



May 15, 2019

**TO:** THE DISTRICT BOARD OF TRUSTEES  
OF VALENCIA COLLEGE

**FROM:** SANFORD C. SHUGART  
President

**RE:** 2019-2020 OPERATING BUDGET FRAMEWORK

Consistent with our annual process, the 2019-2020 budget framework is presented for preliminary review. The formal approval of the budget will follow on June 26, 2019.

**RECOMMENDED ACTION:**

The President recommends the District Board of Trustees approve the 2019-2020 Operating Budget framework. This formal approval of the budget will be conducted at the District Board of Trustees of Valencia College meeting on June 26, 2019.

  
\_\_\_\_\_  
President



# FY 2019-20 Preliminary Budget Framework

Board of Trustees - May, 2019

# Valencia College Funding Priorities

- a. Invest in people, programs and tools to support student learning and their experience at Valencia
- b. Support initiatives that expand delivery of the mission:
  - i. Downtown campus
  - ii. Online learning
  - iii. Centers for accelerated training
  - iv. Program expansion (credit/non-credit)
  - v. Poinciana campus
- c. Providing solid pay and benefits to our current/future employees
- d. Alignment with affordability policy!



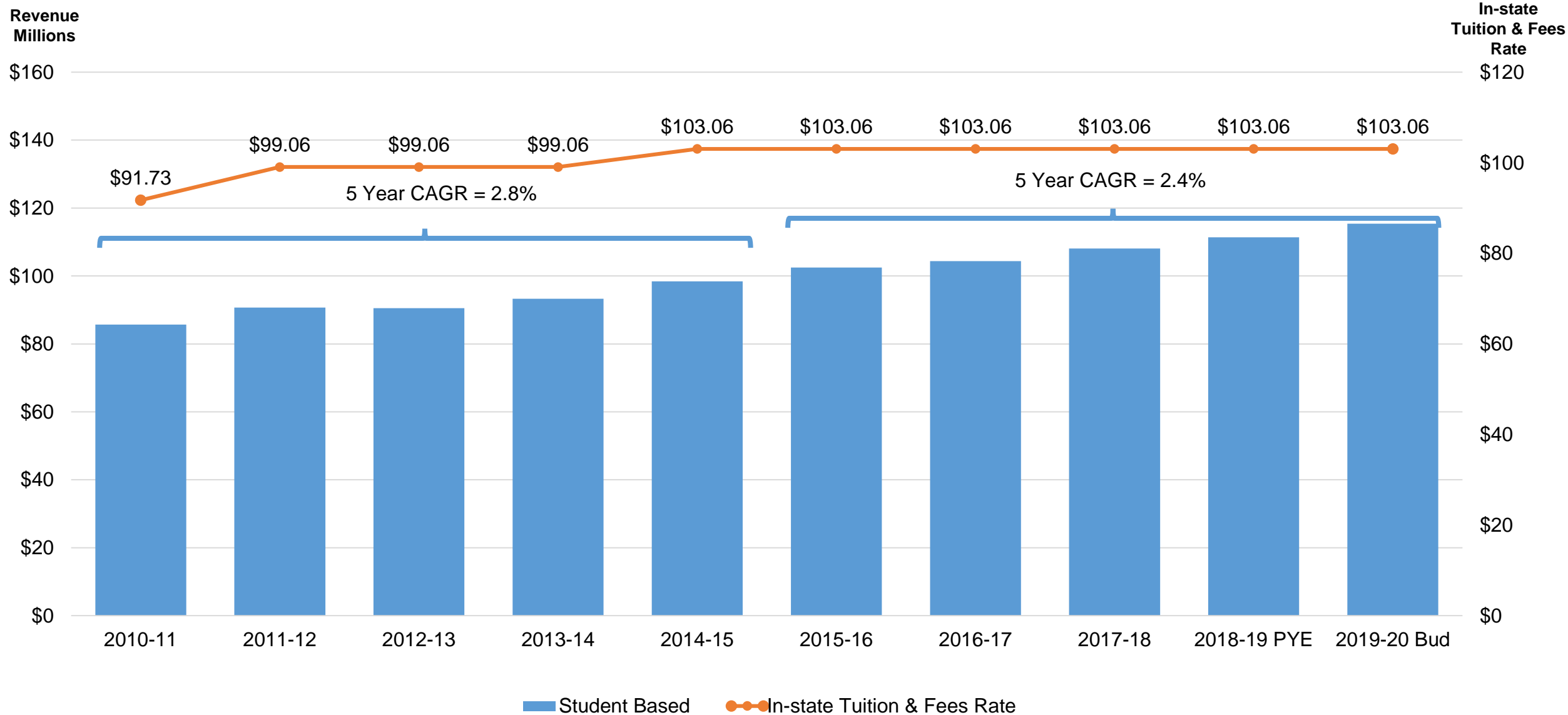
# Revenue Budget Assumptions

- Normalize current year projections to a baseline
  - Remove one time revenue items
  - Transfers from non-operating fund balances
- Prior year funding changes
  - Performance funding
  - Recurring vs. nonrecurring impacts
  - Workforce certificate support
- Student based revenue increases:
  - Accessibility
  - Programmatic growth
  - International students
  - Dual enrollment
  - Distance learning fee\*\*
- Non-operational funds to support major strategic initiatives

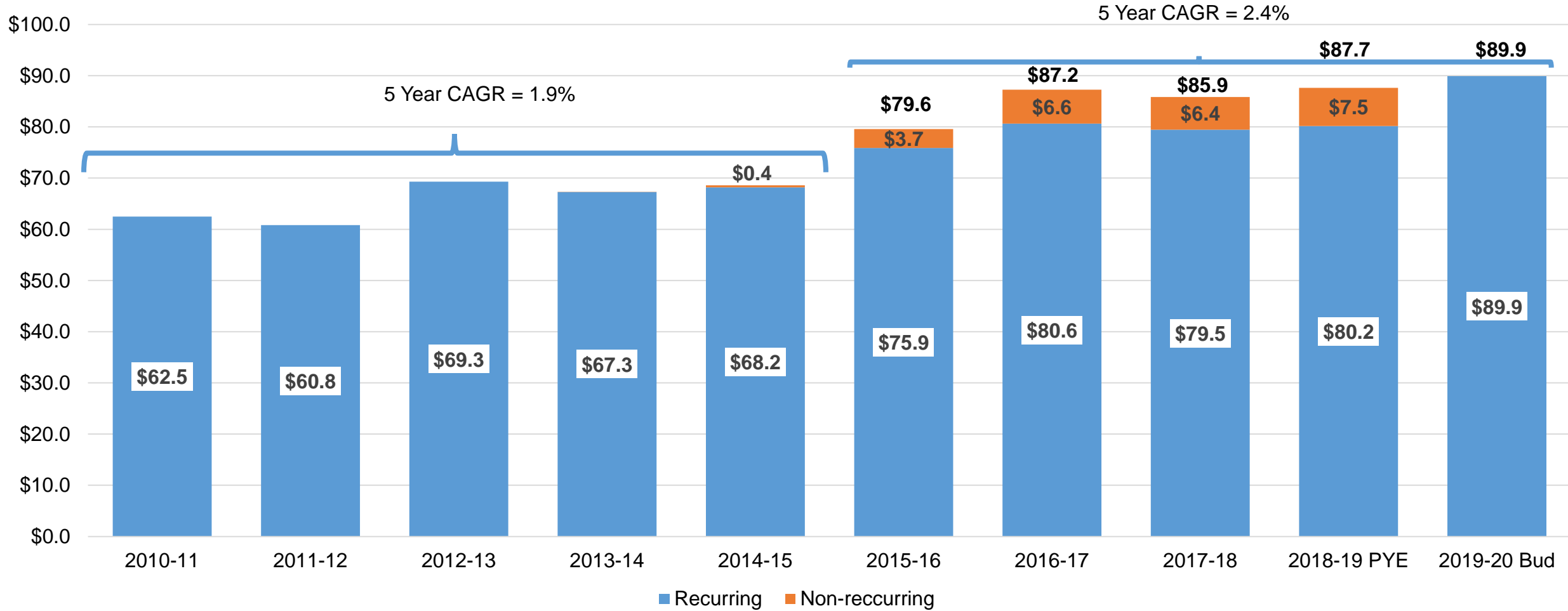
\*\*Pending board approval



# Student Based Revenues / In-State Tuition & Fees



# Recurring & Non-recurring State Support



# FY 2018-19 PYE to FY2019-20 Revenue Baseline

**\$207.1M**      **FY 2018-19 Revenue PYE**

	Adjustments	Amount	Detail
<b>(\$3.9M)</b>	Fed Funds	<b>(\$1.4)</b>	(\$1.2M) reimbursement for students assisted through hurricane Irma, and (\$0.2M) from general insurance reimbursements
	Operational support	<b>(\$2.0)</b>	Transfers into Fund 1 from F3 and F4 (\$2.0M)
	Investment Income	<b>(\$0.5)</b>	Lower Investment Income

**\$203.2M**      **FY2019-20 Revenue Baseline**

# FY 2019-20 Revenue Assumptions

**\$203.2M**      **FY 2019-20 Revenue Baseline**

	State appropriations / Internal funds	Amount	Detail
<b>\$4.4M</b>	State Funding	\$2.4	Growth in reoccurring state support and industry certifications
	Operational support	\$2.0	Transfers into F1 \$2.0 (Operational and Downtown)

	Student Based	Amount	Detail
<b>\$3.7M</b>	Activity based revenue	\$2.3	Distance learning fee \$2.0** + lab fee \$0.3**
	Dual Enrollment	\$1.0	890 incremental students at lower tuition rate
	International Students	\$0.4	60 incremental students at higher tuition rate

	Investment Initiatives	Amount	Detail
<b>\$2.7M</b>	CE Growth	\$1.2	AST + Languages Programs
	Downtown Campus	\$0.6	\$0.5 program growth + \$0.1 Venue
	Poinciana Campus	\$0.3	200 incremental students
	Applied Science & Org Lead (BAS / BOL)	\$0.2	160 incremental students
	Nursing (ASN & BSN)	\$0.2	100 incremental students
	Software Development (BAS)	\$0.2	60 incremental students

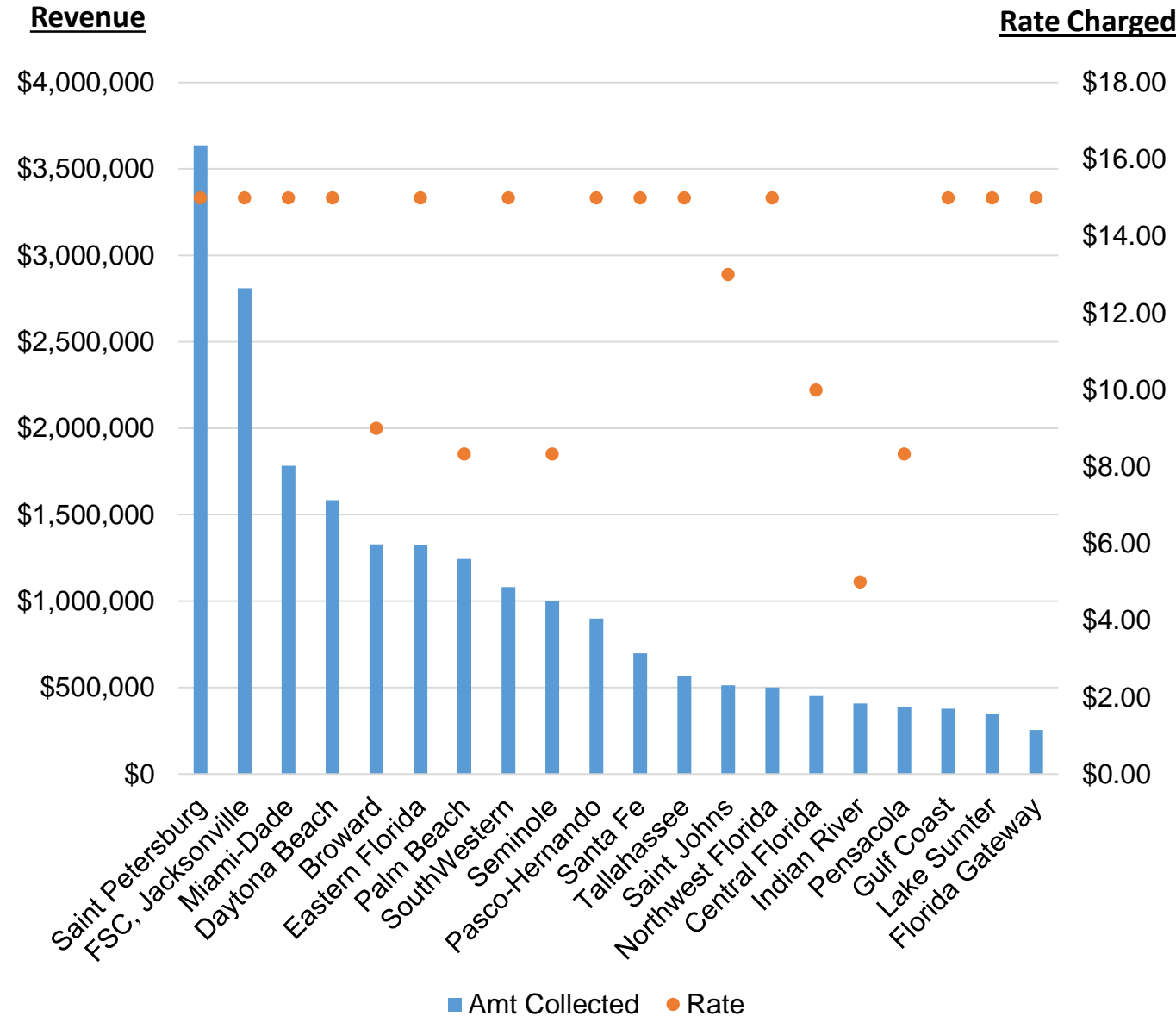
**\$214.0M**      **FY2019-20 Revenue Budget**

\*\*Pending board approval



# On Line Learning (pending)

- 20 of 28 Colleges charge distance learning fee
- FY 2017-18 Rates range from \$5 to \$15 per credit hour
- Fastest Growing Valencia Modality
- Estimate of \$2.7M annually to specifically support on-line
- Revenue associated with distance learning can not exceed costs if using a distance learning fee
- Each \$1 equates to \$250K in revenue
- On line students are not charged lab fees but can receive benefits



# Expenditures Budget Assumptions

- Match expenses to revenues
- Normalize current year projections to a baseline
- Operating Requests:
  - 2.3% wage increase
  - New facilities support
  - Information Technology Controls
- Support sustaining/growth initiatives
  - Accessibility (Downtown & Poinciana)
  - Programs (Nursing, BAS/BOL, Software Dev)
  - Continuing education (AST & Languages)

# FY 2018-19 PYE to FY 2019-20 Expense Baseline

**\$204.0M**      **FY 2018-19 Expenditures PYE**

	Non-recurring Adjustments	Amount	Detail
<b>(\$0.9M)</b>	Capital Investment / Other Operating	<b>(\$0.9)</b>	\$0.4 Furniture refresh + \$0.4 EMCT West Bldg 7 – 148 lab + \$0.1 Osceola modular + \$0.1 Lynx passes to Student Activities+ CY efficiency

	Recurring Adjustments	Amount	Detail
<b>\$2.7M</b>	Personnel	\$2.1	Salaries wrap around, vacancy factor and benefits
	Cost to Continue	\$0.6	\$0.4 General liability insurance + \$0.2 Software and Opex escalators

**\$205.8M**      **FY 2019-20 Expenditures Baseline**

# FY 2019-20 Preliminary Expenditures Budget

**\$205.8M**      **FY 2019-20 Expenditures Baseline**

	Operating Requests	Amount	Detail
<b>\$3.9M</b>	Wage Increase	\$3.1	2.3% wage increase fully loaded with benefits
	Faculty and Operational Support	\$0.8	\$0.6M Increase in sections offerings & ops support of new facility (Osceola CIT/CAT) + \$0.2M FRS benefits growth

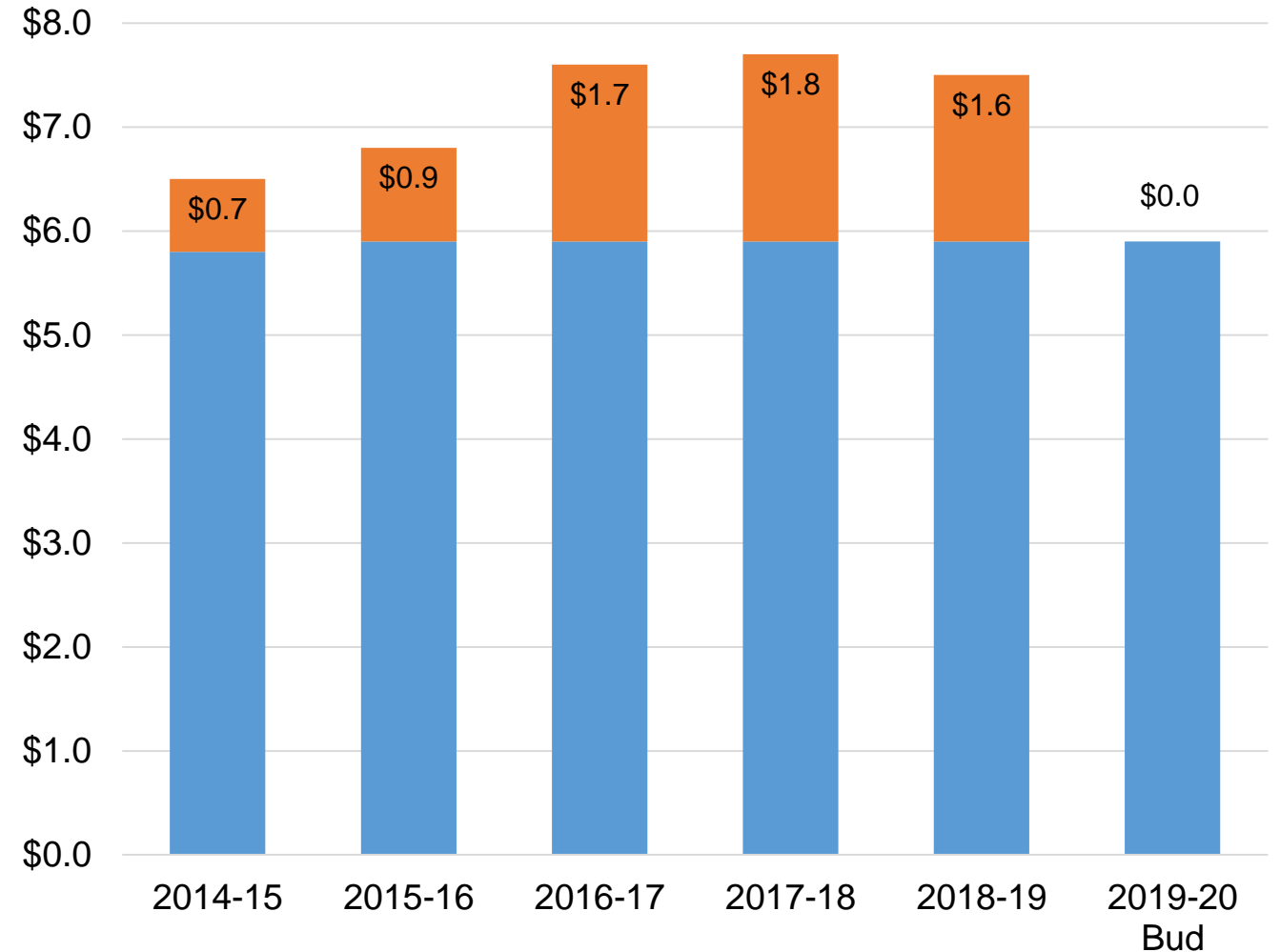
	Initiatives	Amount	Detail
<b>\$4.3M</b>	Downtown Campus	\$2.5	\$0.9M faculty and administrators + \$1.4M opex to maintain facilities + \$0.2M Venue support
	CRM (Precision Advising and Tutoring)	\$0.7	Student learning and success
	Continuing Education	\$0.4	Supporting AST and Language programs \$0.4M
	Programmatic and Operational Investment	\$0.5	Instructional inv. in baccalaureate programs
	IT Security / Compliance Request	\$0.2	Improved IT security awareness training and tools for testing

**\$214.0M**      **FY 2019-20 Expenditures Budget**

# PECO – Sum of the year digits

- Major maintenance supported by two funding sources (fund 7)
  - Capital Improvement Fee
  - State support of maintenance (SOYD)
- Roof replacement, carpet replacement, window repairs, chiller repairs, hurricane repairs, etc.
- Budget reduction YOY of \$1.6M

Revenue in M's



# Valencia College Funding Priority Fulfillment

	FY 2019-20 Proposed Budget
Revenues	\$214.0
Expenditures	\$214.0
<b>Surplus / (Deficit)</b>	<b>(\$0.0)</b>

- a. Balanced Revenues and Expenses
- b. Funded priority mission / impact plan initiatives (downtown campus, accelerated skills training, Bachelors programs, Poinciana)
- c. Addressed key issues (new facilities, cyber security and on-line growth)
- d. Provided for a wage increase, stable benefits for all employees
- e. Maintained financial support of student based outcome efforts
- f. Aligned with affordability policy





# FY 2019-20 Preliminary Budget Framework

Board of Trustees - May, 2019