Faculty Compensation Plan

Frequently Asked Questions

Target Salaries and Plan Implementation

Q Will the target salaries line (as described in the Faculty Compensation Plan) be adjusted during the implementation phase?

A The target salaries line will not be adjusted during the implementation phase. When the plan is fully implemented, the Board of Trustees may choose to adjust the line based on market studies and/or cost of living/inflation increases. Every year during the phase in, the Board of Trustees will grant the largest increase possible, and when the line is reached, any disparities in relation to market will be studied and adjustments made. After we have achieved full implementation of the plan, each year the priorities will be: 1) fund the step; 2) fund any performance incentives (professional development and institutional effectiveness components); and if dollars remain and/or market studies suggest an adjustment is necessary, 3) fund any gap, or cost of living increases.

Q Will there be difficulty in adjusting the salary line after we reach full implementation?

A After full implementation, the cost of awarding just the steps will be about $400,000 each year. Dr. Shugart believes that an additional couple of hundred thousand dollars will probably be available to add to that each year. However, the Board of Trustees has fiduciary responsibility for the college and must be mindful of the full financial picture when awarding raises. In addition, the Board may NOT adjust the salary schedule every year. Dr. Shugart stressed that he and the Board of Trustees share the goal of full implementation of the plan as quickly as possible and that once implemented, it would be foolish to let the competitiveness of the plan erode.

Q What is the total dollar amount that has been put toward the plan since 2004?

A In the 2004-2005 fiscal year, approximately $1.2 million was put into faculty salary increases (resulting in an average 9% raise). In the 2005-2006 fiscal year, approximately $730,000 was put into faculty salary increases (resulting in an average 5% raise). These two increases have moved faculty about 44% of the way to the target line.

Q How was the 5% (?) total increase in faculty salary allocated and where did that figure come from?

A Throughout the budget process, the budget development team worked to include the largest possible allocation to faculty compensation, as directed by the President. At one point in the process, the goal was to invest the same dollar amount for increases as last year. In the end, this was not financially possible. Nevertheless, the college made some major adjustments to capital expenditures and other parts of the budget in order to assure no less than a 5% increase for faculty and a 3.85% increase for all other full-time permanent staff. It was a stretch in a year when enrollment was down, fixed costs went up, and funding growth was, as a result, modest.

Q What is the total amount needed to complete the implementation?

A In the two year implementation model shared at the faculty compensation forums, it was noted that approximately $2.6 million is needed to complete the implementation.

Q What is the time frame for full implementation and are we on schedule?

A When the plan was adopted by the Board of Trustees, there was no official time frame established for implementation. Both the President and the Board of Trustees remain committed to full implementation as soon as possible. The financial models prepared for the Implementation Team suggest that with 3.5-5% enrollment (and revenue) growth over the next two years, the implementation should be manageable.

Q In the creation of the faculty compensation plan, a salary “bump” for tenure was discussed. Is a salary increase for tenure part of the faculty compensation plan?
A salary increase for tenure is not part of the faculty compensation plan. However, when the base plan is fully implemented and we begin implementing the professional development component, a tenure-track faculty member may choose to include his/her work in the Teaching and Learning Academy as part of the individual professional development plan. This would allow a faculty member to receive additional compensation for work in the TLA program.

Q  How is the educational additive being funded through implementation?

A  At full implementation, faculty who have a master’s degree plus 30 hours of additional graduate work will receive a total of $3500 in an educational additive. Those faculty who have a PhD will receive $7000 in an educational additive. Through implementation, each faculty member who holds these credentials is being paid a portion of their educational additive. In 2005 – 2006, faculty with a masters +30 received an additional $1661 and PhD’s received an additional $3323. With a few exceptions, all faculty with equal credentials are receiving the same portion of their educational additive.

Current Salaries (Faculty and Administration)

Q  What is the average salary of a faculty member at Valencia?

A  The average salary for a ten month faculty member is approximately $51,600. However, this number is a strong reflection of the hiring pattern of the past few years. We have hired a significant number of new faculty who come in at the lower end of the scale, thus pulling the average salary down. The best way to compare salaries is by using quartiles, and you must determine who will be included, i.e. 10-mth., etc., the type of pay, what kind of assignments, etc. These and other market comparisons will be made when the plan is fully implemented.

Q  Is the number of summer supplements (extended contracts) limited?

A  As long as there are students to be served, supplemental contracts will be provided. Dr. Shugart pointed out that the hiring of full time, tenure-track faculty has been slowed to allow the growth of summer enrollment to catch up and assure availability of summer supplemental contracts. The only governing factor for supplemental assignments is that there are students to teach.

Q  Faculty who are continuing on the former compensation plan received a 3.02% increase this year. Is that equivalent to a step?

A  A handful of faculty who had 25 years of full time service at Valencia were eligible to remain in the “old” compensation system, at their discretion. The faculty in this plan continue to receive a standard increase of 3.02%.

Q  What raise did administrators receive in the 2004-2005 and 2005-2006 fiscal years?

A  In 2004-2005, administrators received a 3.02% increase. In 2005-2006, administrators received a 3.85% increase. Is it the customary practice of the college that administrators receive the same raise as other classifications of employees.

Q  How was the decision determined that dean’s salaries were insufficient?

A  Many of the candidates for these types of positions are internal and faculty would have to take a pay cut to take a dean’s job. In order for their salary to be competitive, several of the salaries had to be adjusted and incoming salaries had to be set at $75,000 or faculty salary plus 10%, whichever is greater. In actuality, only four current dean positions were affected.

Q  Were there any administrative positions added this year?

A  No, in fact there are two less.

Q  Do administrators have any kind of performance component to pay system such as faculty have? If not, why not?
No. Dr. Shugart’s contract does include a performance component, but at his request the BOT has not funded the performance component yet. Valencia Enterprises has a number of employees who are in a plan which will reward for performance. The maximum would be about 10%, but there is no adjustment to their base salaries.

Q  Please clarify how temporary faculty positions (4 month) are paid? What kind of salaries are they receiving?
A  Their salaries are not related to the adjunct or full time faculty rate; there is a temporary faculty rate, which is less than that of full time faculty.

Q  Are temporary (4 month) faculty eligible to participate in performance compensation?
A  No, however, they would be eligible to participate in the new Associate Compensation plan.

Communication
Q  Would it be possible for faculty to receive a communication with the first paycheck after the annual increase, to explain where the College is, how their increase was calculated, etc?
A  Yes, that is essential. The Compensation Implementation Team will be sending out new letters to detail this year’s increase. In addition, the team will be working on a communication plan to move us through the entire implementation process.

Enrollment
Q  Why is student enrollment down? How does student enrollment impact the budget?
A  Student enrollment is a driving factor in budget. Several years ago enrollment was growing faster than revenue, so we had to slow enrollment growth to around 2%. A model was put together to “manage” enrollment growth. Last year, after the hurricanes hit, Fall enrollment was not affected, but Spring enrollment was down almost 3%. Two major things are influencing enrollment: 1) employment is at historically high levels, resulting in slow to no growth in college enrollments across the community college system in Florida; 2) the impact of serious hurricane damage on enrollment can last up to two years, as potential students adjust their finances and work lives in recovery. The college now has as its enrollment goal to grow about 5% per year in the next two years. This will require very focused effort, but will enable many priorities to be funded, most especially the compensation plan.

Q  Is summer an opportunity to grow enrollment?
A  There are many opportunities to grow enrollment at the college, including summer. In addition, online and other non-traditional modes of delivery can be explored to increase enrollment.

General Budget
Q  Who has discretionary control over all of the budgets? How can faculty learn more about the budget?
A  The BOT has fiduciary responsibility for the college. They annually approve a budget submitted by the President, generally with some input and modification throughout the process.

Q  How can faculty learn more about the budget?
A  This budget is developed with much collaboration over a period of five months. Each spring, the Budget and Financial Advisory Group holds budget workshops where any college employee can attend and participate in setting the priorities for the college wide budget. Faculty can share thoughts, comments and suggestions with faculty representatives to the College Planning Council which is responsible for ensuring a collaborative budgeting process. In addition, faculty can talk with employees in the Finance department to clarify questions about the college budget. Finally, faculty can volunteer to serve on important committees such as the Budget and Financial Advisory Group, College Planning Council, and Strategic Budget Initiative work teams when calls are made by the Collegewide Faculty Association.

Q  Please explain the Bad Debt Expense of $1,000,000 in the 05-06 Budget.
A  The largest share, about 60%, is from federal loans. Many students receive federal financial aid. Under new federal regulations, if they drop out without completing at least 60% of the class, the college must repay their tuition and fees to the government. It is difficult to collect much of this from the students. Also, in the past, we gave many short-term loans. A new program called TIPS has been established to help reduce bad debts on these loans as it provides a payment plan for students to meet their tuition obligations in lieu of college short term loans.

Q  Is Fund 1 the operating fund?
A  Yes

Q  Fund 3:
A  What is the name of this fund? Fund 3 is the auxiliary fund. It is initiative programs that we have started that are self-sufficient, including the Bookstore, food services, Valencia Enterprises, a cell phone tower that we lease out, etc.
A  How much is in it? $3.1 million in fund balance. $2.2 million of that is in book inventory.

Q  Fund 4:
A  What is the name of the fund? Fund 4 is Loans and Endowments; from this fund, short term loans were funded.
A  How much is in it? The quasi-endowments are approx. $15 million. About $10 million of this was accumulated from unexpended operating funds at the end of the year during the 1990s for possible emergencies and capital expenditures, such as land acquisition or construction. Beginning about five years ago, the college stopped contributing to the fund balance and began budgeting the interest earnings for use in the college (under the budget principle of “putting our funds to work for learning.”) Currently, these interest earnings provide some of the support to Valencia Enterprises as they work toward becoming profitable. The remainder of the funds are largely in scholarship accounts and are restricted for student support.

Q  Fund 7:
A  What is the name of this fund? This is the Investment and Plant Fund – essentially a capital outlay fund, used for building construction.
A  How much is in it? There was approx. $40 million at the end of 04-05. The money is not completely spent each year, so the balance fluctuates. They are restricted funds, appropriated by the legislature for specific building and renovation projects, and must be used for their intended purpose.

Q  What are the total available funds in the combined funds 1, 3, 4, and 7?
A  There is approximately $60 million in the combined funds. Many of these funds may not be used for other than the designated purpose. Monies that can be transferred to the Operating Budget have been, in order to utilize available funds or “put them to work for us.” Approx. $1.662 million per year has been moved to the operating budge from other funds. Fund balances in several areas have been drawn down, in order not to have a “stash,” and put the money to work for us. Fund balance is currently at 8%, and the BOT is comfortable with 7-9%. The only other funds are “bounceback” Foundation Funds, which only amounts to a few thousand dollars, and is used to put up out-of-town speakers, fund corporate tables, etc.

Q  Are there any other funds that are currently used by the college?
A  Fund 8 is the Debt Service fund, and Fund 9 is the Invested in Plant fund. These are restricted funds.

Q  Is there a plan set up to handle a drastic increase in utilities?
A  The college had a consultant come in about a year ago to seek opportunities to reduce utility costs. Because the college had already taken many of the steps normally recommended, few opportunities for real savings were identified. The College Executive Council formed a committee to look at the issue of utilities and how we can impact that. With gasoline prices jumping, it is expected that the same will happen with utilities. They are hoping to involve faculty, staff, and students to come up with solutions. Meanwhile, anticipated increases in utility costs are being included in the college’s business planning, along with the cost of implementation of the Compensation Plan, resulting in a need to grow 3-5% each year.