

# Stetson University

## 2011-2012 Major Budget Assumptions

### Enrollment

- The University is projecting an increase in undergraduate enrollment for the DeLand and Celebration campuses. Projected freshman and transfer student enrollment is budgeted at 575 new students and 150 transfer students. Sophomore and junior retention is expected to increase as a result of continued retention efforts and campus improvements. Planned undergraduate enrollment for the fall 2011 totals 2,160 students, an increase of 64 students from fall 2010. The Passport program at Celebration is projected to remain constant with an enrollment of 38 students.
- The College of Law anticipates steady enrollment numbers from 2010, with a projected full-time and part-time enrollment of 1,026 for fall 2011. LLM and Elderlaw are expected to enroll 44 students for the fall semester.
- Graduate programs at the DeLand and Celebration campuses are projected to remain in line with fall 2011 figures. The current model projects 229 graduate students at the DeLand campus and 150 enrolled in Celebration programs.

### Student Revenue

- The DeLand campus expects to keep tuition and fee increases in line with prior years and comparable market peers, with a projected 5% increase. The increase is necessary to maintain current educational standards and provide for the continued improvement of campus resources and facilities.
- A similar increase for graduate programs for DeLand and Celebration is expected across the board, with some targeted increases for specific programs such as the JD/MBA program and online offerings.
- The College of Law is projecting a 5.5% increase to full-time tuition and a 5.75% for part-time tuition, but ongoing peer comparisons are continuing, and a larger percentage increase may be implemented.
- DeLand residence hall room rates will increase 4%. Residence Life performed an extensive review and restructuring of dormitory rates in 2009-2010, effecting a larger than average increase from previous year rates. To remain competitive and still cover residence hall costs, the increase is slightly lower than prior year adjustments.
- Student housing rates at the Gulfport campus have reached their optimal dollar value, and will remain in line with 2010-2011 rates.
- Board revenues at the DeLand campus will increase 5%, to accommodate increased food and facility cost adjustments.

## **Financial Aid**

- The DeLand campus continues to experience higher than expected tuition discount rates, with the 2010-2011 freshman class awarded at 52% of gross tuition charges. A similar discount rate is anticipated for 2011-2012, as DeLand responds to current economic conditions and limited student financial resources. With the present discount rate structure for new and returning students, the DeLand campus projects an overall scholarship percentage of 50.2% for undergraduate students.
- The College of Law scholarship percentage remains at the current level of 15% for 2011-2012.
- Graduate scholarships, offered mainly in the form of in-service discounts for education and counseling majors and graduate assistantships for business majors, are not expected to increase, and will remain at 8.6% of gross tuition for DeLand and Celebration.

## **Endowment**

The University endowment is projected to increase 7.65%. Assuming returns continue at this level, a 4.75% spending rate is anticipated, resulting in an endowment distribution of \$4.9M for DeLand and \$624,500 for the College of Law.

## **Gift Revenues**

- Preliminary estimates for the DeLand campus annual giving goal are ahead of 2010-2011 levels, with an expected increase of \$100,000 overall.
- The College of Law continues to increase the annual goal and has budgeted \$925,000 for 2011-2012.

## **Other Revenues**

- Athletics expects to increase annual revenue goals with the addition of new development staff, as well as increase visibility and participation with the implementation of Club Sports. Tentatively, a 3% increase over 2010-2011 revenue goals is anticipated.
- Bookstore revenues at both the DeLand and Gulfport campuses are not expected to increase. 2010-2011 revenues and expenses will be evaluated at mid-year to determine any adjustments.
- Catering services and café – the DeLand campus projects a 3% increase to current budget levels, based on the continued positive performance of the coffee shop and rate increases to conference catering. The Gulfport campus does not expect a significant increase in revenues for the Café/Bistro, so no increase is included.

- Other auxiliary operations include rental income and conference housing revenues, as well as the DeLand print shop. Rental rates at both the DeLand and Gulfport campus will increase with market conditions, but no more than a 3% increase is anticipated. The 2% increase to DeLand campus revenues includes a slight increase for summer housing revenues, which will incorporate the higher room rates. Celebration anticipates strong growth in their conference revenues for 2011-2012, with a projected 6% increase. No increase in rental income is expected at this time.

### **Compensation**

- A 3% compensation pool is projected for all campuses, including merit pool increases.
- Health care costs are expected to decline due to recommended changes that would be effective January 1, 2011. Assuming costs remain steady, benefits should realize an additional \$380,000 in savings for fiscal year 2012 over 2011 levels.

### **Operating Expenses**

- Capital and Academic Pools – DeLand:
  - The DeLand campus continues to rebuild facility and maintenance budgets as part of the campus improvement initiatives. As part of that goal, additional capital budgets have been added, including a \$100,000 Capital Repair and Equipment Pool, a \$200,000 Building Demolition pool to fund the planned Stetson Hall demolition, and an additional \$25,000 increase to the Residence Hall Capital pool.
  - DeLand administrative and academic pools have been restored to initial 2010-2011 levels. Additionally, the Academic Capital fund has been increased to \$100,000, and Library Capital is increased \$18,000 to \$600,000. An Operating Pool allocation of \$100,000 has been added in attempt to provide flexibility with the upcoming departmental budget process and to anticipate contingency budget needs in the operating funds.
- Other Operating Expenses:
  - DeLand operating expenses reflect additional increases to the Facilities maintenance budgets of \$100,000, which are still well below peer school and industry standards.
  - Cost savings of \$170,000 from the energy retrofit project will continue to be realized in 2011-2012.
  - The College of Law is currently reviewing all operating budgets and forecasting operating needs. Preliminary estimates keep the operating budget at a break-even point with anticipated revenues, but final amounts may be adjusted downward.

## **Debt Service**

The University is in the process of completing the bond refinancing of the 1996 and 1999 Bond Series, as well as adding financing to accommodate the initiatives at the DeLand campus. Initial estimates project no increase in debt service from the refinancing and new financing.

## **SUMMARY**

Based on the above assumptions, the DeLand and Celebration campuses are projecting a small surplus to accommodate any shortfall in enrollment. The College of Law is currently at a break-even model, with further budget adjustments anticipated.

The budget process continues to evolve to include the full campus in projecting anticipated expenses, and the results of operations. Major assumptions will be formulated on a more proactive basis and incorporated into an interactive model that allows for a wide variety of revenue and expense scenarios. DeLand is currently evaluating operational budgets for appropriateness, and will undergo an annual budget justification and submission process for the 2011-2012 fiscal year and forward. The College of Law implemented these procedures for the 2010-2011 budget, and will continue to use this process for the 2011-2012 projections.