

# MINUTES OF THE JANUARY 25, 2022 MEETING OF THE BOARD OF TRUSTEES OF ST. PETERSBURG COLLEGE

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The Board of Trustees of St. Petersburg College met on Tuesday, January 25, 2022 at the St. Petersburg College EpiCenter, Collaborative Labs, 13805 58<sup>th</sup> Street N, Clearwater, Florida. The following Board members were present: Chair Thomas Kidwell, Vice Chair Jason Butts, Katie Cole, Deveron Gibbons and Nathan Stonecipher. Also present were Tonjua Williams., President of St. Petersburg College and Secretary to the Board of Trustees.

## NOTICE OF MEETING BOARD OF TRUSTEES, ST. PETERSBURG COLLEGE

The Board of Trustees of St. Petersburg College will hold a public meeting to which all persons are invited, commencing at 9:00 a.m. on Tuesday, January 25, 2022 at the St. Petersburg College EpiCenter, Collaborative Labs, 13805 58<sup>th</sup> Street N, Clearwater, Florida. The workshop will be held for the purpose of considering routine business of the College; however, there are no rules being presented for adoption or amendment at this meeting.

A copy of the agenda may be obtained within seven (7) days of the meeting on the [SPC Board of Trustees website](#) at [www.spcollege.edu](http://www.spcollege.edu), or by calling the Board Clerk at (727) 341-3241.

Members of the public are given the opportunity to provide public comment at meetings of the Board of Trustees concerning matters and propositions on the agenda for discussion and Board action. At the Board meeting, in advance of the time for public comment on the agenda, individuals desiring to speak shall submit a registration card to the Board Clerk, Ms. Rebecca Turner, at the staff table. Policy and procedures regarding public comment can be found on the [SPC Board of Trustees website](#) at [www.spcollege.edu](http://www.spcollege.edu)

If any person wishes to appeal a decision made with respect to any matter considered by the Board, he or she will need a record of the proceedings. It is the obligation of such person to ensure that a verbatim record of the proceedings is made. Section 286.0105, Florida Statutes.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this meeting is asked to advise the agency five business days before the meeting by contacting the Board Clerk at 727-341-3241. If you are planning to attend the meeting and are hearing impaired, please contact the agency five business days before the meeting by calling 727-791-2422 (V/TTY) or 727-474-1907 (VP).

**22-001.** In accordance with the Administrative Procedure Act, the following Agenda was prepared:

## AGENDA ST. PETERSBURG COLLEGE BOARD OF TRUSTEES JANUARY 25, 2022

EPICENTER (Collaborative Labs)  
13805 58<sup>th</sup> Street N  
Clearwater, FL  
**WORKSHOP**

- I. Call to Order Thomas Kidwell  
Chair
- II. Facilities Strategic Master Plan Cushman and Wakefield  
Consultants
- III. Financial Health of St. Petersburg College Dr. Hector Lora  
Associate Vice President, Budgeting  
Mike Meigs  
Associate Vice President, Accounting  
Business and Financial Services
- IV. Adjournment

**22-002.**      **Under Item I, Call to Order**  
The meeting was convened by Chair Kidwell at 9:00 a.m.

**22-003.**      **Under Item II - Facilities Strategic Master Plan**

Consultants from Cushman and Wakefield presented on Strategic Master Planning for St. Petersburg College. Consultants shared classroom space utilization, results from visioning sessions, surplus properties and provided a P3 analysis update.

**22-004.**      **Under Item III – Financial Health of the college**

Dr. Hector Lora, Associate Vice President, Budgeting and Mike Meigs, Associate Vice President, Accounting, Business and Financial Services presented on the three year financial plan and the financial health of the college. Highlighting that over the last five years, SPC has strengthened its fiscal strength and flexibility 16.7% by decreasing its reliance on its reserves. Also, the college has received another perfect financial audit.

**22-005.**      **Under Item XIII, Next Meeting Date and Location**

**MINUTES OF THE JANUARY 25, 2022 MEETING OF THE BOARD OF  
TRUSTEES OF ST. PETERSBURG COLLEGE**

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The Board confirmed its next meeting date and location as Tuesday, January 25 2021  
9:00 a.m., at the EpiCenter

**XII. ADJOURNMENT**

Having no further business to come before the Board, Chair Kidwell adjourned the meeting at  
10:55am.

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**Tonjua Williams, Ph.D.**  
**Secretary, Board of Trustees**  
St. Petersburg College  
FLORIDA

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**Thomas Kidwell**  
**Chairman, Board of Trustees**  
St. Petersburg College  
FLORIDA

# ST. PETERSBURG COLLEGE

STRATEGIC MASTER PLANNING

JANUARY 25, 2022



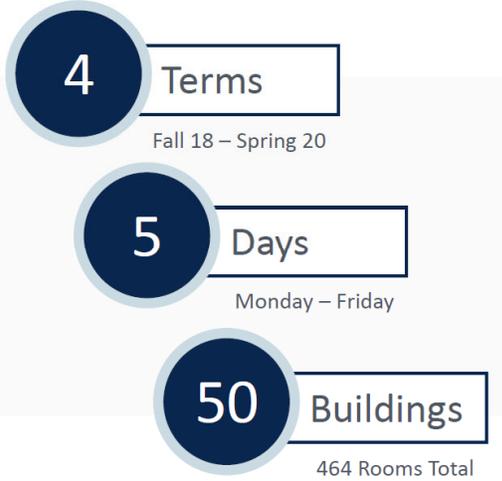
1

## UTILIZATION



2

## Scope of Analysis - From SPC Room Inventory



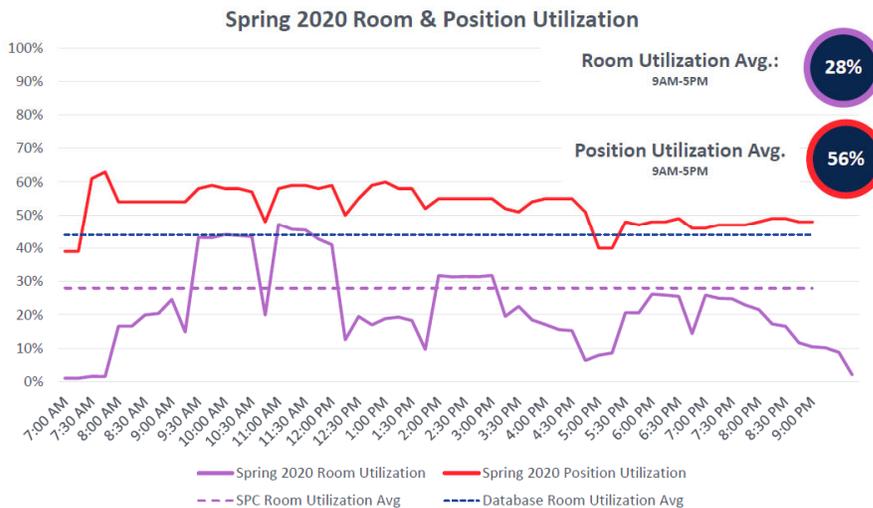
Site	Building Count	Room Count*
1 - EpiCenter	1	29
2 - Clearwater	10	99
3 - St Pete/Gibbs	11	110
4 - Seminole	5	41
5 - Tarpon Springs	11	60
6 - Bay Pines Center	1	3
8 - Health Education Center	3	51
9 - Allstate Center	2	26
15 - Downtown Center	1	23
16 - Midtown Center	2	17
17 - Fire Training Center	2	2
18 - Veterinary Technology	1	3

\*Room codes 110, 120, 210, 220

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## Room Utilization by Term: Spring 2020

SPC Room Utilization falls below database average



### Room Utilization:

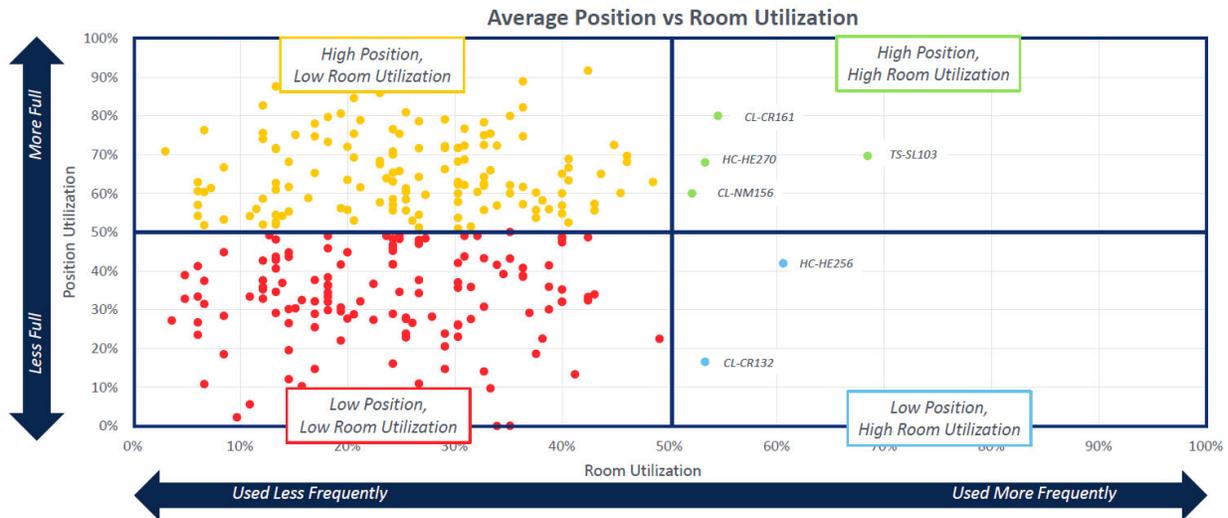
What percentage of these rooms are being used at any given time?

### Position Utilization:

What percentage of available seats are occupied within each utilized room at any given time?

4

## Position & Room Utilization: By Room (Spring 2020)



5

## Concluding Comments

Opportunity	Summary of Findings	Proposed Changes
<i>Centralize Scheduling Process &amp; Data</i>	Overall room utilization is low, and there is room for increased utilization in even the best utilized spaces	<ul style="list-style-type: none"> <li>• Increase centralization of scheduling process</li> <li>• Reassign the responsibility of room scheduling to site provost or scheduler</li> <li>• Explore options in new/upgraded software to consolidate scheduling &amp; event data into one area</li> </ul>
<i>Align class schedules &amp; times to meet student demand</i>	In discussions with each site, feedback was frequently given that existing schedules and course times were determined for departmental preference	<ul style="list-style-type: none"> <li>• Use existing scheduling data and engage with existing students to determine the most in-demand courses and the best time &amp; location to offer them</li> </ul>
<i>Embrace the existing campus flexibility</i>	With low room utilization across each site and many larger rooms and smaller classes, use the current opportunity to explore consolidating/rearranging the existing sites to maximize the existing real estate.	<ul style="list-style-type: none"> <li>• Small renovations to existing space can break up larger rooms into more smaller rooms which can help with flexibility when moving departments</li> <li>• Be sure to align future class sizes with the size of classrooms to maximize position utilization</li> <li>• Create a standard “menu” for technology to help understand the needs of teachers and where they best align with campus space</li> </ul>

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STRATEGIC OBJECTIVES



**PORTFOLIO PLAN**



**Curriculum +  
Developmental Outcomes**

- ◆ To enhance SPC’s brand, SPC should emphasize **specific programs** that prepare students with the knowledge and skills **needed in local and national industries**.
- ◆ SPC should continue its focus on student development through active academic support systems, which are **centered in a formalized learning environment** through **either in-person or online learning environments**.



**Target Market +  
Accessibility**

- ◆ Integration of campus systems should be seen as an **opportunity to streamline efficiency, reduce long-term operating costs, and serve the student and community needs**.
- ◆ SPC should continue to offer a local **market-responsive curriculum** with **online and in-person opportunities** to **capitalize on current market conditions**.



**Operation Paradigm +  
Financial Performance**

- ◆ SPC will **leverage financial capacities of current assets and potential third-party partners**, while limiting exposure to additional liabilities, to **enhance real estate portfolio and generate additional revenue** while remaining true to its mission and purpose.
- ◆ Facilities should be configured, staffed, and operated to **optimize financial performance and programmatic needs to enhance and unify the student experience on each campus**.



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# STRATEGIC OBJECTIVES



## PORTFOLIO PLAN

Strategic Objective	Outcome Category	0	1	2	3	4	5	6	7	8	9	10	Gap
1 Geographic Market/Service Area	Enrollment Management					X				O			4
2 Breadth & Depth of Academic Focus	Enrollment Management					X						O	6
3 Facilities	Enrollment Management							X	O				1
4 Student Success	Educational Outcomes								X/O				0
5 Common Curricula & Experience	Educational Outcomes					X		O					2
6 Experiential & Co-Curricular Learning	Educational Outcomes					X		O					2
7 Social Environment	Campus Community						X			O			3
8 Neighborhood Creation	Campus Community					X				O			4
9 Quality of Life System Integration	Campus Community				X		O						2
10 Revenue Risk Tolerance	Financial Performance						X		O				2
11 Operational Risk Tolerance	Financial Performance				X	O							1
12 Development Risk Tolerance	Financial Performance				X			O					2
13 Balance Sheet Management	Financial Performance				X			O					2
14 Culture of Environmental Sustainability	Environmental Sustainability					X				O			3
15 Sustainable Design + Operations	Environmental Sustainability				X					O			4

X = SPC's Indicated Current Position      O = SPC's Indicated Targeted Aspiration Position







## St. Pete Gibbs Wellness Center



<b>Address</b>	7045 Burlington Ave N, St. Pete
<b>Location</b>	Pinellas Trail to the west & 1 block south of 5th Ave N and west of 66th St N; Residential in each direct as well as RV/boat storage to the south.
<b>Site Size</b>	6.31 +/- Acres (275,000 SF) ~610' x 361'
<b>Building Size</b>	20,732 +/- SF, 2 story gym
<b>Zoning</b>	NT-2 (Neighborhood Traditional Single-Family), Pinellas Park
<b>Future Land Use</b>	Public/Semi-Public
<b>Evac/Flood Zone</b>	D/X



Highest and best use is compatible with surrounding residential.

**SUGGESTED VALUE RANGE: \$1.7M - \$1.9M**

**SUGGESTED ASKING PRICE: \$2.1M**

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## Coliseum Parking Lot



<b>Address</b>	13707 58th St. N, Largo
<b>Location</b>	East side of 58th Street and north of Ulmerton Rd; Office to the north, west and south, wetlands and preservation to the east.
<b>Site Size</b>	Irregular; 67,201 SF +/- (1.54 Acres); 367' x 200'
<b>Zoning</b>	Institutional
<b>Future Zoning</b>	Planned Redevelopment Mixed Use
<b>Evac/Flood Zone</b>	B/AE



Institutional zoning will allow for office up to 43,693 SF. Land (office) sells for \$22-\$25/buildable SF which is in line with the market values for the site.

**SUGGESTED VALUE RANGE: \$12.50 PSF - \$15.70 PSF (\$840K - \$1M)**

**SUGGESTED ASKING PRICE: \$1.2M**

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<b>Address</b>	6698 68th Ave North, Pinellas Park
<b>Location</b>	South side of 68th Ave North, one block west of 66th St; east of Aldi & Imaging Medical bldg, residential to north and west, elementary school to the south.
<b>Site Size</b>	159,638 +/- SF (3.66 acres); ~248' x 600'
<b>Building Size</b>	50,138 +/- SF, 4 story Office Building
<b>Parking</b>	209 (4.17/1000)
<b>Zoning</b>	B-1 - General Commercial, Pinellas Park
<b>Future Zoning</b>	CG (Commercial General)
<b>Evac/Flood Zone</b>	D/X



Highest and best use as existing office.

**SUGGESTED VALUE RANGE: \$90 PSF to \$95 PSF (\$4.5M to \$4.76M)**

**SUGGESTED ASKING PRICE: \$4.9M (\$98 PSF)**



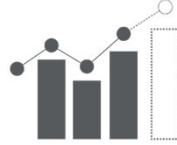


### Confirmation of Goals + Objectives

- ◆ Institutional Visioning Sessions
- ◆ Stakeholder Interviews
- ◆ Apply Strategic Outcomes to Planning Process



November 2021 – January 2022



### Financial Analysis + Feasibility

- ◆ Preliminary Market Analysis
- ◆ Value for Money Analysis
- ◆ Developing project pro forma(s)



December 2021 – Spring 2022

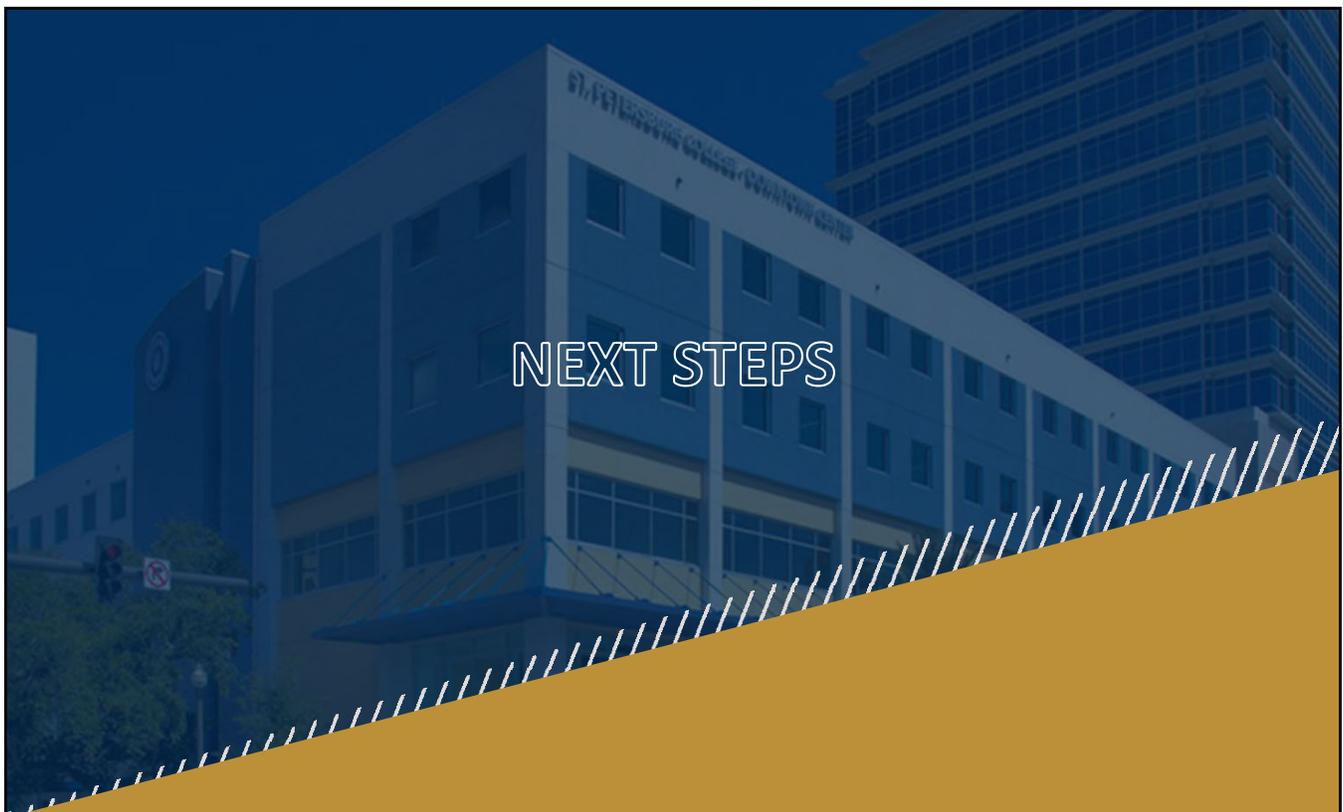


### Recommendation + Strategy

- ◆ Outline program analysis + development
- ◆ Market sounding
- ◆ Document recommendations



December 2021 – Spring 2022



- Incorporate feedback from Board of Trustee Workshop
- Schedule collaborative meetings with Provost and Deans
- Conduct P3 Stakeholder Meetings
- Present draft Portfolio Plan recommendations – first w/o Feb
- Final recommendations to the Board of Trustees in March

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A photograph of a modern, multi-story building with a grid of windows, overlaid with a semi-transparent blue filter. The text 'QUESTIONS & DISCUSSION' is centered in white, outlined font. A yellow diagonal graphic with white dashed lines runs across the bottom right corner of the image.

QUESTIONS & DISCUSSION

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**St. Petersburg College**

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**SPC**

Proposed Three-Year Financial Plan  
Fiscal Years July 2022 – June 2025



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## Introduction

The purpose of this plan is to provide St. Petersburg College's financial goals and objectives for the next three fiscal years (FY2022-23, FY2023-24, FY2024-25). The information contained herein derives from various sources and includes projections and recommendations.

## SPC's Mission, Vision, and Values

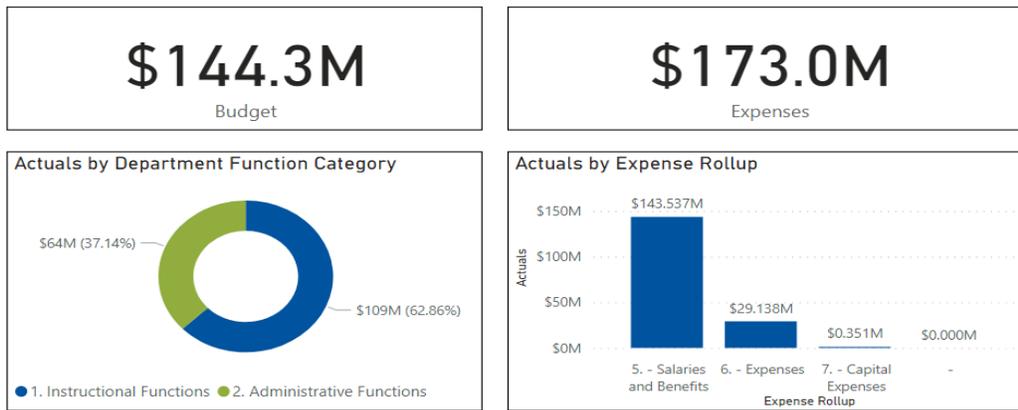
SPC prioritizes its financial resources in accordance with its mission, vision, and values. The College's mission is to "empower our students and community to achieve success and economic mobility through academic excellence and engagement." Its vision is to be "a premier college enriching and strengthening lives through a community of care." Institutional values include student focus, academic excellence, outstanding service, diversity, ethics, culture of inquiry, partnerships, transparency, leadership and empowerment, global citizenship, innovation, mutual respect, and professional development. Each year the Board of Trustees and college representatives meet in a workshop setting to formulate the SPC's annual strategic priorities.



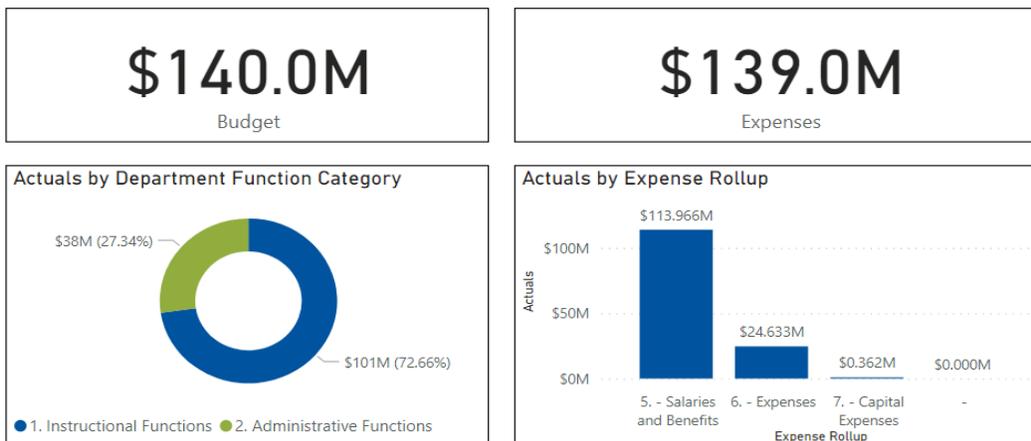
## Aligning Financial Resources

Since 2018, SPC continue to align its financial resources to enhance student success. Instructional expenditures consist of college-wide expenditures related to instructional activities. The Instructional department includes direct instruction, public service, academic support, and students support. The Administrative functions consist of activities undertaken to provide necessary services on a college-wide basis which include executive management, finances department, legal services, facilities, and data management.

### 2017-18



### 2020-21



*FY 2017-18 and FY 2020-21 account for the contribution of the Other Postemployment Benefits (OPEB). However, community colleges, universities, and other organizations that use full accrual basis accounting will need to budget for the OPEB expense but not the contributions. Ultimately, these financial reporting changes will only affect your reporting unit's government-wide, full accrual financial statements starting with your fiscal year 2018.*

*The FY 2019-20 and on reflect the effect of the Coronavirus's Pandemic. The national outlook for the past year has shown historic declines in community college enrollment: -13% last fall and -9.5% in the spring (Inside Higher Ed Article) with the largest drops occurring for traditional-aged students -6.8% (Guardian Article).*

Source: SPC PeopleSoft/ Power BI Fiscal Year 2017-18/2020-21; <https://www.opers.org/pubs-archive/employers/qasb/qasb-faq-2019.pdf>; <https://www.npr.org/2021/10/26/1048955023/college-enrollment-down-pandemic-economy>

## I. Current Position

SPC is experiencing several financial pressures due to the impact of Covid-19. These pressures include an enrollment decline (10% in Fall 2020 & 9.1% in Fall 2021), increased costs related to health insurance, increased costs to non-insurance health, and inflation. Despite the current circumstances, SPC has developed the following financial goals and objectives for the next three years.

### A. Goals and Objectives

- Financial Health of SPC:
  - Budget to Strategic Plan Priorities
    - Develop a Comprehensive Financial Dashboard to enhance data-driven decisions, cost analysis, and budget to strategic plan priorities.
    - Grow the SPC Titan Fund.
    - Enhance SPC's position to receive maximum funding dollars.
    - Tactically allocate fund balance to meet the 7% required in accordance with section 1013.841, F.S.
    - Strategically allocate federal emergency funding tied to plan priorities.
    - Hold strategic plan team meetings to capture financial implications within each areas' goals and metrics.
    - Maximize the utilization of local and diverse suppliers.
  - Utilize Entrepreneurial Practices Informed by Data
    - Identify 2020-2021 Key Performance Indicator (KPI) ratios.
    - Developed Budget vs Actual Functional allocation dashboard.
    - Define SPC's current overall financial viability indicators.
    - Develop three-year Key Performance Indicator ratio projections to enhance strategic initiative for ratio improvements.
    - Create and expand our donor pipeline.
  - Optimize Property, Technology Assets,
    - Perform Real Estate Strategic Master planning assessment.
    - Assess space utilization leveraging specialized software.
    - Implementing the recommendation from the environmental assessment report.
    - Initiate plan based on results of the Real Estate Master planning, environmental report, and space utilization software.
    - Enhance Programmatic Software and Simulations.
  - Over the next three years, the SPC Foundation is focusing on several initiatives that play a role in the Financial Strategy Plan.
    - Commence quiet phase of a \$30 million Comprehensive Fundraising Campaign celebrating the 100th Anniversary of St. Petersburg College.
    - Within the 100th Campaign, several initiatives will be developed to support technology, student support services, faculty & staff development, and unrestricted funding.

- Develop and implement a plan for philanthropic support from vendors of the college.
- The Grants Department supports the College in securing and implementing grants to assist in achieving the strategic plan.
  - Increase the amount of federal, state, local, and foundation grant funding received by SPC.
  - Target grant funding that supports the college's strategic plan with specific emphasis on opportunities that increase the success of underrepresented populations.
  - Develop relationships with new funders and community partners.
  - Further, refine and formalize the process for grant/resource management.
- Workforce Strategy is to provide responsive short-term programs and contractual agreements which lead to training and hiring of high-skill, high-wage positions in targeted industries
  - Develop with business and industry a co-investment model that will finance workforce development programs and their sustainability.
  - Build a strategic framework to bridge training and work-based learning opportunities with the support of the community, business, and industry.
  - Shift the paradigm of noncredit short-term programs to being a longer-term investments feeder for the College academic credit programs by increasing the student conversion rate.
- Closing achievement gaps through excellence in teaching and ensuring students are learning
  - Close Black Student Retention Gap.
  - Close Success Gap.
  - Close 150% Graduation rate.
- Serving as a catalyst for positive change in our community through key partnerships, civic engagement, and service-learning
  - Increase our free earn media outreach.
  - Increase volunteer hours.
- Employee engagement strategy
  - Develop and implement competitive practices to retain and recruit high performing talent.
  - Support human capital management business operations by leveraging updated technology.

## II. Operating Budget (Fund 1x)

Following is projected revenue and expense under three scenarios (optimistic, base, and pessimistic) followed by further discussion.

Following this table are details of specific assumptions:

Scenario Assumptions - Fund 1X									
	Optimistic			Base			Pessimistic		
	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25
<b>Revenue Changes</b>									
State Appropriation	\$776,269	\$784,032	\$784,109	\$0	\$0	\$0	(\$1,164,403)	(\$764,625)	(\$384,311)
Student Tuition	(\$4,537,361)	\$423,879	\$428,118	(\$5,808,998)	\$0	\$211,940	(\$6,953,472)	(\$2,338,673)	(\$2,683,299)
Distance Learning Fee	(\$313,999)	\$49,193	\$52,825	(\$313,999)	\$0	\$52,333	(\$627,999)	(\$322,373)	(\$343,767)
Purchase order Rollover	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
One Time Non-Recurring Funds	\$1,000,000	\$500,000	\$500,000	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$1,000,000	\$0
<b>Revenue Change Total</b>	<b>(\$1,575,092)</b>	<b>\$3,257,104</b>	<b>\$3,265,052</b>	<b>(\$3,622,998)</b>	<b>\$2,500,000</b>	<b>\$1,764,273</b>	<b>(\$6,245,874)</b>	<b>(\$925,901)</b>	<b>(\$1,911,377)</b>
<b>Expenditure Change</b>									
Salary Increase & Changes	\$1,097,243	\$1,113,702	\$1,113,949	\$731,495	\$738,810	\$738,883	\$365,748	\$367,576	\$367,586
Benefits Change (Health Care Cost )	\$644,661	\$917,763	\$1,066,487	\$644,661	\$982,771	\$1,004,495	\$644,661	\$982,771	\$1,110,026
Retirement	\$74,463	\$0	\$0	\$74,463	\$0	\$0	\$74,463	\$75,207	\$75,215
One time non Recurring Changes	\$350,000.00	\$0	\$0	\$350,000	\$0	\$0	\$350,000	\$250,000	\$150,000
<b>Expenditure Change Total</b>	<b>\$2,166,367</b>	<b>\$2,031,465</b>	<b>\$2,180,436</b>	<b>\$1,800,619</b>	<b>\$1,721,582</b>	<b>\$1,743,378</b>	<b>\$1,434,872</b>	<b>\$1,675,555</b>	<b>\$1,702,826</b>
<b>Net Change</b>	<b>(\$3,741,459)</b>	<b>\$1,225,639</b>	<b>\$1,084,616</b>	<b>(\$5,423,617)</b>	<b>\$778,418</b>	<b>\$20,894</b>	<b>(\$7,680,746)</b>	<b>(\$2,601,456)</b>	<b>(\$3,614,203)</b>

Changes are shown in the year they occur; therefore, changes in the fiscal year 2021-2022 will carry forward to upcoming years.

Fall 2021 enrollment had no indications of recovery from prior year declines. Among other challenges like increases in health insurance cost, price of goods and services, and shortage of human capital, SPC leaders continue responding quickly to these evolving matters.

SPC tactically allocated the carryforward spending plan category submitted to the State. The scenarios above do not include the leverages of the funds from the carryforward spending plan. The budget scenarios provide leadership with a detailed view of the main drivers of SPC's financials. State Appropriation and Student Tuition and Fee account for 94.5 percent of the budgeted revenue for FY 2021-22. Similarly, Personnel and benefits account for 75.9 percent of the budgeted expenses for FY 2021-22.

## A. Revenue Assumptions

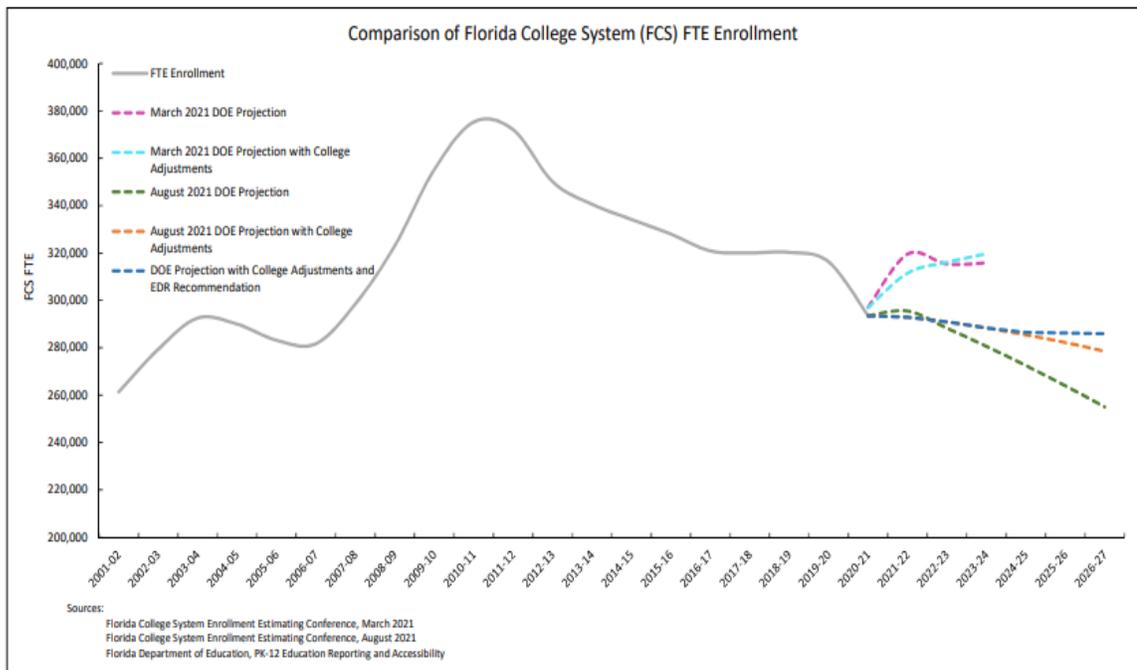
### 1. State Appropriations

State appropriations include the Community College Program Funding (CCPF), Lottery Allocation, and Performance-Based Funding. The following scenarios represent a range of possibilities concerning state appropriations:

- **Optimistic:** State appropriations will increase slightly. In the last 5 years, we have not had a year that our State appropriations declined in correlation to our enrollment.
- **Base:** State appropriations will remain flat.
- **Pessimistic:** In the Fiscal Year 2020-21 SPC received \$1.6 million in performance funding dollars. For the Year 2021-22 we received \$1.2 Million in Performance Base Funding Dollars. Overall the 2021-22 General Appropriations increase ~ \$ 5.1M taking into account the reduction on Performance Base Funding decrease and the increase of Florida Retirement System of \$448K to SPC. Our scenario assumes a decrease in relation to the Performance Base funding.

### 2. Student Tuition

SPC student tuition includes both Associate and Baccalaureate division rates as well as out-of-state fees for non-resident students. The Department of Education uses the information in the Full-Time Equivalent (FTE) enrollment reports in planning activities. St. Petersburg College uses a conservative approach when assessing expenditures to the projected tuition revenue, but the strategic plan and FTE goal focus on enrollment growth. No mathematical modeling can predict the lingering effect of COVID-19 for the FY 2022-23, FY 2023-24, FY 2024-25.



Source: <http://edr.state.fl.us/content/conferences/communitycolleges/ComparisontoPriorEstimate.pdf>

The following scenarios represent a range of possibilities for student tuition:

- **Optimistic:** Enrollment will be flat for FY2022-23 and enrollment will increase 1% by FY2024-25. These projections are based on the Florida College System Enrollment Projection in which enrollment for postsecondary two-year institutions is projected to remain flat by FY2022-23 and increase by FY2023-24, and 2024-25 (see below).

	A	B	C	D	E	F	G
1	<b>Florida College System Total FTE Enrollment- Projections</b>						
2							
3							
4	<b>FTE Enrollment</b>	<b>FY 2021-22 with College Adjustments</b>	<b>FY 2022-23 with College Adjustments</b>	<b>FY 2023-24 with College Adjustments</b>	<b>FY 2024-25 EDR Recommendation</b>	<b>FY 2025-26 EDR Recommendation</b>	<b>FY 2026-27 EDR Recommendation</b>
5	Eastern Florida	10,158.0	10,206.0	10,041.0	9,905.0	9,822.0	9,721.0
6	Broward	24,038.0	23,059.0	21,724.0	20,437.0	19,235.0	17,971.0
7	Central Florida	4,545.0	4,385.0	4,219.0	4,066.0	3,931.0	3,785.0
8	Chipola	1,335.0	1,343.0	1,346.0	1,351.0	1,364.0	1,380.0
9	Daytona	10,068.0	10,221.0	10,289.0	10,474.0	10,699.0	11,085.0
10	Florida Southwestern	10,021.0	9,732.0	9,419.0	9,124.0	8,872.0	8,579.0
11	Florida Jacksonville	14,917.0	14,110.0	13,274.0	12,454.0	11,670.0	10,835.0
12	Florida Keys	895.0	1,009.0	1,217.0	1,273.0	1,306.0	1,340.0
13	Gulf Coast	3,004.0	2,893.0	2,779.0	2,671.0	2,577.0	2,477.0
14	Hillsborough	18,856.0	18,921.0	18,967.0	19,074.0	19,196.0	19,274.0
15	Indian River	10,470.0	9,659.0	8,818.0	7,980.0	7,146.0	6,271.0
16	Florida Gateway	2,321.0	2,328.0	2,333.0	2,352.0	2,381.0	2,415.0
17	Lake Sumter	3,347.0	3,394.0	3,441.0	3,499.0	3,581.0	3,658.0
18	State College Florida	6,556.0	6,660.0	6,711.0	6,861.0	7,013.0	7,144.0
19	Miami Dade	41,527.0	42,158.0	42,794.0	43,390.0	44,287.0	45,285.0
20	North Florida	848.0	884.0	910.0	898.0	894.0	888.0
21	Northwest Florida	3,375.0	3,217.0	3,054.0	2,894.0	2,746.0	2,588.0
22	Palm Beach	18,945.0	19,106.0	19,328.0	19,729.0	20,343.0	21,040.0
23	Pasco Hernando	7,005.0	7,065.0	7,114.0	7,181.0	7,296.0	7,418.0
24	Pensacola	6,407.0	6,180.0	5,948.0	5,731.0	5,543.0	5,341.0
25	Polk	6,186.0	6,051.0	5,911.0	5,781.0	5,679.0	5,555.0
26	St Johns River	4,513.0	4,480.0	4,446.0	4,423.0	4,422.0	4,409.0
27	St Petersburg	15,995.0	15,992.0	16,071.0	16,204.0	16,434.0	16,690.0
28	Santa Fe	9,834.0	9,425.0	9,012.0	8,625.0	8,279.0	7,924.0
29	Seminole	12,319.0	12,172.0	12,021.0	11,900.0	11,851.0	11,780.0
30	South Florida	2,356.0	2,375.0	2,395.0	2,422.0	2,466.0	2,513.0
31	Tallahassee	8,647.0	8,514.0	8,382.0	8,275.0	8,221.0	8,162.0
32	Valencia	34,388.0	35,385.0	36,389.0	37,549.0	38,992.0	40,374.0
33	<b>System</b>	<b>292,876.0</b>	<b>290,924.0</b>	<b>288,353.0</b>	<b>286,523.0</b>	<b>286,246.0</b>	<b>285,902.0</b>

Source: <http://edr.state.fl.us/content/conferences/communitycolleges/FCSTotalEnrollment.pdf>

- **Base:** Enrollment will decrease 3% for the FY2022-23, Flat for the FY2023-24, and an increase of 0.05% for FY 2024-25. This projection is based on actual revenue received in the Fall and forecasted revenue for the Spring and Summer semesters of 2021-22.
- **Pessimistic:** Enrollment will decline by 5.7% for FY2022-23, 6.6% in FY2023-24, and 6.7%, resulting in an \$11.9 million decrease in tuition revenue over the next three fiscal years.
- The decrease in enrollment may modify our spending plan due to a reduction in fund balance from 7% to 5%. According to 1013.841 Florida Statute 2(b), each Florida College System institution with less than 15,000 FTE will retain a state operating fund balance of 5%. SPC leadership will plan accordingly to the changes in our fund balance.

### 3. Distance Learning

Distance learning fees are assessed to students enrolled in Associate and Baccalaureate division online courses. Since the pandemic, higher education industry has seen significant shifts to online modality. As the new normal settles, SPC will analysis a baseline for online supply and demand.

The following scenarios represent a range of possibilities for distance learning fees:

- **Optimistic:** There are efforts to increase offerings on campus, however, student demand for online could maintain or slightly increase. Therefore, revenue for distance learning fees revenue may decrease by 6% in FY2022-23. For FY2023-24 and FY2024-25 a 1% increase.
- **Base:** Should the pandemic or student desire maintain a more conservative shift to 60/40 this could lead to a 6% decrease in revenue for FY2022-23. For FY2023-24 flat and 0.05% increase in FY2024-25.
- **Pessimistic:** Should enrollment decrease along with the more conservative shift to 60/40 then we could look at a 12% decrease in revenue for FY2022-23. A 7% decrease for FY2023-24 and FY2024-25.

### 4. Spending Plan

SPC Fund balance increased to 19%. Due to efficiencies implemented before and after the pandemic, our budget attained positive variances. A modified zero-base budget, hiring freeze, re-imagine, health insurance changes, strategic allocation of emergency funds, and collaboration among budget managers are some of the strategies that contributed to the increase of our Fund balance. The Florida Statute requires each institution in the Florida College Systems to maintain a 7% fund balance.

SPC leadership submitted to the Chancellor a spending plan that was approved by the Board. FL Statute 1013.841 3(b) denoted “Each Florida College System institution with a final FTE of 15,000 or greater for the prior year that retains a state operating fund carry forward balance in excess of the 7 percent minimum shall submit a spending plan for its excess carry forward balance. The spending plan shall include all excess carry forward funds from state operating funds. The spending plan shall be submitted to the Florida College System institution’s board of trustees for approval...” The plan needs to follow the Florida Statute guidelines.

Pursuant to 1013.841, Florida Statutes authorized expenditures SPC carry forward spending plan include:

Line Item #	Carryforward Spending Plan Category	Specific Expenditure/Project Title	Carryforward Amount
1.	(b) Completion of renovation, repair or maintenance project, up to \$5M	Workforce Expansion Renovation Project	4,600,000
2.	(b) Completion of renovation, repair or maintenance project, up to \$5M	Deferred Maintenance Projects	3,000,000
3.	(e) Nonrecurring expenditures for operations	Technology Refresh	4,500,000
4.	(e) Nonrecurring expenditures for operations	Academic & Student Success Innovation	1,915,988
5.	(e) Nonrecurring expenditures for operations	Employee Experience & Engagement	1,500,000
6.	(e) Nonrecurring expenditures for operations	Chiller Replacement Installments	1,439,097
7.	(g) Commitment to contingency reserve related to state declared emergency	State of Emergency Contingency	3,900,000
<b>Total as of July 1, 2021: *</b>			<b>\$ 20,855,084</b>

## B. Expenditure Assumptions

### 1. Personnel Salaries

- **Optimistic:** FY 2022-23 Compensation study changes and General Pay Increase (GPI) from 1% to 3% each year, and minimum wages increases resulting in ~ \$3.3 Million for the next three years.
- **Base:** Compensation study changes and minimum wages strategy. A 1 percentage increase represents ~ \$730K increase in compensation.
- **Pessimistic:** Minimum wages increase and no compensation changes.

### 2. Personnel Benefits

Based upon the consortium's assertion, the average consortium increase is 5.75% over five years. The FY 2022-23 increased the overall healthcare cost by 4.4% and the retirement costs by 1%. The Ancillary Benefits plan has guaranteed rates for the next three years with an overall decrease of 9.8%. The following scenarios concerning comprehensive benefits represent the assumed possibilities:

- **Optimistic:** Based on the FY 2022-23 increase of 4.4 % to the overall healthcare cost and 1% increase to retirement costs. The optimistic 2023-24 FY scenario increases 6% to the overall healthcare cost with no addition to ancillary benefits or retirement costs. FY 2024-25 increases 6.85% to the overall healthcare cost with no addition to the ancillary benefits and a slight increase of 0.05 % to the retirement cost.
- **Base:** Same as the optimistic scenario except for healthcare costs, which increase 6.425% in FY2023-24 and increase by 6.425% FY2024-25.
- **Pessimistic:** Retirement benefits increase by 1% each year. No addition to the ancillary cost. Healthcare costs increased 4.4 % in FY 2022-23, 6.425% FY2023-24, then 7.1 % in FY2024-25.

## III. Other Relevant Financial Data

### A. Financial Ratios:

Financial ratios are investigative tools to evaluate the financial health of companies or Institutions. Ratios measure the companies' operational liquidity, efficiency, and stability giving Management information and results rather than complicated financial data.

Financial ratios provide a well bench-marked method to compare industries and ensures an equal and level playing field of all Institutions from a financial analysis standpoint.

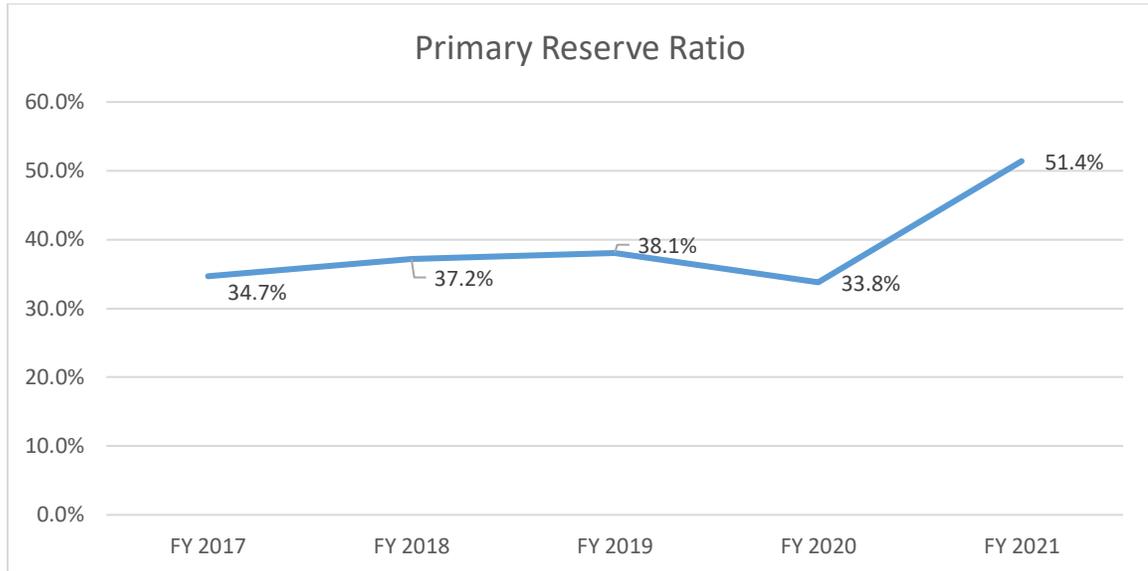
#### **Primary Reserve Ratio**

*Higher Education target rate: > 40%*

The Primary Reserve Ratio measures the financial strength of the institution by comparing expendable net assets to total expenses. Expendable net assets represent those assets the institution can access quickly and spend to meet its operating and capital requirements. This ratio provides a snapshot of financial strength and flexibility by indicating how long the institution could function using its expendable reserves without relying on additional net assets generated by operations. The College has made significant changes over the past several years to right-size our

reserve providing stabilization and flexibility to move forward with Institutional strategies and initiatives.

SPC's primary reserve ratio for FY 2021 is 51%. For comparative purposes, three years ago it was 37%. Over the next three years, the goal would be to maintain an over 40% ratio.



### **Current Ratio**

*Higher Education target rate: at least 2.0*

The current ratio measures the liquidity of an Institution. This calculation takes total current assets over total current liabilities. SPC's current ratio on June 30, 2021, came in at 2.78 which interpreted simply means for every dollar of liability coming in, there is \$2.78 to pay them. For the next three years, the goal is to maintain a target rate above 2.0.

### **Debt Ratio**

The debt ratio measures the extent of an institution's leverage. It is defined as the ratio of total debt to total assets and is considered the proportion of an institution's assets that are financed by debt. SPC's debt ratio is .047 or 4.7%. For FY2021-22, the bonds have been refinanced with a better rate and the College will be paying off the Allstate Center chiller plant which will continue to move the needle on our debt ratio. For comparative purposes, SPC's debt ratio four years ago was 7.7%. This is well within industry standards. Over the next three years, this ratio will decline to about 3% assuming no additional debt.

### **Capitalization Ratio**

*Higher Education target rate: < t h a n 50%*

The capitalization ratio measures the financial flexibility of the Institution by not only looking at the current period's return on net assets but also the accumulated return from previous periods as well. This ratio is calculated by taking net assets and dividing them by total assets. SPC's capitalization ratio at 6/30/2021 came in at 56.8%. A very high capitalization ratio implies that an institution may not be leveraging its assets effectively and might be investing too much equity in physical assets. Institutions with a low capitalization ratio will find themselves constrained with less ability to undertake future capital opportunities. SPC is heavily invested in property and buildings pushing this ratio above 50%. With the Real Estate analysis and potentially reducing our footprint, this ratio may fall within the benchmark over the next 3 years.

### **Gross Tuition Contribution Ratio**

*Higher Education target rate: < 60%*

The gross tuition contribution ratio provides analysis about an institution's revenues by source. Heavily tuition-dependent institutions (that is, institutions that receive higher than 60% of total revenues from tuition) are particularly vulnerable to changes in enrollment patterns. These revenues are measured against an institution's total operating and non-operating expenses. SPC's gross tuition contribution ratio is 29%. With the expected enrollment challenges over the next three years, this ratio will most likely stay in the 25%-30% range.

### **Age of Facilities Ratio**

*Higher Education target: < 14 years*

The age of facilities ratio measures the average age of total plant facilities. This ratio measures the relationship between current depreciation to total accumulated depreciation and provides a sense of the age of facilities and the potential need for considerable future resources to be invested in the plant to cover deferred maintenance. SPC's age of facilities ratio at 6/30/2021 came in at 15.24 years. Over the next three years, this ratio will most likely increase slightly due to aging buildings.

### **Deferred Maintenance Obligation**

SPC's total outstanding deferred maintenance requirements at 6/30/21 were approximately \$3.8 million. This ratio computes 3.3% of total expendable net assets. This compares to \$2.9 million last year. With aging buildings comes continued maintenance. I would expect this ratio to increase slightly over the next three years.

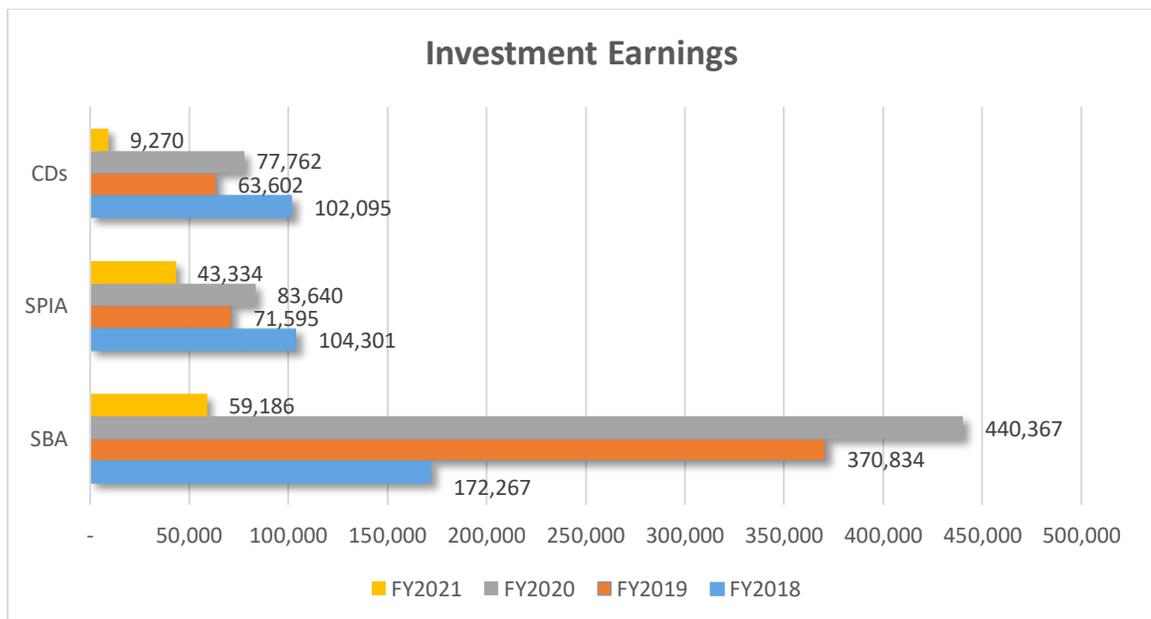
## B. Investments

The College has adopted a written investment policy requiring that surplus funds of the College be invested in those institutions and instruments permitted under the provisions of the Florida Statutes. The College investments are held in three major classes: State Treasury Special Purpose Investment Account (SPIA), Florida Prime Investment Pool administered by the State Board of Administration (SBA), and Certificates of Deposits (CDs).

Funds in SPIA and SBA are classified as cash-equivalents since these are liquid assets that can be transferred between those investment accounts and SPC's operating account (cash) in one-two business day.

CDs are time-restricted deposits that upon maturity are either re-invested or placed in the operating account for planned large payments. These are primarily invested in the Auxiliary fund. As the auxiliary cash increases, there may be opportunities to diversify the investment portfolio. The CDs were locked in rates above 2% and have historically returned more than the other fixed investments.

The below chart depicts the earned interest over the last four fiscal years. The Federal Reserve has kept rates hovering just above 0% so investment earnings have declined.

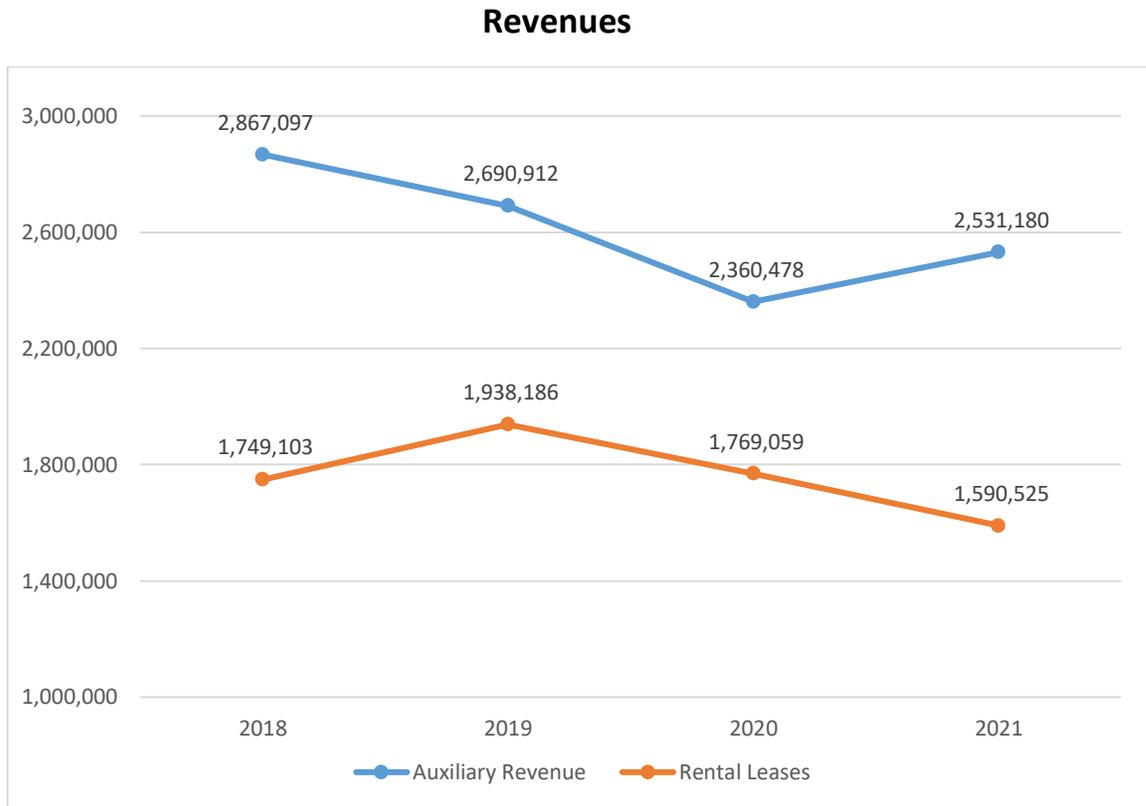


As of September 30, 2021, the balances are as follows:

CDs	\$ 4,987,987
SPIA	\$ 6,717,135
SBA	\$ 25,940,176
Total	\$37,645,298

### C. Auxiliary Activities / Lease Revenue

Auxiliary activities are those established to provide non-instructional services for sale to students, faculty, and staff. Present activities at the College include bookstore operations, food services, excess bandwidth, and vended copy machines. These funds are budgeted and transferred to the general current fund and disbursed upon the approval of the President or their designee. The College also leases certain space to other organizations. This lease revenue, per the State Accounting manual, is recorded in the general current fund (1x). Both are graphed below:



As campuses are spread across Pinellas County, the College lacks the centralized population of students at one location that would appeal to a major vendor. Therefore, it is a challenge to attract vendors of a scale that would significantly enhance our revenue.

The College continues to pursue additional forms of auxiliary income to bring services to our students and create additional revenue to support our mission. Examples implemented over the last couple of years include the First Day Program with Barnes & Noble which has increased bookstore commission revenue and provided students with discounts up to 60% on textbooks. In addition, the College partnered with WEPA to provide pay for print equipment on campus and in libraries. The College is currently implementing a managed parking garage partnership in our Downtown parking garage. Lease revenue has decreased over the past two years due to the pandemic but will be part of the Facility master plan analysis to align with College goals and initiatives.

## D. Capital Construction

The College is in the process of performing a strategic master plan and real estate analysis. A taskforce from the College and a partnership with the firm of Cushman & Wakefield will address the following:

- Optimize asset and space utilization to better serve its academic mission, increase efficiency, and reduce costs.
- Align College's mission/values and strategic plan with facilities plan.
- Provide real estate recommendations to increase SPC's fund diversity.

## E. Net Pension Liability

The College is required to participate in the Florida Retirement System (FRS) Pension Plan and the Retiree Health Insurance Subsidy (HIS) Program, both of which are administered by the Florida Department of Management Services Division of Retirement. The pension liabilities are owned by the State of Florida Retirement System and are reported in separate, audited, comprehensive annual financial reports of the Division of Retirement. Governmental accounting regulations require the College to report its proportionate share of this liability on the College's financial statements, but the liability will ultimately be paid out from the State of Florida Retirement System. As of June 30, 2021, the College's proportionate share of the net pension liabilities totaled \$83,536,556. Pension expense can vary from year to year and have a significant impact on the College's financial condition and the financial ratios reported.