



May 26, 2021

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

**FROM:** SANFORD C. SHUGART  
President

**RE:** 2021-2022 OPERATING BUDGET FRAMEWORK

Consistent with our annual process, the 2021-2022 budget framework is presented for preliminary review. The formal approval of the budget will follow on June 23, 2021.

**RECOMMENDED ACTION:**

The President recommends that the District Board of Trustees of Valencia College approve the 2021-2022 Operating Budget framework. This formal approval of the budget will be conducted at the District Board of Trustees of Valencia College meeting on June 23, 2021.

A handwritten signature in black ink, reading "Sanford C. Shugart". The signature is written in a cursive style with a large, prominent initial 'S'.

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President



# FY 2021-22 Preliminary Budget Summary

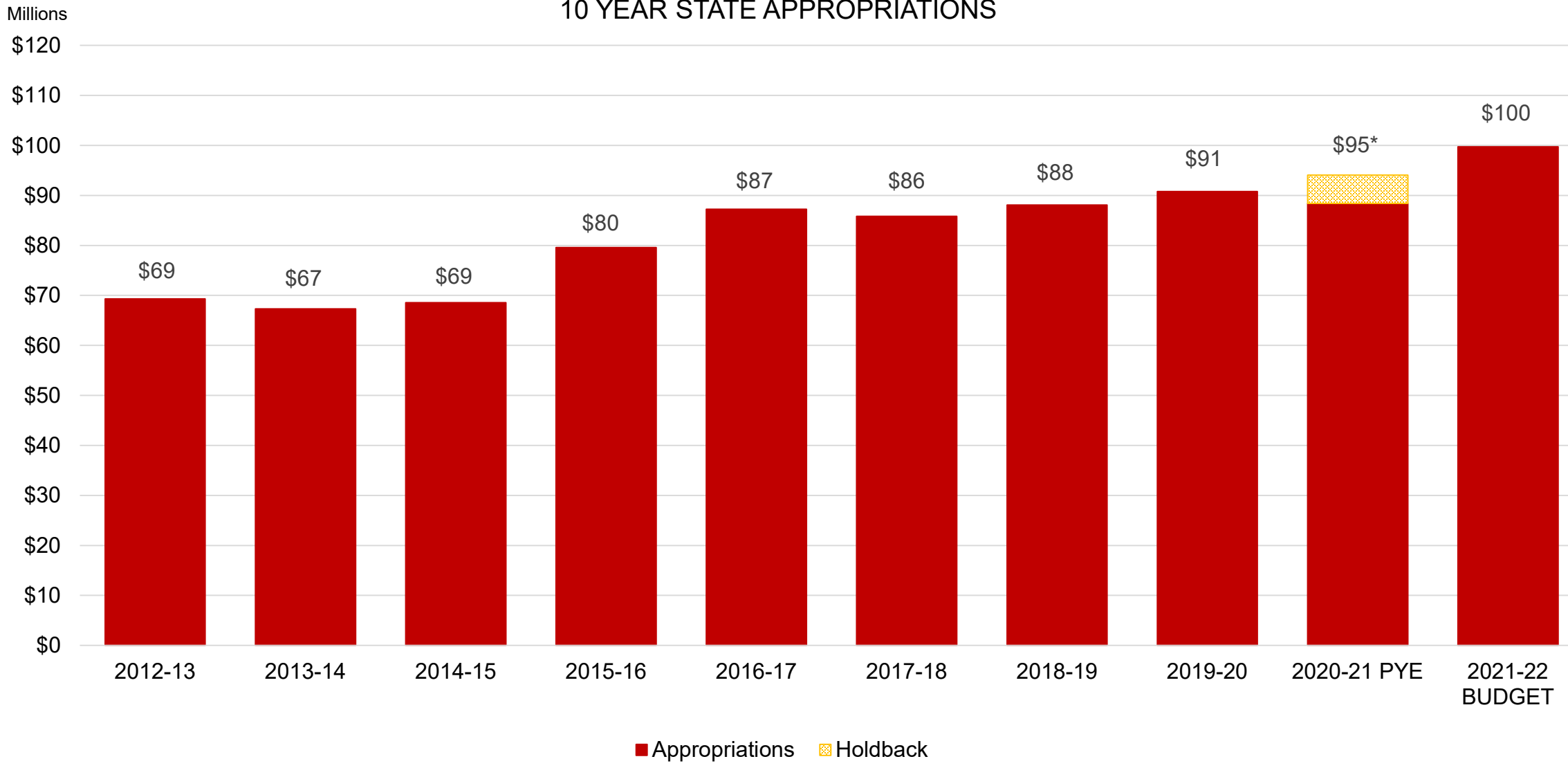
District Board of Trustees - May, 2021

# Budget Model Assumptions

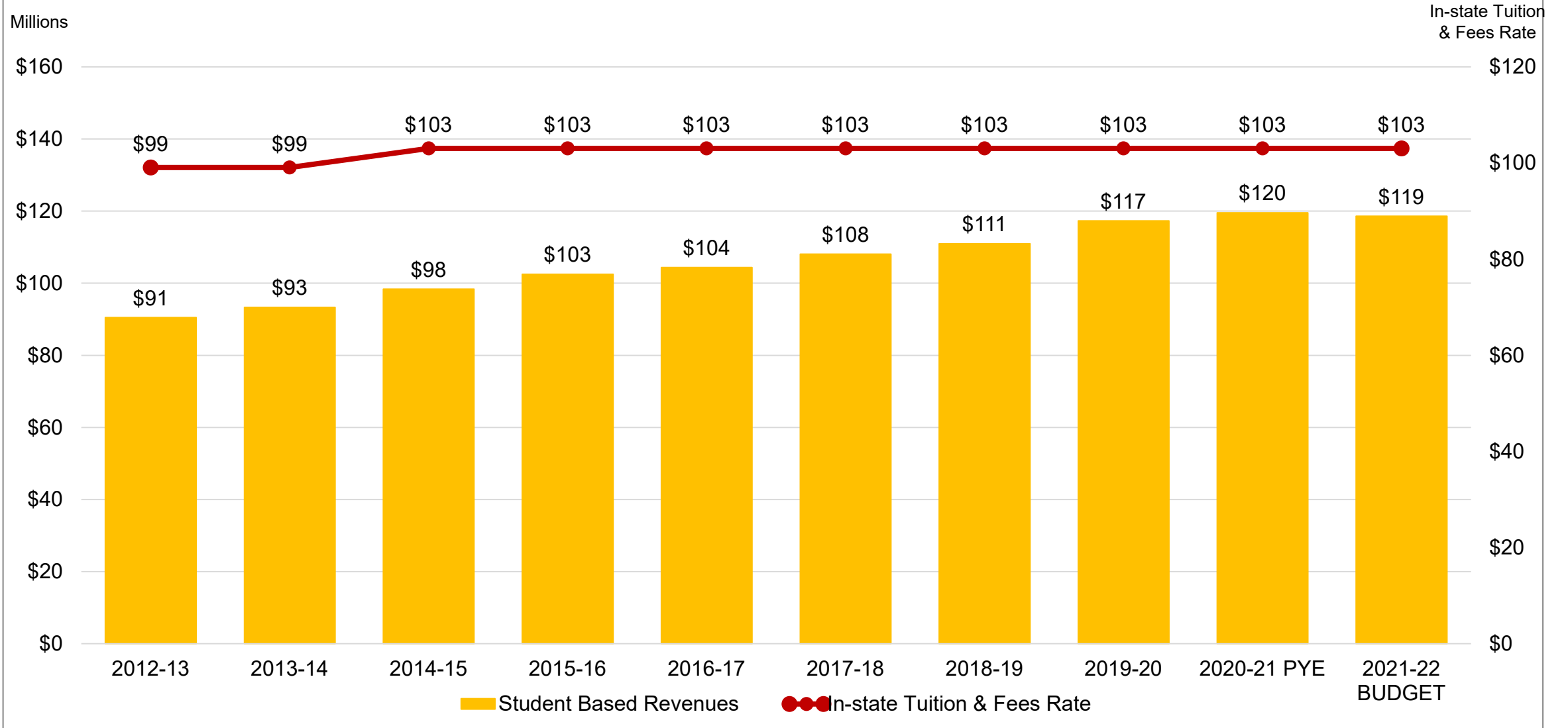
- a. No fee increases for the 8<sup>th</sup> year in a row
- b. Invest in programs, resources, and initiatives that support student learning and delivery of the College's mission.
  - Centers for accelerated skills training (CAT)
  - Strategic Impact Plan support / Equity
  - Baccalaureate programs
  - Redesign opportunities
  - Area campus support
- c. Support the transition of operations consistent with the college's "Roadmap to Reopening".
- d. Strategically deploy HEERF and other federal funds.
- e. Provide solid pay and benefits to current and future employees.
- f. Align with Valencia's affordability policy.



10 YEAR STATE APPROPRIATIONS



10 YEAR STUDENT BASED REVENUES & IN-STATE BLOCK TUITION AND FEES RATE



# FY 2021-22 Revenue Model

**BASE SCENARIO**

**FY 2021-22 Revenue Baseline**

**\$219.0**

**Operating Assumptions**

State Funding

\$5.1

Fund balance management

\$3.0

Tuition Rate Changes

\$0.0

**Enrollment Assumptions**

Accelerated skills training (Midtown CAT)

\$1.5

Coronavirus impacts on credit enrollment

(\$1.0)

Baccalaureate programs growth

\$0.6

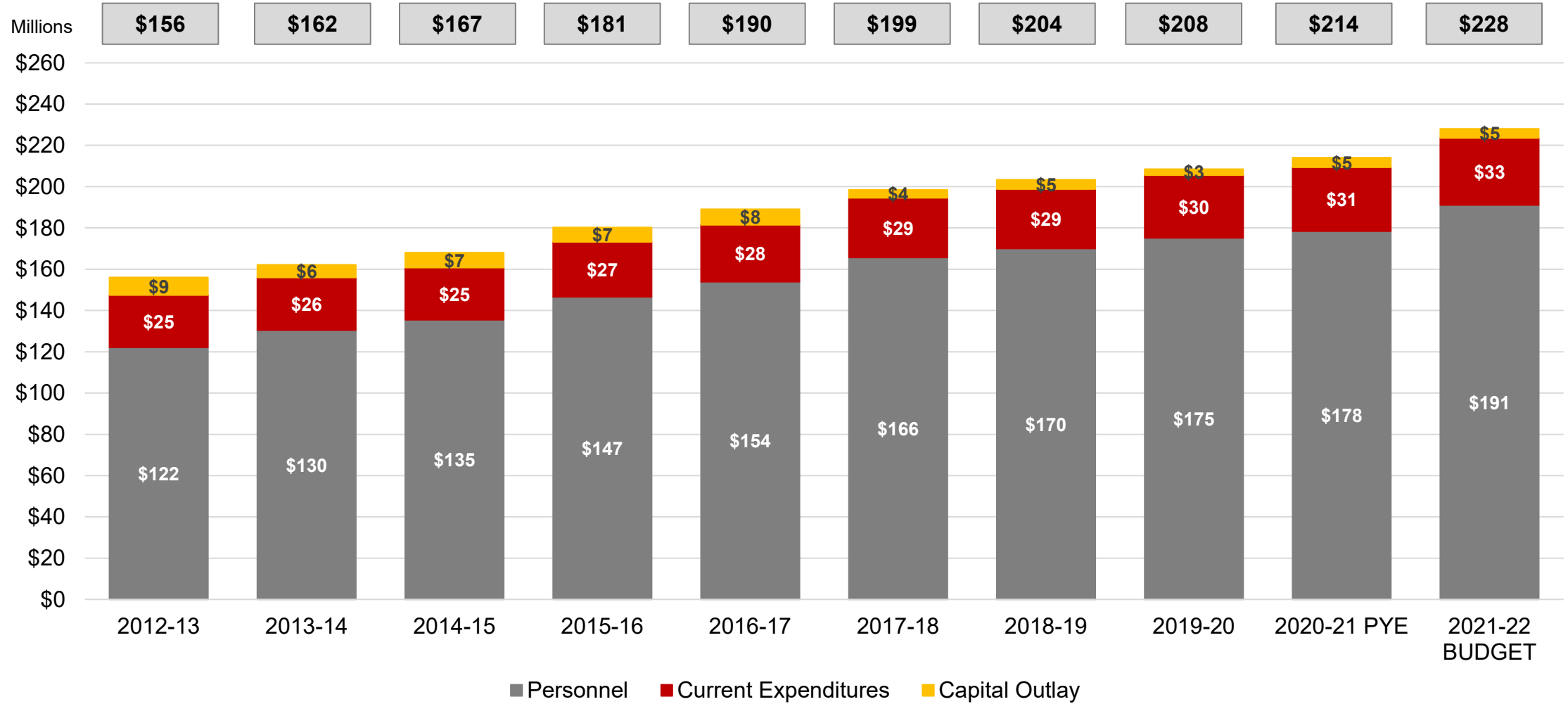
**FY 2021-22 Revenue Budget**

**\$228.2**

# FY 2021-22 Revenue Model Summary

- State funding
  - 6% holdback impacts
  - 4% increase in appropriations
  - Fund balance management
  
- Block tuition and fees
  - No changes for eight consecutive years
  
- Other revenue drivers
  - Accelerated skills training expansion
  - Coronavirus impacts
  - Baccalaureate programs growth

10 YEAR OPERATING EXPENDITURES





# FY 2021-22 Expenditures Model

**BASE SCENARIO**

**FY 2021-22 Expenditures Baseline**

**\$217.7**

**Discretionary Core Expenditures**

Wage and compensation commitment

\$3.7

Full time personnel capacity

\$3.1

Minimum wage

\$0.4

Area campus support

\$0.4

**Strategic Expenditures**

Strategic Plan Support / Equity

\$0.9

Baccalaureate programs capacity

\$0.4

Accelerated skills training (Midtown CAT)

\$1.6

**FY 2021-22 Expenditures Budget**

**\$228.2**

# Expenditures Budget Summary

- Cost to Continue – 25%
  - Open campus locations
  - FT/PT Salaries and FRS benefits wrap around
  - Increases in general liability insurance
  - Grant sustainment (Ad Astra)
  
- Discretionary Core Expenditures – 54%
  - Wage and compensation commitment
  - Minimum wage requirement by 2026
  - Full time personnel capacity
  - Area campus support
  
- Strategic Expenditures – 21%
  - Accelerated skills training (Midtown CAT)
  - Strategic Plan Support / Equity
  - Baccalaureate programs

# FY2021-22 Fund Balance Impact

In millions

	BASE SCENARIO
FY 2021-22 Revenues Budget	\$228.2
FY 2021-22 Expenditures Budget	\$228.2
FY 2021-22 (Revenues over Expenditures)	\$0.0
FY 2021-22 Fund Balance amount	\$27.3
FY 2021-22 Fund Balance as a %	10.7%

## Operating Fund Balance

- I. Current fiscal year 2020-21 PYE estimated at 11.8% - State Requirement 7.0%
- II. FY2021-22 budget model assumes utilization of fund balance by \$3 million



# FY 2021-22 Preliminary Budget Summary

District Board of Trustees - May, 2021