,400	1,065,000	316,303	14,170,000	2,037,778
2032	685,000	27,260	2,640,000	938,450	8,030,000	349,500	1,100,000	278,950	12,455,000	1,594,160
2033	-	-	2,745,000	832,850	2,370,000	94,800	1,145,000	237,100	6,260,000	1,164,750
2034	-	-	2,855,000	723,050	-	-	1,190,000	190,900	4,045,000	913,950
2035	-	-	2,970,000	608,850	-	-	1,240,000	142,800	4,210,000	751,650
2036	-	-	3,090,000	490,050	-	-	1,290,000	92,700	4,380,000	582,750
2037	-	-	3,215,000	366,450	-	-	1,340,000	41,800	4,555,000	408,250
2038	-	-	3,340,000	237,850	-	-	-	-	3,340,000	237,850
2039	-	-	3,475,000	104,250	-	-	-	-	3,475,000	104,250
2040	-	-	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-	-	-
2042	-	-	-	-	-	-	-	-	-	-

\*Table does not include the anticipated Additions for NJTP bonds for FY23 Budget

### **Certificates Payable**

Kirkwood Community College administers and issues certificates to fund the Iowa Industrial New Jobs Training Program (NJTP) in Area X in accordance with Chapter 260E of the Code of Iowa. NJTP's purpose is to provide tax-aided training or retraining for employees of industries which are new to or are expanding their operations within the State of Iowa. Certificates are sold by the College to fund approved projects and are to be retired by proceeds from anticipated jobs credits from withholding taxes, incremental property tax, budgeted reserves and in the case of default, from standby property taxes. The estimated total amount of annual NJTP contracts for FY23 is approximately \$4 million and awarded as 10-year bonds to each approved local business.

### **Notes Payable**

The majority of notes payable represents the debt instruments related to the statutory tax levy contained within the Iowa Chapter 260C.19, which allows for a 20¼ cent annual levy. This levy is restricted to the construction, repairs and maintenance of college facilities. The levy will generate approximately \$5.6 million in FY2023 and the College is authorized to levy it through June 30, 2041. Collateral on all capital loan notes payable is the underlying capital assets that the proceeds were used for.

As allowed by Iowa Code Section 260C.19, the college has issued capital loans to fund the purchase and construction of various projects. The major projects funded through the outstanding Plant Fund Notes balances, specifically the capital loan notes referred to as the college's 2020A and the recently refinanced 2020B note series, include the Linn Hall Renovation, Johnson County Regional Center, campus wide HVAC (Heating, Venting, and Cooling) and mechanical system repairs. In addition to the notes covering the prior listed items relevant to the tax levy, the college also has energy management capital loan agreements (Iowa Energy Loans) to specifically finance the construction of a wind turbine as allowed by Iowa Code Section 476.46. Two of the three Iowa Energy loans are expected be paid off in early FY23 based on standard payment schedule. No new capital loan agreements are expected to occur during FY23.

### **General Obligation School Bonds Payable**

General Obligation Bonds (GOB or GO Bonds) represent voter approved tax levy funding for the construction and renovation of the College facilities. In September 2017, the voters in the

College service territory approved \$60 million of general obligation bonds to be issued and levied for multiple projects. The issuances related to the approved \$60 million occurred over the course of 3 years, 2018, 2019, and 2020. In 2021, the 2013B GO Bond was refinanced and renamed 2021A. Major projects funded with these GO Bonds include Iowa Student Hall renovation, Washington Hall renovation, Auto Technology, and others. No new GO Bonds were issued in 2022 and are not expected for FY23.

### **Certificates of Participation**

Certificates of Participation, also referred to as general fund lease certificates, are debt instruments that are generally used as interim financing obligations until the debt agreement's terms are fully structured and final. The Certificates of participation are funded and supported through the College's General Fund. The current outstanding certificates balance are related to projects for The Hotel. The College issued these certificates of participation for the construction and expansion of the College facilities to accommodate anticipated enrollment growth and expand the lodging management, restaurant management, and culinary arts programs. The hotel asset funded by the debt instrument is the collateral. No new certificates are expected in FY23.

### **Debt Ratings**

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the rating will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgement of Moody's, S&P or both, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Certificates. Below are the most recent updates to the College's ratings from Moody's Investors Service and S&P.

As of April 2022, Moody's Investors Service upgraded the rating on Kirkwood Community College's general obligation unlimited tax (GOULT) from Aa2 to Aa1. Moody's Investors Service also assigned Aa1 to the recent 2022 Iowa Industrial New Jobs Training Certificates. 3 Standard and Poor's (S&P) assigned Kirkwood a long-term rating of "AA". 4

3 Moody's Investors Service. *Rating Action: Moody's upgrades Kirkwood Community College IA's GO to Aa1; assigns Aa1 to current issuance.* April 26th, 2022

4 S&P Global Ratings. *Kirkwood Community College, Iowa; General Obligation.* April 2022

## Debt Limit

The amount of general obligation debt a political subdivision of the State of Iowa can incur is controlled by the constitutional debt limit, which is an amount equal to 5% of the actual value of property within the corporate limits. The below table includes the two most recent valuations available on the Iowa Department of Management's Local Government Property Valuation System. The College's debt limit, based upon the most recent valuation are as follows.

	<u>1/1/21</u>	<u>1/1/20</u>
Actual Valuation	50,391,671,475	47,630,580,019
X	5.00%	5.00%
Statutory Debt Limit:	2,519,583,574	2,381,529,001



# Glossary

## **Benefits**

Various benefits provided to employees, other than salary, including but not limited to medical and dental insurance, retirement contributions, vision insurance, life insurance, long term disability insurance and paid leave.

## **EagleShop**

Retail store providing technology equipment and services as well as college branded apparel and accessories.

## **Fiscal Year**

Kirkwood Community College's fiscal year is July 1 to June 30.

## **Fund Balance**

The net position of funds, calculated as the difference between a fund's assets and liabilities.

## **Full time Faculty**

All instructors and instructor coordinators teaching or coordinating post high school credit courses, counselors, counselor-coordinators for students applying for admission to or enrolled in post-high school credit courses, and librarians, who are employed by Kirkwood Community College on a contract of nine months or longer.

## **Full time Staff**

Includes hourly and salary employees and includes all full time staff positions that are not instructors or instructor coordinators.

## **Iowa Public Employee's Retirement System (IPERS)**

IPERS is a plan that provides security in retirement through guaranteed benefits. Employees who receive the benefits package have the choice between TIAA-CREF or IPERS.

## **Guided Pathways**

The Guided Pathways framework is a resource on how to reform the student experience to increase student persistence, retention and college completion.

**Higher Education Emergency Relief Funds (HEERF)**

Funds provided to institutions of higher education through the Coronavirus Aid, Relief and Economic Security (CARES) Act.

**260E New Jobs Training Program (NJTP)**

The Iowa Industrial New Jobs Training (260E) program assists business creating new positions with new employee training in the state of Iowa.

**Unrestricted General Fund**

The unrestricted general fund is the primary operating fund of the college.

**Restricted General Fund**

These are funds that have restrictions on use, determined by external entities.

**Request for Proposal (RFP)**

A document used to gather bids for a project or service.

**Statutory Tax Levy**

Funding source related to the College's Plant Fund Notes (Notes Payable) and Certificates Of Participation (COPs). The College is authorized to levy property taxes through June 30<sup>th</sup>, 2041; which allows for a 20¼ cent annual levy based on Iowa Chapter 260C.19.

**TIAA-CREF**

TIAA-CREF is a provider of financial services, with a specialty in academic areas. Employees who receive the benefits package have the choice between TIAA-CREF or IPERS.

**Voter Tax Levy**

Voter Approved funding from the College's Service territory's levy. Traditionally issued in the form of General Obligation Bonds (GOB or GO Bonds) for the construction and renovation of the College facilities.

### **Zero-Based Budgeting**

A method of budgeting in which the budget starts from a “zero base” and each function within the organization is analyzed for its individual needs and costs for a particular period.

## **Recognition**

Kirkwood Community College’s FY23 budget and budget book required significant planning and input from all levels across the entire College. Special thanks and appreciation to all who participated in the development of this document.



# Kirkwood

COMMUNITY COLLEGE

6301 Kirkwood Blvd. SW  
Cedar Rapids, Iowa 52404

[www.kirkwood.edu](http://www.kirkwood.edu)