

VERMONT STATE COLLEGES SYSTEM

BOARD OF TRUSTEES

RESOLUTION 2020-008

FY2021 Vermont State Colleges System Transitional First Quarter Budget

- WHEREAS, Vermont State Colleges System Policy 403, System Annual Operating Budget, “prescribes the development, adoption, and subsequent administration of the Annual Operating Budget for the System as a whole, and for the individual Institutions and Chancellor’s Office;” and
- WHEREAS, The System Annual Operating Budget serves as the primary financial plan for the System and Institutions for a given fiscal year from July 1 through the following June 30; and
- WHEREAS, The System Annual Operating Budget has, since FY2017, been developed under the guidance and advice of the Finance & Facilities Committee of the Board of Trustees over the course of at least three Committee meetings between January and June, providing the Committee ample opportunity to review budget information and to discuss individual aspects of proposals with the Chancellor and the Presidents of the Institutions, to better-enable the Committee to endorse approval of the Chancellor’s recommendation to the full Board; and
- WHEREAS, The global coronavirus pandemic (COVID-19) has created unprecedented disruption and uncertainty in the System’s operations, requiring the full attention of the Chancellor, the Presidents and the Board of Trustees first to respond to the immediate emergency to protect the health and safety of students and employees, and then to strategically plan for the effect of greatly reduced enrollments, displacing what would have been a normal budget development process; and
- WHEREAS, The proposal in late April to close several of the System’s campus locations, and subsequent withdrawal of that proposal, has precipitated unprecedented engagement and anticipated financial support from state government, including \$12.5 million in the FY2020 Supplemental Budget

Adjustments bill (H.953, passed by both the House and Senate) and another \$15.3 million in the State's Transitional FY2021 First Quarter Appropriations bill (H.961, passed by the House), but also has created considerable additional uncertainty as to the future of the affected campus locations; and

WHEREAS, The General Assembly, in order to better understand the magnitude of the financial challenges facing the System, commissioned two studies, one from the Office of the State Treasurer, and the other from James Page, the former Chancellor of the University of Maine System, with the former study estimating FY2021 operating deficits of between \$19.3 million (in a "Best/Middle Likely" scenario) and \$46.3 million (in a "Worst Likely" scenario), and the latter study recommending that the State provide "bridge" funding during FY2021 of between \$30 million and \$42 million; and

WHEREAS, As of June, it is unclear whether or to what extent federal and state health guidelines will permit the System to resume in-person instruction, open its dormitories and provide meal plans to its students, making enrollment estimates very challenging and creating tens of millions of dollars of uncertainty for budget planning purposes; and

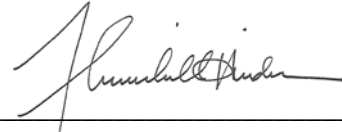
WHEREAS, COVID-19 similarly has disrupted the normal budgetary processes of almost all higher education institutions and state and local governments nationally, and both the State of Vermont and the University of Vermont have in response adopted budgets for their respective first fiscal quarters, from July 1 through September 30, to better-enable preparation of a full year budget once revenue and expense impacts due to COVID-19 and the amount and permitted uses of external support from federal and State governments are better understood; therefore, be it

RESOLVED, That, for the sole purpose of providing spending authority after the conclusion of the FY2020 System Annual Operating Budget on June 30, and notwithstanding any provisions of VSCS Policy 403 to the contrary, the Board of Trustees of the Vermont State Colleges System hereby approves a FY2021 Transitional First Quarter Budget of \$45.5 million for the period from July 1 through September 30, 2020, which amount represents 25% of the total expenses in the "Best/Middle Likely" scenario on page 7 of the State Treasurer's report, attached for reference; and be it further

RESOLVED,

That the Chancellor and Presidents intend, under the guidance and advice of the Finance and Facilities Committee, to develop a full year FY2021 System Annual Operating Budget, which shall supersede the Transitional First Quarter Budget, to present to the Board for approval at its meeting in September.

Approved: June 18, 2020

A handwritten signature in black ink, appearing to read "J. Churchill Hindes", written over a horizontal line.

J. Churchill Hindes, Chair of the Board of Trustees