

Board of Trustees
Budget Update Meeting
3/22/2011

In preparing for our discussions on next year's budget, we will first look at how we think this year will end.

Fiscal Year 2010-11

On the revenue side, we expect to receive about \$2.4 million less in tuition and fees than originally budgeted. However, this will be partially offset by some unbudgeted revenues from energy rebates, prior year payments for the joint use agreement with UCF, and the McCoy lease. This will leave us about \$1.9 million below our budgeted revenue.

This year we budgeted approximately \$3.8 million for a contingency fund in case state revenue was not coming in as projected. We also had about \$900,000 of budgeted excess. So between the two, we have a combined contingency of \$4.7 million. This contingency approaches the \$5.3 million in Federal Stimulus funds, which will not be available next year.

Through good stewardship, we are currently estimating that we will spend about 97% of our budgeted expenses, leaving a balance of approximately \$4.9 million (3%) unspent at the end of the year. While this may vary during the coming months, we will keep you informed as we get closer to year-end.

Fiscal Year 2011-12

In looking to next year, we currently have two scenarios. The first is built on the Governor's Budget, which includes no tuition increase and an 11% decrease in total state funding, which includes the removal of the Federal Stimulus funds. This represents a reduction in funding of approximately \$7.3 million. We have the ability to increase tuition by 3% since we did not raise it to the cap for this year, plus a cost-of-living adjustment of 1.5% for a total of 4.5%. This is our current worst case scenario.

The Current Expectation scenario assumes an 8% tuition increase (5% new plus the 3% from this year) based on discussions with legislative representatives and staff with the same 11% decrease in state funding. This reduction includes the removal of the Federal Stimulus funds. This tuition increase will provide an additional \$2.5 million in revenue.

In both scenarios, we are projecting a 4.5% increase in enrollment for next year.

While our current scenarios do not include funding all the needs, we think that we can be more aggressive in putting salary dollars on the table as a result of trends in both lapsed dollars and traditionally unused part-time dollars. We can also probably do the same in freeing up funds in some of the other expense categories as well.

We have budgeted a one-step increase for faculty and the equivalent (1.92%) increase for full-time and part-time staff.

As we get closer to determining our revenues, we will refine and possibly modify our priorities.

In Conclusion

While these are our best assumptions at this time, we hope to be able to provide you more updated information for next week's meeting. Currently, both the House and Senate Education Budgets are still in committee.

Valencia Community College
2011-12 Budget Review
March 22, 2011

	2010-11 Original Budget	Governor's Budget 2011-12 Projected	Current Expectation 2011-12 Projected
Enrollment Change: FTE	33,157	34,649	34,649
Sections	14,802	15,468	15,468
Revenue:			
Tuition	\$74,674,023	\$80,093,834	\$82,655,263
Non-Credit Tuition (CWE , PSAV)	2,078,185	1,981,169	1,981,169
Special Fees	11,024,240	10,169,034	10,169,034
State Funding (CCPF, Lottery)	61,962,606	59,668,614	59,668,614
Federal Stabilization Funds (Non-recurring)	5,080,776	0	0
Federal Funding (Indirect Cost)	196,493	226,944	226,944
Gifts & Private Grants & Contracts	474,000	474,000	474,000
Educational Sales & Services	228,000	475,000	475,000
Interest	163,000	127,000	127,000
Transfers-In Fund 3	200,000	2,653,468	2,653,468
Other Revenue Sources	324,525	395,800	395,800
Total Revenue	\$156,405,848	\$156,264,863	\$158,826,292
Total Revenue/FTE	\$4,717	\$4,510	\$4,584
Expenditures:			
Personnel Expenses:			
Full Time Faculty	\$23,269,422	\$25,360,054	\$25,360,054
Extended Contracts	3,401,358	3,711,653	3,711,653
Instructional Overloads	3,667,271	3,646,671	3,646,671
8 Month Contracts	726,123	740,007	740,007
4 Month Contracts	2,679,993	2,626,426	2,626,426
Part-Time Instructional	16,182,124	17,729,900	17,729,900
Full Time Staff	40,981,775	42,071,912	42,071,912
Overtime	226,992	231,332	231,332
Part-Time Staff	5,879,992	5,514,543	5,514,543
Fringe Benefits (FICA, Leave, Empl Matric')	7,526,275	7,826,549	7,826,549
Employee Retirement Incentive	1,200,000	1,222,944	1,222,944
FL Retirement System	7,775,811	8,951,208	8,951,208
Health & Life Insurance	8,349,917	9,537,582	9,537,582
Lapse Dollars	(1,200,000)	(1,200,000)	(1,200,000)
Sub-Total	\$120,667,053	\$127,970,779	\$127,970,779

Valencia Community College
2011-12 Budget Review
March 22, 2011

	2010-11 Original Budget	Governor's Budget 2011-12 Projected	Current Expectation 2011-12 Projected
Current Expenses:			
Travel	\$975,175	\$919,971	\$919,971
Freight & Postage	309,488	309,488	309,488
Tele-Communications	742,434	742,434	742,434
Printing	532,487	532,487	532,487
Repairs & Maintenance	1,136,640	1,175,350	1,175,350
Leases & Rentals	1,770,673	1,770,673	1,770,673
Insurance	2,040,880	2,040,880	2,040,880
Utilities	5,357,645	5,357,645	5,357,645
Contractual Svc's & Professional Fees	5,139,237	5,343,021	5,343,021
Marketing & Advertising	1,668,642	1,768,642	1,768,642
Materials & Supplies	3,495,040	3,495,040	3,495,040
Adm & Educational Software	1,957,666	1,957,666	1,957,666
Bad Debt Expense	690,000	690,000	690,000
Other (Waivers, Unempl', Contingency etc.)	3,958,357	158,357	158,357
Sub-Total	\$29,774,365	\$26,261,655	\$26,261,655
Capital Outlay:			
Departmental Purchases	\$2,898,402	\$2,872,909	\$2,872,909
Technology	1,892,271	2,011,424	2,076,011
Remodel & Renovate	258,216	377,042	377,042
Sub-Total	\$5,048,889	\$5,261,375	\$5,325,962
Total Expenditures	\$155,490,307	\$159,493,808	\$159,558,396
Excess Revenue Over Expenses:	\$915,541	(\$3,228,945)	(\$732,104)

**Valencia Community College
2011-12 Budget Highlights**

Revenue Assumptions:

Enrollment Increase - 4.5%	\$3,600,000
Tuition Increase - 4.5%	3,295,000
State Funding	(2,294,000)
Federal Stabilization Funds	(5,080,776)
Transfer-In from Auxiliary	2,453,468
S/Total	<u>\$1,973,692</u>

Expenditure Assumptions:

Salary Raises - w/fringes	\$2,138,000
30 New F/T Faculty	1,496,336
23 Student Affairs Staff - primarily @ Osceola	812,000
FL Retirement System -10% rate increase	759,000
Health Insurance - 10% rate increase	837,000
Administrative Services Staff - Security & Custodial	350,000
Faculty - Professional Development	250,000
Instructional Support	250,000
Use Contingency	(3,800,000)
Valencia Enterprise savings	(350,000)
Retirement Savings	(400,000)
Endowed Chairs to be funded by Foundation	(115,000)
S/Total	<u>\$2,227,336</u>

Financial Model for Building Funding

Meeting on 3/22/2011

Attached is a schedule showing how the college would fund a new building on the West Campus. Also included is a proposed schedule of the program use of the building. The two larger users of the space will be our Center for Global Languages (CGL) and Office for Learning Technology (OIT). These two programs represent approximately two-thirds of the space. There will also be the addition of a model shop and planning studio for the architecture programs, and additional classrooms for both continuing education and general usage.

**Valencia Community College
Capital Project Funding
3 Year Projection**

Last Update: 03/18/11

	PROJECTED			
	FY 10-11	FY 11-12	FY 12-13	FY 13-14
Auxiliary Funds (Bookstore/ITFS Broadband)	7,272,706	7,272,706	7,272,706	2,022,706
Quasi Endowment	10,017,887	10,035,617	10,053,681	546,123
Local Funds	863,207	807,316	751,353	695,323
Capital Outlay and Debt Service (CO &DS)	4,047,124	7,840,270	544,071	438,501
Capital Improvement Fees (CIF)	12,565,127	20,937,816	11,358,639	705,285
Beginning Fund Balance July 1st	\$ 34,766,051	\$ 46,893,725	\$ 29,980,450	\$ 4,407,938

REVENUES

Quasi Endowment Interest	17,730	18,064	9,032	
Local Funds Interest	3,857	4,037	3,970	
CO & DS Motor License Vehicle Revenue	389,863	389,863	389,893	
CO & DS Bond Revenue	3,385,136			
CO & DS Interest - Local	18,147	9,074	4,537	
CIF Student Fees	7,398,824	7,845,199	8,237,459	
CIF Interest	73,865	39,226	41,187	
CIF Repayment by PECO for WEC Bldgs 7 & 9	900,000			
CIF Repayment by PECO for EAC Chiller (\$2,718,884 not funded)				
Total Revenue	\$ 12,187,422	\$ 8,305,463	\$ 8,686,078	

EXPENSES

Lake Nona Bldg 1 from CO & DS bond proceeds (2010 issue)		3,385,136		
Lake Nona Bldg 1 from CO & DS Reserve		4,310,000	500,000	
Lake Nona Building 1 (Plan/Construct/Equip) from CIF		13,052,098	1,182,000	
Lake Nona Road B Construction from Quasi Endowment			325,000	
Osceola Building 4 from Quasi Endowment			9,191,590	
Osceola Building 4 from Auxiliary			3,750,000	
VE West Building from CIF		750,000	12,750,000	
VE West Building from Auxiliary			1,500,000	
VE West Building Relocation Expenses from CIF			1,300,000	
General Renovation & Remodeling from CIF		3,661,504	3,700,000	
CJI Portable from Local Funds	7,748	8,000	8,000	
Opportunity Funds from Local Funds	52,000	52,000	52,000	
Total Expenses	\$ 59,748	\$ 25,218,738	\$ 34,258,590	

Building Program Usage

West Campus VE/OIT/IR Building							
		Room Number	Capacity	Quantity	S.F.	N.S.F.	G.S.F
OIT	<u>Administration</u>						
	CIO office					250	
	Reception and exe/office ass.					350	
	Assistant CIO					200	
	Project manager					175	
	Security manager					175	
	Storage					150	
	Work Room					320	
	Conference Room					400	
	Meeting Rooms			2	240	480	
	Training Room					555	
	Break Room					132	
	<u>Total</u>						3,187 4,526
	<u>Technology Support</u>						
	Director					200	
	Manager Labs					175	
	Manager Classrooms					175	
	Manager help desk					175	
	Manager Tech Supp., Refresh					175	
	Technicians			4	120	480	
	Help desk Area					115	
	Common Work Area					345	
	Caged Storage					513	
	<u>Total</u>						2,353 3,341
	<u>Network and Infrastructure</u>						
	Director					200	
	Network Manager			2	175	350	
	Network Administrators			4	135	540	
	System Administrators			2	135	270	
	Communications Operators			4	120	480	
	Server Room					985	
	Network Control Area					170	
	Storage					600	
	<u>Total</u>						3,595 5,105
	<u>Web and Portal</u>						
	Director					200	
	Web Developers			6	120	720	
	Collaborative Work Area					200	
	<u>Total</u>						1,120 1,590
	<u>Enterprise System</u>						
	Director					200	
	Manager Application Systems					175	
	Manager Data Warehouse					175	
	Database Administrators			2	120	240	
	Programmer/Analyst			14	120	1,680	
	Collaborative Work Area					200	
	<u>Total</u>						2,670 3,791
	<u>Learning Technology</u>						

Building Program Usage

	Room Number	Capacity	Quantity	S.F.	N.S.F.		G.S.F
	Director				200		
	Manager Instructional Design				175		
	Instructional Designer		5	120	600		
	Collaborative Work Area				200		
	Total					1,175	1,669
	TOTAL OIT					14,100	20,022
IR	1 Director				200		
	5 Analysts	4 actual + 1 future	5	120	600		
	1 office for 2 employees				210		
	Work room/Conference room				345		
	TOTAL IR					1,355	1,924
CGL	Classrooms	17	15	680	10,200		
	Computer lab	25	1	950	950		
	CIE Implementation						
	offices		5	135	675		
	workstations		6		390		
	workroom		1		450		
	Client Service Center						
	office		1	135	135		
	workstations		4	100	400		
	waiting area				200		
	TOTAL CGL					13,400	19,028
	Planning Studio					680	966
	Model Shop					2500	3,550
VE Continuing Education							
	Classroom	30	1		750		
	Computer Lab	20	1		900		
	Offices		2	135	270		
	Workstations		9	100	900		
	File Room				200		
	TOTAL VE Continuing Education					3,020	4,288
Classrooms		30	8	900		7,200	10,224
TOTAL						42,255	60,002