

MEMORANDUM

TO: VSCS Finance & Facilities Committee
David Silverman, Chair
Adam Grinold, Vice-Chair
Lynn Dickinson
Jim Masland
Linda Milne
Shawn Tester

FROM: Sharron R. Scott, Chief Financial and Operating Officer

DATE: May 21, 2021

SUBJECT: Finance and Facilities Committee Meeting scheduled for May 24, 2021

The Finance and Facilities Committee of the VSC Board of Trustees will meet between 2:00 p.m. and 4:00 p.m. on Monday, May 24, 2021. This meeting will be held via Zoom.

The following topics are included in this meeting.

1. Review and approval of the **minutes of the April 19, 2021 meeting**. The minutes for the last meeting are available in this packet as **ITEM 1**.
2. Northern Vermont University requests approval to **modify an existing endowment**. The donors, Glenn and Marga Sproul, wish to expand their gift to encompass both mathematics and science. With this change, the donors ask to amend the name to the Glenn and Marga Sproul Endowment for Faculty in Mathematics and Science. Additionally, the donors wish to expand the use of the endowment to all locations within the Vermont State Colleges. Further information regarding this request is available as **ITEM 2** in this packet.
3. Review and approval of the **Annual Banking and Investment Resolution**. This resolution authorizes certain roles to perform banking and investment actions on behalf of the Vermont State Colleges System and its member institutions. The resolution is included in this packet as **ITEM 3**.
4. Review of the **Third Quarter Forecast**. The third quarter forecast is more favorable than the second quarter forecast. Revenues have improved by almost \$9M, more than half due to

Higher Education Emergency Relief (HEERF) funding, with the remainder due to stronger than budgeted student revenue (tuition, fees, room, and board), and other revenues, particularly in the form of camps and conferences. **ITEM 4** includes a narrative overview of system-wide performance, a system-wide forecast, institutional forecasts, and institutional performance narratives.

5. Review and approval of the **System Annual Operating Budget**. The anticipated net deficit for FY22, before the use of additional funding sources in the form of an increase to base appropriation, bridge funding, and HEERF funding; is proposed at approximately \$36M. With the application of additional funding sources, the net deficit is approximately \$6.3M, all of which will be covered by the use of prior year carry forward. **ITEM 5** discusses the proposed budget in detail, offers an early look at a five year budget projection, and describes the underlying metrics that were used to develop the budget. Detailed budget narratives from each institution are included to provide you with a greater level of detail.

Should you have any questions regarding these materials, or any other matter, please contact me at Sharron.Scott@vsc.edu or 802.224.3022.

CC: VSCS Board of Trustees
Council of Presidents
Business Affairs Council

AGENDA

1. Call to Order
2. Review and Approval: Minutes of the April 19, 2021 Meeting of the Finance & Facilities Committee
3. Review and Approval: Glenn and Marga Sproul Endowment Modification Request
4. Approval: Annual Banking and Investment Resolution
5. Review: 3rd Quarter Forecast
6. Review and Approval: FY2022 Budget Proposal
7. Executive Session: Land Transaction(s)
8. Other Business
9. Public Comment
10. Adjourn

MATERIALS

- ITEM 1: April 19, 2021 Minutes
- ITEM 2: Glenn and Marga Sproul Endowment Modification Request
- ITEM 3: Annual Banking and Investment Resolution
- ITEM 4: Third Quarter Forecast
- ITEM 5: System Annual Operating Budget Proposal

ITEM 1: APRIL 19, 2021 MINUTES

Minutes of the VSCS Board of Trustees Finance and Facilities Committee held Monday, April 19, 2021 at 3:00 p.m. via Zoom - UNAPPROVED

Note: These are unapproved minutes, subject to amendment and/or approval at the subsequent meeting.

The Vermont State Colleges Board of Trustees Finance and Facilities Committee met on Monday, April 19, 2021 via Zoom.

Committee members present: David Silverman (Chair), Adam Grinold (Vice Chair), Lynn Dickinson, Linda Milne, Shawn Tester

Absent: Jim Masland

Other Trustees present: Ryan Cooney, Mary Moran

Presidents: Elaine Collins, Joyce Judy, Pat Moulton, Jonathan Spiro

Chancellor's Office Staff: Donny Bazluke, Network/Security Analyst
Katherine Levasseur, Director of Governmental & External Affairs
Katrina Meigs, System Director of HR & Benefits Administration
Jen Porrier, Administrative Director
Sharron Scott, Chief Financial and Operating Officer
Patty Turley, General Counsel
Meg Walz, Director, Project Management
Sophie Zdatny, Chancellor
Yasmine Ziesler, Chief Academic Officer

From the Colleges: Sarah Chambers, Coordinator of Instructional Technology, Castleton University
Michael Fox, Dean of Enrollment & Marketing, Northern Vermont University
Laura Jakubowski, Chief Budget & Finance Officer, Castleton University
Karen Madden, Director of Academic Support Services, Northern Vermont University
Maurice Ouimet, Dean of Enrollment, Castleton University
Toby Stewart, Dean of Administration, Northern Vermont University

Littleton Tyler, Dean of Administration, Vermont Technical
College
Beth Walsh, President, VSCUP, Northern Vermont University

1. Chair Silverman called the meeting to order at 3:01 p.m.
2. Approve minutes of March 27, 2020

Trustee Grinold moved and Trustee Milne seconded the motion to approve the March 27, 2020 meeting minutes. The motion was approved unanimously.

3. USDA Grant Authorized Signers

Chief Financial and Operating Officer Sharron Scott shared that the USDA has recently implemented a new process that requires the VSCS to request formal approval from the Board of Trustees to authorize roles for individuals in the organization. To honor the USDA's new requirements she requests the Board of Trustees delegate signing authority to the VSCS Grants Compliance Officer and the Director of Financial Operations as described in resolution 2021-009.

Trustee Milne moved and Trustee Grinold seconded the motion to recommend to the Board the approval of Resolution 2021-009: USDA Authorized Signers. The motion was approved unanimously.

4. Carryover Requests

CFOO Scott presented an overview of the proposed carryover funds requests for the colleges.

Trustee Milne moved and Trustee Tester seconded the motion to recommend to the Board the approval of Resolution 2021-010: Use of FY2020 Carryover Funds. The motion was approved unanimously.

5. Enrollment Update

CFOO Scott presented the Enrollment update for FY2020. While the current academic year has been challenging, there are encouraging signs at all the VSCS institutions, including increasing applications, acceptances and deposits at some or most of the VSCS colleges. Detailed information can be found in the [packet](#) on pages 17-24. While there is cause for modest optimism, CFOO Scott shared that it is far too early to declare that enrollment results will be

favorable. Rather, she expressed caution and reminded the committee that it could be as late as mid-September before enrollment of new students is truly understood.

6. Other Business

Director of Government and External Affairs Katherine Levasseur shared that Bill H315 went into law without the Governor's signature. This bill contains three sections that are relevant to the VSCS; \$1.4 million for the Long Term Care Facility Practical Nursing Program, \$3 million for a second Workforce Initiative which will provide two free classes in the summer of '21, fall of '21 or spring of '22 for Vermont residents seeking to transition to a new career or seeking to enhance their job skills, and finally, a program administered by VSAC providing up to two free classes at any Vermont State College in the summer or fall of '21 or spring of '22 for any Vermonter in the high school class of 2020 or 2021. This totals \$7.2 million in student scholarships and support available to VSCS students next year.

7. Public Comment

There was no public comment.

8. Adjourn

Chair Silverman adjourned the meeting at 4:04 p.m.

**ITEM 2: GLENN AND MARGA SPROUL ENDOWMENT
MODIFICATION REQUEST**



NorthernVermont.edu

Office of the President
Johnson Campus: 802.635.1240
Lyndon Campus: 802.626.6404

April 29, 2021

Sophie Zdatny, Chancellor
Vermont State Colleges
P.O. Box 7
Montpelier, VT 05602

Dear Chancellor Zdatny,

In 2013, a generous gift was made by retired Johnson State College Professor Glenn Sproul and his wife, Marga Sproul, M.D., to establish The Glenn and Marga Sproul Endowment for Faculty in Mathematics. They have continued to make additional yearly gifts and plan to continue their giving in order to grow the endowment to meet their personal goal.

The original intent of this fund was for the interest to eventually, after the endowment corpus had grown large enough, be used to support a named chair in the academic department in which Mathematics resides. In the meantime, while the endowment is building to reach a level sufficient to support a named chair, available interest has been used to support faculty development. While supporting faculty in the mathematics department is the priority, half of the available interest may also be used to support faculty in the sciences. Past awards have been used to fund faculty attendance at conferences and other professional development opportunities, the purchase of equipment and technology used for teaching, the establishment of a new science lab, and various other department needs.

The Sprouls are very pleased with how the income from their endowment fund has been used to date by faculty in both Mathematics and Science at NVU-Johnson to enhance their educational offerings to students. Accordingly, they would now like to shift the focus and objectives of their endowment. They no longer have as a goal the eventual funding of a mathematics faculty position at NVU-Johnson, but instead would like to continue to support the faculty in the Mathematics and Science departments on all campuses. The Sprouls wish for the language of their endowment to be changed to reflect their new goal. Their proposed language is:

The Glenn and Marga Sproul Endowment for Faculty in Mathematics and Science (note the amendment to the name) will be established for the purpose of using income generated from the endowment to provide non-salary support for faculty in the Mathematics and Sciences to improve the quality of their teaching. Priority will be given to Mathematics faculty on the Johnson campus, with second priority given to Science faculty on the Johnson campus, and third



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Johnson Campus: 802.635.1240
Lyndon Campus: 802.626.6404

priority given to Mathematics and Science faculty at other campuses in the Vermont State Colleges System. Awarding and distribution of available funds to departments is to be handled by Northern Vermont University. The endowment principal will continue to be protected from use.

We look forward to the Vermont State Colleges Board of Trustees' approval of the proposed changes to this wonderful endowment.

Sincerely,

A handwritten signature in black ink that reads "Elaine C. Collins".

Elaine C. Collins, Ph.D.
President

**ITEM 3: ANNUAL BANKING AND INVESTMENT
RESOLUTION**

Annual Banking and Investment Resolution

The Vermont State Colleges System's Banking and Investment Resolution prescribes the financial activities granted to the Chancellor and/or Chief Financial Officer on behalf of the System, and those granted to the Presidents and/or Deans of Administration on behalf of the individual Institutions. Financial institutions with which we deal desire to see such a document endorsed periodically by the Trustees, to assure the Board is currently comfortable with its implications. To accommodate this desire, now presented for review and approval is the following resolution, which is unchanged from the one passed by the Board last year.

While the resolution wording is in necessary legal language, it provides for the following:

1. Empowers the Chancellor and/or Chief Financial Officer to take the following actions:
 - a. Establish and administer bank or other accounts for System operations;
 - b. Perform System cash management and investment activities;
 - c. Secure secure financing consistent with applicable Board or legislative authority;
 - d. Pledge collateral as may be necessary for certain financing;
 - e. Handle virtually all other aspects relevant to financial matters of the System; and

2. Empowers Institution Presidents and/or Institution Chief Business Officers, however so named, to take the following actions:
 - a. Administer bank or other accounts for Institutional operations; and,
 - b. Perform Institution cash management activities.

VERMONT STATE COLLEGES SYSTEM

BOARD OF TRUSTEES

RESOLUTION 2021-015

Banking and Investment

- WHEREAS, The conduct of the business affairs of the Vermont State Colleges System and each of its constituent member Institutions requires the establishment of banking relations and investment of funds; and
- WHEREAS, Selected officials of the System should be empowered to conduct banking and investment affairs in keeping with the organization of System; and
- WHEREAS, The term “bank” throughout this resolution also refers to credit unions and other depository or lending institutions that are licensed by the state of Vermont or the federal government; therefore, be it
- RESOLVED, That the Chancellor and/or Chief Financial Officer are authorized to do the following:
1. Establish accounts with banks and authorized brokers/dealers (safekeeping, trust, checking, savings, money market, time or demand deposit) through which to transact the cash management and investment business of the System, and delegate authority for initiation of related wire transfers;
 2. Borrow money and obtain credit from banks, authorized brokers/dealers, or other lending agencies in conformity with Board of Trustees approved budgets; and execute and deliver notes, draft acceptances, instruments of guaranty, and any other legal obligations of System, therefore, in form satisfactory to the lending agency;
 3. Pledge or assign and deliver, as security for money borrowed or credit obtained, stocks, bonds, bills receivable, accounts, mortgages, merchandise, bills of lading or other shipping documents, warehouse receipts, insurance policies, certificates and any other property held by, or belonging to, this corporation, with full authority to endorse, assign, transfer or guarantee the same in the name of this corporation, except as restricted by Vermont Statute;

4. Discount any bills receivable or any paper held by this corporation, with full authority to endorse the same in the name of this corporation;
5. Withdraw from banks or authorized brokers/dealers and give receipt for, or authorize banks or authorized brokers/dealers to deliver to bearer or to one or more designated persons, all or any documents and securities or other property held by it, whether held as collateral security or for safekeeping or for any other purpose;
6. Invest funds of System in legal investments as established by Board of Trustees policy;
7. Sell or authorize and request banks, or authorized brokers/dealers to purchase or sell, for the account of this corporation, foreign exchange, stocks, bonds, and other securities;
8. Apply for and receive letters of credit, and execute and deliver all necessary or proper documents for that purpose;
9. Execute and deliver all instruments and documents required in connection with any of the foregoing matters, and to affix the seal of this corporation; and, be it further

RESOLVED, That the President and/or Chief Business Officer (Dean of Administration, Chief Budget and Finance Officer, or designee) of each Institution of the System (Community College of Vermont, Castleton University, Northern Vermont University, Northern Vermont University – Johnson, Northern Vermont University – Lyndon, and Vermont Technical College) are authorized to do the following:

1. Administer bank or accounts (safekeeping, trust, checking, savings, money market, time or demand deposit) through which to transact the banking business of the Institution in which they are officers.

Approved: June 16, 2021

Eileen “Lynn” Dickinson, Chair of the Board of Trustees

ITEM 4: THIRD QUARTER FORECAST

THIRD QUARTER FORECAST

Q3 Forecast: Unrestricted Fund Net Revenues

(amounts rounded to \$1,000)

	FY21 Budget	FY21 Forecast	Var \$	Var %
Total Revenues	178,045	187,890	9,845	6%
Total Expenses	176,019	171,782	(4,237)	-2%
Net Deficit	<u>2,026</u>	<u>16,108</u>	<u>14,082</u>	<u>695%</u>

The Vermont State Colleges System forecasts performance approximately \$14M better than budget. Since the second quarter, revenue has improved almost \$9M while estimated expenses have remained approximately the same. The greatest single improvement is the application of more than \$5M in the form of HEERF II lost revenue relief at Castleton, Vermont Tech, and Northern Vermont University. Improvements in tuition and fees, and other revenues; specifically camps and conferences, account for the remaining increase.

Q3 Forecast: Unrestricted Fund Net Revenues

(Amounts rounded to \$1,000)

	FY2021 Budget	FY2021 Forecast	Var \$	Var %
Unrestricted use of CRF/HEERF	(1,634)	(12,873)	(11,239)	688%
Bridge Funding	(28,800)	(28,800)	-	0%
Net Revenue without CRF/HEERF & Bridge	<u>(28,408)</u>	<u>(25,565)</u>	<u>2,843</u>	<u>-10%</u>

Of critical importance to the FY21 budget are three key factors. The first is Bridge Funding, in the amount of \$28.8M and the second is receipt of Coronavirus Relief Funds (CRF) from the Vermont State Legislature, and the third is receipt of HEERF money received from the US Department of Education. Combined, CRF and Bridge funding have contributed \$41.7M to the Vermont State Colleges System unrestricted budget (general fund). Without these funds, the second quarter forecast for the Vermont State Colleges would have been a deficit of \$25.6M as shown in the *Net Revenue without Bridge or CRF* FY21 Forecast.

The forecasted use of CRF and HEERF, as part of the Unrestricted Funds of the Vermont State Colleges, is \$12.9M, or approximately \$11.2M more than budget. Approximately \$5M of these funds were used to replace lost room revenue at Northern Vermont University, Vermont Tech, and Castleton University. The remaining funds, approximately \$8M were used to support student scholarships, additional cleaning and sanitation, conduct surveillance testing, pay for public health and public safety employees, and reimburse the Colleges for employees who were

substantially diverted from their normal work to respond to the pandemic. In addition, the VSCS used CRF for technology upgrades to support remote learning, personal protective equipment, masks, HVAC system upgrades, and other items necessary to respond to the public health crisis.

For FY21, the Vermont State Colleges System was awarded \$22.758M in CRF as part of Act 120. The purpose of the act was to give the VSCS the ability to respond to the business disruptions associated with the pandemic. While spending requirements constrained the VSCS's ability to spend the full budget amount and resulted in the return of approximately \$14M to the State, a budget adjustment act reallocated \$5M of these funds to the Vermont State Colleges for use through December 31, 2021.

Q3 Forecast: Selected Expenses				
(Amounts rounded to \$1,000)				
Expenses	FY2021 Budget	FY2021 Forecast	Var \$	Var %
Salaries & Benefits	110,496	104,408	(6,088)	-6%
Services, Supplies, Travel	37,116	33,164	(3,952)	-11%

While approximately \$11M of the improvement in forecasted performance is attributable to the use of Coronavirus Relief Funds and HEERF funding, two key expense lines account for the majority of the remaining areas of savings. These include Salaries and Benefits and Supplies, Services & Travel, and Utilities. The largest of these categories, Salaries and Benefits is approximately \$6M less than budget, or about 6% less than the budgeted amount. Three key factors account for this difference: natural attrition, slowed hiring, and cancelled position searches.

Three of the four institutions, plus the Chancellor's Office, reduced salary and benefit expenditures in comparison to the FY21 budget. These entities have made significant strides to slow the rate of spending in this category with a favorable budget variance of between 5% and 10%, exclusive of the use of CRF. CCV forecasts salaries and benefits consistent with their budget.

As of the Q3 Forecast, operating revenues are relatively consistent with budget and approximately \$4M better than the third quarter forecast. The categories with the greatest dollar variance are Tuition and Fees, Net Room and Board, and Other Revenues.

Q3 Forecast: Selected Revenues				
(Amounts rounded to \$1,000)				
Revenues	FY2021 Budget	FY2021 Forecast	Var \$	Var %
Tuition and Fees	102,520	104,715	2,195	2%
Room & Board	11,905	12,167	262	2%
Other Revenues	692	2,481	1,789	259%

As noted at the second quarter, the FY21 Budget was developed in the early fall, giving the institutions an unusually accurate assessment of revenues and expenditures. On the plus side, fall enrollments were positively impacted by two factors. The first was a gift from the McClure Foundation that offered a free course at the Community College of Vermont for every graduating high school senior in 2020. The second was Act 154, an act providing educational assistance to those negatively impacted by COVID-19. Both programs had a positive impact on fall enrollments, especially at CCV.

Spring enrollment for all colleges was stronger than anticipated at the second quarter resulting in a forecasted \$2.2M positive variance to budget for tuition and fees. Contributing factors regarding this improvement included a return to face-to-face instruction at our residential campuses and an increase in residential room occupancy.

Net Room and Board continues to be modestly better than budget. The aggregated forecast is slightly favorable; however, forecasted performance is uneven compared to budget. The variance in this category ranges from -10% to a +14% across institutions. The institution seeing the greatest favorable variance, Castleton, is experiencing a positive uptick due to the institution's return to limited face-to-face instruction from a completely remote format. NVU, the lone institution to run a fully residential option in Fall 2020, is seeing softer than anticipated room participation in the spring, likely due to the perceived value of on campus living during a pandemic.

The final revenue category of note, Other Revenue, estimates a favorable variance of nearly \$2.5M. As reported previously, CCV's sale of the St. Albans building accounts for more than half of the budget improvement. The remaining improvement is attributable to an improved outlook on camps and conferences.

A System-Wide summary of the forecasted performance, entity specific performance, and brief institutional narratives are provided in the following pages.

System-Wide Third Quarter Forecast

Unrestricted Revenues and Expenses				
Q3 Forecast				
(Amounts rounded to \$1,000)				
	FY2021	FY2021	Var	Var
	Budget	Forecast	\$	%
REVENUES				
Tuition and Fees	102,520	104,715	2,195	2%
State Appropriation	60,237	60,238	1	0%
Room and Board	11,905	12,167	262	2%
<i>CRF/HEERF: Room & Board</i>	-	5,370	5,370	
Sales and Services	1,841	1,818	(23)	-1%
Gifts	850	1,101	251	30%
Other Revenue	692	2,481	1,789	259%
TOTAL REVENUES	178,045	187,890	9,845	6%
EXPENSES				
Salaries and Benefits	110,496	104,408	(6,088)	-6%
<i>CRF/HEERF: Salaries</i>	(1,091)	(3,341)	(2,250)	206%
Services, Supplies, Travel	37,116	33,164	(3,952)	-11%
<i>CRF: Services/Supplies/Travel</i>	(543)	(1,831)	(1,288)	237%
Scholarships	19,240	18,219	(1,021)	-5%
<i>CRF: Scholarships</i>	-	(1,146)	(1,146)	
Utilities	5,955	5,409	(546)	-9%
Other Expenses	4,827	4,842	15	0%
Debt Service	6,000	6,000		
Chancellor's Office	(23)	(2)	21	-91%
Other Transfers	(5,958)	7,245	13,203	-222%
<i>CRF: Other Transfers</i>	-	(1,185)	(1,185)	
TOTAL EXPENSES	176,019	171,782	(4,237)	-2%
NET REVENUES/(DEFICIT)	2,026	16,108	14,082	695%
Unrestricted use of CRF ¹	(1,634)	(12,873)	(11,239)	688%
Net Revenue without use of CRF	392	3,235	2,843	725%

Unrestricted Revenues and Expenses
Q3 Forecast

(Amounts rounded to \$1,000)

	Community College of Vermont				Castleton University				Northern Vermont University				Vermont Technical College ²				Chancellor's Office					
	FY2021 Budget	FY2021 Forecast	Var \$	Var %	FY2021 Budget	FY2021 Forecast	Var \$	Var %	FY2021 Budget	FY2021 Forecast	Var \$	Var %	FY2021 Budget	FY2021 Forecast	Var \$	Var %	FY2021 Budget	FY2021 Forecast	Var \$	Var %		
REVENUES																						
Tuition and Fees	20,517	22,160	1,643	8%	34,400	34,695	295	1%	25,053	25,085	32	0%	22,550	22,774	224	1%	-	1	1			
State Appropriation	6,020	6,020			6,821	6,821			11,006	11,007	1	0%	7,590	7,590	0	0%	28,800	28,800				
Room and Board	-	-			5,000	5,716	716	14%	5,983	5,400	(583)	-10%	922	1,051	129	14%	-	-				
<i>CRF/HEERF: Room & Board</i>	-	-			-	2,336	2,336		-	1,629	1,629		-	1,405	1,405		-	-				
Sales and Services	6	6			560	540	(20)	-4%	250	76	(174)	-70%	1,025	1,196	171	17%	-	-				
Gifts	50	92	42	84%	420	330	(90)	-21%	250	325	75	30%	130	351	221	170%	-	3	3			
Other Revenue	86	1,084	998	1160%	400	256	(144)	-36%	150	649	499	333%	56	677	621	1109%	-	(185)	(185)			
TOTAL REVENUES	26,679	29,362	2,683	10%	47,601	50,694	3,093	6%	42,692	44,171	1,479	3%	32,273	35,044	2,771	9%	28,800	28,619	(181)	-1%		
EXPENSES																						
Salaries and Benefits	20,497	20,497			29,495	28,000	(1,495)	-5%	32,400	29,506	(2,894)	-9%	23,555	22,308	(1,247)	-5%	4,549	4,097	(452)	-10%		
<i>CRF/HEERF: Salaries</i>	-	(102)	(102)		(330)	(1,199)	(869)	263%	(587)	(1,497)	(910)	155%	(174)	(493)	(319)	183%	-	(50)	(50)			
Services, Supplies, Travel	4,870	4,870			10,158	8,700	(1,458)	-14%	9,135	7,608	(1,527)	-17%	7,782	6,567	(1,215)	-16%	5,171	5,419	248	5%		
<i>CRF: Services/Supplies/Travel</i>	-	(1)	(1)		(200)	(628)	(428)	214%	(343)	(934)	(591)	172%	-	(268)	(268)		-	-				
Scholarships	170	170			11,600	11,650	50	0%	5,290	5,110	(180)	-3%	2,180	1,289	(891)	-41%	-	-				
<i>CRF: Scholarships</i>	-	-			-	(1,089)	(1,089)		-	(40)	(40)		-	(17)	(17)		-	-				
Utilities	325	325			2,000	2,000			2,158	1,908	(250)	-12%	1,433	1,150	(283)	-20%	39	26	(13)	-33%		
Other Expenses	-	-			-	10	10		-	5	5		-	-			4,827	4,827				
Debt Service	1,034	1,034			2,096	2,096			1,756	1,756			1,114	1,114			-	-				
Chancellor's Office	1,622	1,622			1,837	1,837			2,965	2,965			1,653	1,674	21	1%	(8,100)	(8,100)				
Other Transfers	(1,839)	165	2,004	-109%	1,255	1,255			549	546	(3)	-1%	1	1,203	1,202	88416%	(5,924)	4,076	10,000	-169%		
<i>CRF: Other Transfers</i>	-	-			-	-			-	(1,185)	(1,185)		-	-			-	-				
TOTAL EXPENSES	26,679	28,580	1,901	7%	57,911	52,632	(5,279)	-9%	53,323	45,748	(7,575)	-14%	37,544	34,527	(3,017)	-8%	562	10,295	9,733	1732%		
NET REVENUES/(DEFICIT)	-	782	782		(10,310)	(1,938)	8,372	-81%	(10,631)	(1,577)	9,054	-85%	(5,271)	517	5,788	-110%	28,238	18,324	(9,914)	-35%		
ONE-TIME FUNDS																						
Carried Over Funds	-	-			-	1,938	1,938		-	746	746		-	-			-	-				
Strategic Reserve	-	-			-	-			-	-			-	-			-	-				
All Other	-	-			-	-			-	-			-	-			-	-				
TOTAL ONE-TIME FUNDS	-	-			-	1,938	1,938		-	746	746		-	-			-	-				
TOTAL OPERATING RESULT	-	782	782		(10,310)	-	10,310	-100%	(10,631)	(831)	9,800	-92%	(5,271)	517	5,788	-110%	28,238	18,324	(9,914)	-35%		
Unrestricted use of CRF ¹	-	(103)			(530)	(5,252)			(930)	(5,285)			(174)	(2,183)			-	(50)				
Net Revenue without use of CRF	-	679	679		(10,840)	(7,190)	3,650	-34%	(11,561)	(6,862)	4,699	-41%	(5,445)	(1,666)	3,779	-69%	28,238	18,274	(9,964)	-35%		

¹ The materials represented here reflect only the unrestricted fund of the Vermont State Colleges. Additional CRF spending is paid directly from the restricted funds for purchases that do not flow through the institutions

² Vermont Tech's numbers reflect the VTC's collegiate programs and Workforce Development (WFD), which includes CEWD, VMEC, and SBDC. A separate budget for WFD, with combined revenues of \$1 million, is available on request

COMMUNITY COLLEGE OF VERMONT

CCV's Q3 forecasted year-end results are projecting a surplus (\$782,000) due to stronger than expected enrollments in the Fall and Spring. This strong enrollment also leads to more faculty contracts increasing CCV's salary line.

Revenues are showing a significant increase due to the sale of the St Albans building in Q2 (\$960,000). Those funds have been transferred to the property fund for payment of the bond associated with the building.

As of this submission, summer 2021 enrollments have not yet settled.

CASTLETON UNIVERSITY

Revenues:

Tuition and Fees: As of Q2, Castleton University projected that tuition and fee revenue would be approximately \$800k less than budget. This original estimate was derived using Castleton's standard fall to spring persistence rates. However, due to the reopening of the residence halls for the spring, tuition and fee revenue is better than both the second quarter forecast and FY2021 budget. The combined effect is an overall projected revenue for tuition and fees forecasted at \$295k better than budget.

Room & Board: As of Q2, Castleton University projected that room and board revenue would be \$600k better than budget. Performance in this category has improved from the second quarter, to \$716k better than budget. Additionally, Castleton was able to draw in \$2.3M in HEERF II funding to support lost room revenue.

Other Revenues: (Sales & Services, Gifts, Other): As of Q2, Castleton University projected that the overall revenue for the other revenues category would be \$300k under budget due to ongoing COVID-19 challenges, specifically related to Conference and Events and Gifts. With increasing vaccination rates, and the loosening of COVID-19 restrictions, performance in this category is predicted to improve. The combined effect is an overall projected revenue for all other revenues forecasted at \$66k better than budget.

Expenses:

Salary & Benefits: Savings in this category is projected to be \$2.6M. Over \$1.2M of this savings is attributed to Coronavirus Relief Funds (CRF) being available to offset Public Safety and Health Services expenditures. The remaining savings is attributed to unfilled positions, and budget to actual variances in health insurance and tuition remission.

Service, Supplies & Travel: Saving assumptions in this budget line include travel expenditures in the area of athletics and admissions, reduced meal/room expenses for athletic travel, reduced Sodexo costs due to reduced residential students, and no foreign travel. Additional savings have been realized primarily in the area of athletics and Sodexo expenses. Total projected savings, relative to budget, are \$1.9M, of which \$934K was funded by Coronavirus Relief and HEERF funds.

Scholarships: A savings of \$1.03M will be realized in the Scholarship category due to the use of Coronavirus Relief Funds.

Transfers/Debt: On budget.

NORTHERN VERMONT UNIVERSITY

Tuition and Fees: As of Q2, Northern Vermont University projected that tuition and fee revenue would be approximately \$0.5 million lower than budget. NVU's estimation utilized the standard fall to spring persistence. However, due to higher new spring starts and beginning the spring semester two weeks later than previous years, revenue is better than the second quarter forecast by \$0.5 million, achieving the FY2021 budget.

Room & Board: As of Q2, Northern Vermont University projected that room and board revenue would be \$0.3M lower than budget. However, thanks to the use of \$1.5 million in HEERF II funding to support lost room revenue, NVU will exceed budget by \$1.1 million.

Other Revenues: (Sales & Services, Gifts, Other): As of Q2, Northern Vermont University projected that the other revenue categories would be \$0.2 million above budget due to the sale of the McGoff House on the Lyndon campus. Gifts and other revenue continue to grow, producing an overall projected revenue forecast of \$0.4 million better than budget.

Expenses:

Salary & Benefits: NVU projects \$3.8 million of savings in this category. The use of Coronavirus Relief Funds (CRF) offsetting Public Safety and Health Services expenditures contributed \$0.9 million. The management of open positions and employee departures generated the remaining savings.

Service, Supplies & Travel: Limited expenditures due to COVID operational guidelines produced significant savings in the areas of travel, hospitality, and room/meal during FY21. Total projected savings, relative to budget, are \$2.1 million, of which \$0.6 million are from Coronavirus Relief and HEERF funds.

Other Transfers: Northern Vermont University projects drawing down the balance of the available HEERF II funding during FY21, as reflected in the Other Transfer line, producing a \$1.2 million favorable variance to budget.

CHANCELLOR'S OFFICE

Revenues for FY2021 are estimated at approximately \$181k less than budget due to an unrealized net loss on investments.

Salaries and Benefits are estimated at \$452k, or 10% less than budget. The Chancellor's Office, like the member institutions within the Vermont State Colleges System, undertook significant measures to slow the rate of spending by holding several positions vacant.

Supplies services and travel increased 5%, or \$248K relative to budget. The increase in spending, due largely to transformation related activities such as the hiring of rpkGroup, and funding the work of the Select Committee, are expected to be one-time expenditures.

The forecast for other transfers is \$10M higher than budgeted. This transfer moves the money from the unrestricted accounts to restricted fund accounts to accommodate future transformation

activities that are not included in the budget funded by the Legislature, such as full replacement of our ERP system and other transformation costs.

VERMONT TECHNICAL COLLEGE

Vermont Tech is projecting a modest \$0.4M surplus position in FY21, as it weathers the operational and economic challenges of the COVID-19 pandemic but is supported by Cares Relief Act and HEERF funding.

Three of four major revenue centers for the college have been profoundly affected by the pandemic (delta listed in percent change, prior year actual to current year projection): (1) tuition revenue is down 12%; (2) room and board is down 72%; and (3) sale, service, & conference is down 37%. Taken in aggregate, the result is an enormous \$5.8M revenue decline from FY20.

Operational adjustments, expense reduction, and substantial governmental support have allowed VTC to mitigate this loss: (1) salary, wage, and benefit expense is down 7%, due to restricted hiring practice and the selected application of CARES funding; (2) utilities expense is down 30%, due to favorably negotiated oil rates and diminished consumption on campuses.

ITEM 5: FY22 BUDGET PROPOSAL

FY22 BUDGET REQUEST

FY22 is the first full year with a System-Wide budgeting process. As part of this effort, the institutions and Chancellor’s Office coordinated and collaborated to develop key budgeting parameters. The result is a more consistent and cohesive budget, developed with greater coordination across the VSCS and has received increased scrutiny and review.

This is the third and final version of the budget the system has prepared. The first two versions of the budget estimated a deficit, exclusive of new sources such as bridge funding, and an increase to the base appropriation, was between \$32M and \$45M. This budget proposal places the deficit, exclusive of these additional sources, at approximately \$36M.

FY22 Budget: Net Deficit Exclusive of Additional Sources			
(amounts rounded to \$1,000)			
	Best Likely	Worst Likely	Proposed
Net Deficit Excluding New Sources	(32,107)	(44,774)	(36,119)

The Legislature’s Committee of Conference on the budget has completed their work and it is anticipated that the House and Senate will take up the budget bill for final approval in the next few days, dependent upon parliamentary procedures. If, as expected, the bill becomes law, the Vermont State Colleges System anticipates receiving the following funding from state sources for FY2022:

FY22 ESTIMATED STATE FUNDING SOURCES	
Base Appropriation	\$30.5M
New Funding	
Operational Funding	
Increase to Base	\$5.0M
<u>Bridge Funding (one-time)</u>	<u>\$21.0M</u>
Total New Operational Funding	\$26.0M
Transformation Funding	\$20M
Scholarship / Critical Occupations	\$12.4M
Total New Funding Sources	\$58.4M
Total All State Funding Sources	\$88.9M

Of these funding sources, \$56.5M is for current operations, including \$30.5M in current base funding, and an additional \$26M in new funding, including a \$5M increase to base funding, plus \$21M in one-time bridge. The remaining funds are restricted to specific purposes, including \$20M to fund transformation activities over the next four years, plus an additional \$12.4M in special purpose scholarships that seek to help those negatively impacted by COVID, and help Vermont’s economy. In addition to these new State funding sources, the VSCS anticipates an additional \$3.8M in HEERF II funding for Community College of Vermont.

FY22 Budget: With and Without Additional Sources		
(amounts rounded to \$1,000)		
	Without New Sources	With New Sources
Net Deficit	(36,119)	(6,293)

These additional state and federal funding sources reduces the net operational deficit from approximately \$36M to approximately \$6.3M, all of which can be covered by the net available revenue from FY2021.

In addition to operational and bridge funds appropriated by the Legislature, the following additional funds were appropriated to the VSCS from ARPA funding.

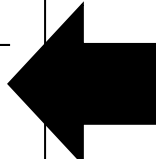
Act 9: ARPA Funding	
Practical Nursing @ Long Term Care	\$1.4M
Workforce 2.0	\$3.0M
<u>Green Mountain Grad Gift *</u>	<u>\$2.8M</u>
Total Act 9 ARPA Funding	\$7.2M
* Administered by VSAC	

These additional funds, appropriated as part of Act 9 and enacted into law this year, may be carried forward and used until the funds are fully expended.

The VSCS is extraordinarily grateful for the support shown to the VSCS by the members of the House and Senate. Without the creation of the *Select Committee on the Future of Public Higher Education in Vermont*, the concept of transformation, and their direct support of the students the VSCS serves, the budget presented here would not be possible.

FY22 BUDGET: ANALYSIS

FY22 Budget: Net Revenue Comparison			
(amounts rounded to \$1,000)			
	FY21 Budget	FY21 Forecast	FY22 Budget
Total Revenues	178,045	187,890	173,393
<i>Total Revenue without Bridge</i>	<i>149,245</i>	<i>153,720</i>	<i>152,393</i>
Total Expenses	176,019	171,782	179,686
<i>Total Expenses without CRF/HEERF</i>	<i>177,653</i>	<i>179,285</i>	<i>183,512</i>
Net Revenue without Bridge or CRF/HEERF	(28,408)	(25,565)	(31,119)

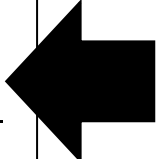


Total revenue, exclusive of Bridge Funding, is estimated at \$152.4M for FY22. The additional \$5M in base state appropriation is offset by a net decline in student revenues across the institutions. As shown in the chart below total tuition and fee revenue is expected to be approximately \$9M less than actual performance in FY21, a decline of approximately 8.8%. This decline is most significant at CCV and NVU, with estimated enrollment between 13% and 14% less than the current year. CU’s estimated performance is approximately 6% down, and VTC anticipates nearly flat enrollment.

FY22 Budget: Student Revenue Comparison			
Student Revenue	FY2021 Budget	FY2021 Forecast	FY2022 Budget
Tuition & Fees	102,520	104,715	95,462
Room & Board (excluding HEERF)	11,905	12,167	16,247
Total Student Revenue	114,425	116,882	111,709

A bright spot for Castleton and Vermont Tech is an anticipated increase in room and board revenue, exclusive of HEERF funding, with CU expecting an increase of approximately \$3.5M in room revenue, and VTC anticipating an increase of \$1M. This increase is directly related to the reopening of their residence halls for the fall semester.

FY22 Budget: Net Revenue Comparison			
(amounts rounded to \$1,000)			
	FY21 Budget	FY21 Forecast	FY22 Budget
Total Revenues	178,045	187,890	173,393
<i>Total Revenue without Bridge</i>	<i>149,245</i>	<i>153,720</i>	<i>152,393</i>
Total Expenses	176,019	171,782	179,686
<i>Total Expenses without CRF/HEERF</i>	<i>177,653</i>	<i>179,285</i>	<i>183,512</i>
Net Revenue without Bridge or CRF/HEERF	(28,408)	(25,565)	(31,119)



Total expenses, exclusive of CRF/HEERF, are estimated at \$183.5M for FY22. The primary drivers for the increase in expenses are as follows: 1) a budgeted increase in wages and benefits, 2) the planned increase in debt service, 3) an anticipated decrease in scholarship allowance at both Castleton and Northern Vermont University, and 4) an expected reduction in the volume of internal transfers necessary to address transformation.

FY22 Budget: Select Expense Comparison			
	FY2021 Budget	FY2021 Forecast	FY2022 Budget
Salaries & Benefits	110,496	104,408	111,287
Scholarships	19,240	18,219	18,086
Services Supplies & Travel	37,116	33,164	38,705
Debt Service	6,000	6,000	8,000
Internal Transfers	(5,958)	7,245	(3,367)
Total Select Expenses	166,894	169,036	172,711

Throughout FY21, institutions held a very firm line regarding the replacement of positions, in many cases leaving positions vacant. With the anticipated return to face-to-face instruction this fall, many of these positions must be refilled, therefore, it is expected that all institutions will see an increase from actual FY21 performance, and all but Northern Vermont University expects an increase to a level greater than the FY21 budget.

The VSCS as a whole estimates a decrease in the overall level of scholarships awarded as institutional aid to students relative to the volume of enrollments.

The debt schedule for the bonds issued in 2017 and 2020 shifted payments to future years. The amount by institution is highly variable due to the size and number of historical projects funded in prior years. Therefore, while debt service overall will increase from FY21 to FY22, the amount varies widely between institutions. With one institution seeing a 30% reduction in debt service and another seeing a 76% increase.

As with the salary and benefit budgets, the institutions within the Vermont State Colleges held a very firm approach to spending on services, supplies, and travel throughout FY21. Some direct expenses, such as for food service, athletics, and consumable supplies were dramatically reduced, reflecting the smaller number of students living on campus. Additionally a return to a full athletic schedule, and admissions travel, will result in a return to normal travel expenditures.

FY22 BUDGET: BUDGET METRICS

The FY22 budget is predicated key values related to enrollment, room occupancy and employee wages. The following are the key metrics upon which the FY22 budget was built. These metrics will be tracked and reported back to finance and facilities with each quarter report.

Net Student Revenues: tuition and fees, room and board, less scholarships and discounts; is the single biggest driver of net revenue for the Vermont State Colleges. On the expense side, employee wages, at nearly \$70M annually, accounts for more than 60% of all expenses. Therefore the following student revenue and employee wages lines are important measures of success.

Student Revenue & Wages:	CU	CCV	NVU	VTC	CO	Total
Net Student Revenue	30,165,000	18,955,435	21,783,000	22,720,123		93,623,558
Annual Employee Wages	18,602,650	14,960,792	19,170,628	14,144,277	3,066,662	69,945,009

Enrollment on an annual basis, by term, and across value streams is another important factor regarding the financial success of the Vermont State Colleges. Measuring enrollment based on full-paying equivalent (FPE), total student credit hours divided by 12 per semester, is the most accurate way to assess financial health relative to budget. Quarterly, the institutions will compare their budgeted performance to actual, year-to-date and forecasted performance across value streams and term.

Full Paying Equivalent	CU	CCV	NVU	VTC	Total
Annual FPE	1,563	not available	1,381	1,314	4,257
FPE by Term					
Fall	1615	not available	1,442	1,259	4,316
Spring	1,510		1,319	1,268	4,097
Other				101	101
FPE by Value Stream					
Undergraduate					
Vermonters	739		636	1,138	2,512
Out-of-State	544		159	73	776
NEBHE & Good Neighbor	30	not available	170	103	303
Nursing & Allied Health	164				164
Online			264		264
Graduate					
Vermonters	50		125		175
Out-of-State	35		27		62

Residential room occupancy is another driver of net student revenue. Generally, room occupancy varies widely between the fall and spring, with greater room participation in the fall and less in the spring. Persistence in the residence halls from fall to spring can have an outside impact on an institution’s budget and will be measured on a quarterly basis relative to both annual occupancy and term occupancy.

Room Occupancy	CU	CCV	NVU	VTC	Total
Annual Occupancy	774	n/a	442	194	1,410
Occupancy by Term					
Fall	800	n/a	510	216	1,526
Spring	723		373	172	1,268
Other	25				25

FY22 BUDGET: MUTLI-YEAR BUDGETS

As part of the system annual operating budget, it is expected that the VSCS will offer a multi-year budget projection that estimates revenues, expenses and sources of funding. It should be understood that these estimates are highly variable and subject to wide variation in the out years. Therefore, the numbers presented here are for illustration purposes and will be refined in the coming years and months.

FY22 Budget: Multi-Year Budget Estimate						
	FY2022 Budget	FY2023E Budget	FY2024E Budget	FY2025E Budget	FY2026E Budget	FY2027E Budget
Total Revenues (all sources)	173,393	156,457	161,457	163,957	163,957	163,957
Total Expenses (all sources)	(179,686)	(178,908)	(174,460)	(171,098)	(166,265)	(161,723)
Net Revenue/(Deficit)	(6,293)	(22,451)	(13,002)	(7,141)	(2,307)	2,234
One-Time Funds						
Carried Over Funds	1,790	-	-	-	-	-
HEERF III	-	10,000	-	-	-	-
Additional Bridge	-	14,900	16,500	10,000	5,000	-
All Other Sources	4,503	-	-	-	-	-
Total One-Time Funds	6,293	24,900	16,500	10,000	5,000	-
Total Operating Result	(0)	2,449	3,498	2,859	2,693	2,234
Unrestricted Use of CRF	(3,826)					
Net Revenue without Use of CRF	(3,826)	2,449	3,498	2,859	2,693	2,234

The budget shown above used the following planning factors:

1. **Revenues** were increased only based on the Select Committee's recommended increase in base appropriation each year through FY25. All other revenues were held flat.
2. **Expenses** received inflationary increases in the salaries and benefits, utilities, and services and supplies categories. These combined categories were then decreased by a \$5M annually between FY23 through FY27.
3. **HEERF III** funds, which have not yet been allocated to VSCS institutions, are estimated at \$10M. It is expected that these funds will be drawn down for use during FY23.
4. **Additional Bridge Funding** is estimated as noted on the above chart. This schedule of bridge funding is necessary to successfully navigate the transformation period.

The net operating result shown for FY23 through FY27 averages 1.3 to 2.0% each year.

On the next pages you will find a total entity budget and institutional budget narratives.

Vermont State Colleges System By Entity

Unrestricted Revenues and Expenses

FY22 Pass 3 Budget: May 24, 2021

(Amounts rounded to \$1,000)

	Vermont State Colleges System			Community College of Vermont			Castleton University			Northern Vermont University			Vermont Technical College ²			Chancellor's Office		
	FY2021 Budget	FY2021 Forecast	FY2022 Budget	FY2021 Budget	FY2021 Forecast	FY2022 Budget	FY2021 Budget	FY2021 Forecast	FY2022 Budget	FY2021 Budget	FY2021 Forecast	FY2022 Budget	FY2021 Budget	FY2021 Forecast	FY2022 Budget	FY2021 Budget	FY2021 Forecast	FY2022 Budget
REVENUES																		
Tuition and Fees	102,520	104,715	95,462	20,517	22,160	19,125	34,400	34,695	32,600	25,053	25,085	21,516	22,550	22,774	22,221	-	1	-
State Appropriation	60,237	60,238	57,436	6,020	6,020	6,811	6,821	6,821	8,169	11,006	11,007	11,868	7,590	7,590	8,523	28,800	28,800	22,065
Room and Board	11,905	12,167	16,247	-	-	-	5,000	5,716	9,200	5,983	5,400	4,926	922	1,051	2,121	-	-	-
<i>CRF/HEERF: Room & Board</i>	-	5,370	-	-	-	-	-	2,336	-	-	1,629	-	-	1,405	-	-	-	-
Sales and Services	1,841	1,818	2,584	6	6	6	560	540	700	250	76	689	1,025	1,196	1,189	-	-	-
Gifts	850	1,101	825.00	50	92	50	420	330	400	250	325	275	130	351	100	-	3	-
Other Revenue	692	2,481	839.02	86	1,084	86	400	256	300	150	649	250	56	677	203	-	(185)	-
TOTAL REVENUES	178,045	187,890	173,393	26,679	29,362	26,078	47,601	50,694	51,369	42,692	44,171	39,524	32,273	35,044	34,357	28,800	28,619	22,065
EXPENSES																		
Salaries and Benefits	110,496	104,408	111,287	20,497	20,497	21,138	29,495	28,000	29,900	32,400	29,506	31,976	23,555	22,308	23,701	4,549	4,097	4,572
<i>CRF/HEERF: Salaries</i>	(1,091)	(3,341)	-	-	(102)	-	(330)	(1,199)	-	(587)	(1,497)	-	(174)	(493)	-	-	(50)	-
Services, Supplies, Travel	37,116	33,164	38,705	4,870	4,870	4,910	10,158	8,700	10,475	9,135	7,608	10,041	7,782	6,567	7,974	5,171	5,419	5,305
<i>CRF: Services/Supplies/Travel</i>	(543)	(1,831)	-	-	(1)	-	(200)	(628)	-	(343)	(934)	-	-	(268)	-	-	-	-
Scholarships	19,240	18,219	18,086	170	170	170	11,600	11,650	11,635	5,290	5,110	4,659	2,180	1,289	1,622	-	-	-
<i>CRF: Scholarships</i>	-	(1,146)	-	-	-	-	-	(1,089)	-	-	(40)	-	-	(17)	-	-	-	-
Utilities	5,955	5,409	6,216	325	325	292	2,000	2,000	2,200	2,158	1,908	2,383	1,433	1,150	1,312	39	26	29
Other Expenses	4,827	4,842	4,585	-	-	-	-	10	10	-	5	-	-	-	-	4,827	4,827	4,575
Debt Service	6,000	6,000	8,000	1,034	1,034	1,823	2,096	2,096	3,061	1,756	1,756	2,338	1,114	1,114	778	-	-	-
Chancellor's Office	(23)	(2)	-	1,622	1,622	1,879	1,837	1,837	2,254	2,965	2,965	3,275	1,653	1,674	1,976	(8,100)	(8,100)	(9,384)
Other Transfers	(5,958)	7,245	(3,367)	(1,839)	165	(543)	1,255	1,255	807	549	546	509	1	1,203	956	(5,924)	4,076	(5,096)
<i>CRF: Other Transfers</i>	-	(1,185)	(3,826)	-	-	(3,826)	-	-	-	-	(1,185)	-	-	-	-	-	-	-
TOTAL EXPENSES	176,019	171,782	179,686	26,679	28,580	25,843	57,911	52,632	60,342	53,323	45,748	55,181	37,544	34,527	38,319	562	10,295	1
NET REVENUES/(DEFICIT)	2,026	16,108	(6,293)	-	782	235	(10,310)	(1,938)	(8,973)	(10,631)	(1,577)	(15,657)	(5,271)	517	(3,962)	28,238	18,324	22,064
ONE-TIME FUNDS																		
Carried Over Funds	-	2,684	1,790	-	-	-	-	1,938	-	-	746	-	-	-	1,790	-	-	-
Strategic Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other	-	-	4,503	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,503
TOTAL ONE-TIME FUNDS	-	2,684	6,293	-	-	-	-	1,938	-	-	746	-	-	-	1,790	-	-	4,503
TOTAL OPERATING RESULT	2,026	18,792	(0)	-	782	235	(10,310)	-	(8,973)	(10,631)	(831)	(15,657)	(5,271)	517	(2,172)	28,238	18,324	26,567
Unrestricted use of CRF ¹	(1,634)	(12,873)	(3,826)	-	(103)	(3,826)	(530)	(5,252)	-	(930)	(5,285)	-	(174)	(2,183)	-	-	(50)	-
Net Revenue without use of CRF	392	3,235	(10,119)	-	679	(3,591)	(10,840)	(7,190)	(8,973)	(11,561)	(6,862)	(15,657)	(5,445)	(1,666)	(3,962)	28,238	18,274	22,064

¹ The materials represented here reflect only the unrestricted fund of the Vermont State Colleges. Additional CRF spending is paid directly from the restricted funds for purchases that do not flow through the institutions

² Vermont Tech's numbers reflect the combination of VTC's collegiate programs & Workforce Development (WFD), which includes CEWD, VMEC, and SBDC. A separate budget for WFD, a budget totalling \$1M, is available on request

CASTLETON UNIVERSITY

For FY '22, Castleton University crafted a budget that bolsters the Board's key strategic priorities of Affordability, Accessibility, and Quality & Relevance.

Affordability

CU's budget seeks to ensure that cost and debt are not access barriers for students.

Unfortunately, the price of tuition at the VSCS is beyond the reach of most families in Vermont and in New England. Accordingly, CU invests millions of dollars in institutional financial aid to render the cost of higher education more affordable to our recruits. CU awarded approximately \$3,000,000 in institutional aid to Vermont students in the current academic year, and the proposed budget appropriates a similar amount of aid for the upcoming year. The lion's share—76%—of that allocation is awarded to the neediest Vermonters (who are the majority of our undergraduate population).

Similarly, 60% of our allocation to out-of-state students is awarded to the neediest students. Due to the higher overall cost of attendance for out-of-state students, the amount of institutional financial aid needed to reduce their costs to a more affordable range is much higher than the amount needed for Vermonters. Bear in mind that Castleton competes with a number of private institutions for the ever-shrinking pool of high school seniors in our region. Many of these institutions are located in desirable locations and feature very attractive amenities. Accordingly, we have successfully implemented the Maple Scholarship Program (valued at \$17,000 per student) which has helped to make Castleton a realistic and affordable destination campus for many out-of-state students in our region and beyond.

Compared to our public peer group in the northeast, Castleton has a higher overall institutional aid allocation/discount rate; however, our net tuition *revenue* per student is also higher than those in the peer group. This statistic highlights the fact that Castleton University is priced much higher for both in-state and out-of-state students than others in the region, yet students and families are willing to pay more to experience what we offer—even when it is a stretch for them financially.

As tuition costs escalate each year, combined with low levels of support from the State, the burden has been on the institution to subsidize the rising costs by increasing what we spend on institutional financial aid so that more students can afford to attend Castleton. Sadly, this allocation is not enough for the high number of recruits who never enroll to begin with, nor is it enough for the students who are unable to persist to graduation for financial reasons. Nonetheless, CU continues to make every effort to reduce the total cost of attendance for students and families; to increase the number of matriculated students from low and middle-income backgrounds, and to create a manageable debt load for students relative to their current family income and future earning potential.

Accessibility

Castleton University seeks to ensure equitable access to—and completion of—a quality post-secondary education for all Vermonters, including those who have been marginalized or underrepresented historically. Accordingly, our budget provides students with supported

pathways to meet their educational goals, regardless of their financial means, college readiness, or access to technology.

For example, CU provides need-based grants to support students from low socio-economic backgrounds, including many who are first-generation college students who bring rich cultural experiences and perspective to our campus. Without these grants and scholarships, a Castleton education would not be attainable for these students.

Also, our budget aims to provide students with the academic, advising, and other supports necessary to succeed at CU as measured by their retention, persistence, and graduation rates. A number of programs and offices on campus support this goal, including:

- Academic Support Center
- Disability Services
- Pathway Program for English Language Learners
- McNair Scholars Program (which helps low-income and first-generation students, as well as students from under-represented ethnic groups, to pursue graduate education)
- Pathways to Graduation Program (aka the Title III grant, a five-year \$2.25 million grant to bolster student success and retention)
- Wellness Center
- TRIO grant (which serves first-generation and low-income students)
- Upward Bound (which serves first-generation and low-income secondary students)

In addition, CU is a vital cultural hub in our region thanks to our manifold investments in a broad spectrum of arts programming and our Office of Conferences & Events.

And, of course, our budget directs an increasing share of funds to the crucial workforce development sector, as evidenced by the creation of a Director of Experiential Learning & Workplace Readiness.

Quality & Relevance

It might be noted that the Board's strategic goals are somewhat in tension with each other. To wit: it is challenging to achieve Goal #1 ("Affordability") while at the same time maintaining Goal #3 ("Quality and Relevance"). For example, over the past five years, Castleton has lowered costs by making drastic personnel cuts. We reduced our full-time faculty by 22% (from 103 to 81) and reduced our staff by 20% (from 195 to 156). In addition, this year alone we reduced costs by archiving thirteen academic programs (Economics, Geography, Geology, Philosophy, RN to BS, Spanish for Business, Spanish Language & Literature, and Women's & Gender Studies; plus another five minors) and we allowed the positions of several retiring professors to disappear via attrition. We also terminated the Marching Band, pulled the plug on our almost-completed Childcare Center, and cancelled our planned programs in Occupational Therapy and Physical Therapy.

Furthermore, during the same five-year period, we enforced annual budget freezes or 10% budget cuts across the board. In sum, we tightened our belt for many years in a row to the point where no one could plausibly claim there is any "fat" left on this campus.

These cuts helped to maintain “Affordability” but they caused great personal anguish and negatively impacted morale. Tragically, they also had a negative impact on the quality of service we provide to our students. Among the many indices of this, our student to faculty ratio increased from 19:1 to 25:1; and our retention rate plummeted from 74% to 62%. (A declining retention rate has extremely negative financial repercussions, as it is much less expensive to retain a current student than to try to recruit a replacement for that student.) And this leads to a destructive spiral, as a decline in retention forces the institution to make further cuts, which leads to further declines in retention; and so on.

To counteract the above, significant portions of CU’s budget are devoted to maintaining the quality and relevance of our educational and co-curricular programs. For example:

- We continue to fund our three colleges (the College of Business, College of Health & Sciences, and College of Arts, Humanities, & Social Sciences), along with 14 academic departments and almost forty majors so our students are prepared to compete in the global workforce.
- We invest millions of dollars in high-tech classrooms that will enable us to deliver programs in a modality that meets student needs and expectations.
- We provide relevant curriculum and support so our graduates continue to pass our Placement and Graduation Standards and continue to meet externally-recognized measures of achievement (e.g. the Praxis test and the NCLEX exam).
- We guarantee external recognition of the quality of our programs via our accreditation budget. (Note that CU undergoes its decennial NECHE accreditation this fall as well as our Athletic Training accreditation from CAATE).
- We fund faculty-student research that supports our students’ professional readiness and benefits the state. For example, Castleton students are performing research on the genetics of addiction; on chemical reactions to make biofuels as an alternative energy source; on the causes of phosphorus blooms in Lake Champlain; on climate change; on the health of plant pollinators in our state; etc.
- We do our utmost to maintain our physical facilities and to provide the on-campus activities that make Castleton a desirable “destination college.”

CU looks forward to working with the Board so we can continue to implement the strategic priorities of Affordability, Accessibility, and Quality & Relevance.

CASTLETON UNIVERSITY: SUPPLEMENTAL FINANCIAL NARRATIVE

Revenues:

Tuition and Fees: Enrollment counts for **Fall 21** are predicated on actual spring 21 counts, the actual number of students already registered for this fall plus a conservative number of new and returning students still to be realized. The total fall FTE count included in this budget is 1,615. Other factors included in arriving at the Fall 21 FTE enrollment projection include:

- Large graduating class (teach-out agreements from GMC, CSJ and SVC)
- Second year of a small incoming class (estimated to be 100 less students, in each of the two years, as compared to a traditional incoming class)

- Drop in persistence rate
- Students who took leave of absence/deferral in FY21 return
- Assumed traditional melt for Spring semester
- The breakdown by mix of the projected 1,615 FTE's is as follows

Fall 2021 Estimate	# OF Students
Vermont	766
Vt Nursing	170
Non-Vermont	564
Nebhe	30
Grad VT	50
Grad Non-Vt	35
	1615

Room and Board: With all the uncertainty surrounding what the status of the virus situation will be this fall coupled with the bulleted items stated above, we are obviously projecting a very conservative room and board student count for Fall 21. The 10/15 room counts for the previous few years were:

- 10/15/17 991
- 10/15/18 1,030
- 10/15/19 1,022
- 10/15/20 474

We will be estimating 800 students in this budget. The Board approved 3% rate increase has been included. The breakdown by category of the projected 800 students is as follows:

Fall Occupancy	FTE
Singles	50
Doubles	690
Triples/Temp Space	0
Apt Single	35
Apt Double	0
K-Lodge D	21
K-Lodge S	4
Subtotal	800

State Appropriation: Level funded the base appropriation and included Policy 403 allocation adjustment increase.

Sales and Services: FY20 experienced a typical conference and events July/August (2019) summer session but COVID disrupted the May/June session. For FY22, It is Likely that a relatively same performance outcome will result as it assumes possible loss in revenue due to COVID for the July/August (2021) session but assumes the May/June session (2022) will be back to a more normal level of performance. Adjusted downward slightly from FY20 actual.

- 6/30/19 Actual Revenue \$1,231,293
- 6/30/20 Actual Revenue \$857,940
- 6/30/21 Projection \$560,000
- FY22 Estimate \$700,000

Expenditures:

Salary and Benefits: In addition to a roll forward of FY21 salary and benefits this FY22 budget includes percentage increases per the negotiated contracts, a reduction of positions that were not filled in FY21 and a small number of to be hired positions to meet the needs of the University.

Supplies, Services, Travel: this category is in line with the spending trends of a typical year. It does account for savings of approximately \$165K due to the termination of one of the apartment sites leased in downtown Rutland.

Scholarships/Discounts/Waivers: The scholarship total in this scenario illustrates the shift that is occurring among the percentage of instate versus out of state students at Castleton. The enrollment trend over the last couple of years demonstrates a much sharper decline in Vermont students and much smaller percent decrease in out of state students. We are seeing double digit percentage decreases in Vermont student enrollment and single digit percentage decreases in out of state enrollment. The new out of state students entering Castleton are paying a lower net price than those graduating almost single handedly due to the success of the Maple Scholarship Program.

COMMUNITY COLLEGE OF VERMONT

CCV takes a very disciplined and strategic approach to budgeting, one that has helped us remain strong and sustainable as we work to deliver our mission of college access, affordability, and student success for Vermonters. While CCV's history of sound fiscal management has served us well, managing our budget requires significant planning, sacrifice, and the willingness to innovate.

Eighty percent of our annual revenue comes from tuition paid by our students, and eighty percent of annual expenditures go to salaries for faculty and staff. Because of this, we have always had the understanding that CCV's budget is primarily about people. We have long recognized the need to approach budgeting with the knowledge that 80% of the money we spend comes from our students. We are ever mindful of the balance between keeping our tuition affordable for students with the commitment to provide fair wages to all CCV employees.

CCV moved from 170 full-time staff members in FY2015 to 152 full-time staff members in FY2021, which includes seven new grant funded positions established in FY17. CCV's success in increasing its grant revenue has been critical to our ability to continue to deliver our mission in this challenging budget environment.

Since 2018, CCV has been actively engaged in implementing our current Strategic Plan. Our plan is a living document, setting the direction for the work of the College and serving as a guide in our annual budget building process. As CCV looks to the future past COVID, we must ensure our strategic priorities are responsive to the changing landscape of higher education and how students will access learning and support services in the future.

CCV closed its fiscal year FY2021, as we have historically, with a small surplus, allowing us to carry forward some funding for strategic investments. Additionally, CCV is working to draw down \$3.8M of HEERF II funding to apply toward operations in FY2022.

CCV has developed a balanced budget for FY2022. Several pressures combined to make this a particularly challenging budget to build:

- 1) Mirroring Vermont's demographics, we budgeted for an enrollment decrease of 5%, resulting in a \$1.4M revenue loss. Considering Vermont's continued demographic shifts, we believe that it would be irresponsible to do otherwise.
- 2) The tuition freeze supported by the Chancellor's Office and approved by the Board of Trustees to address affordability results in a \$0.6M revenue loss for CCV.

Note that with the above two revenue losses, CCV is moving from a total tuition and fees projection for FY2021 of \$22.2M to \$19.2M in FY2022, a loss of \$3M in projected revenue.

- 3) The negotiated increase in our debt service payment has resulted in a \$0.8M increase in CCV's projected expenses for FY2022. Fortunately, knowing for the last two years that we would have to absorb this jump this year, CCV budgeted carry forward funds (approved by the BOT) to build a ramp in our budget to help offset the rapid rise in the cost. This is an example of our disciplined forward-thinking approach budgeting.
- 4) The increase of 15% in Chancellor's Office costs results in a \$0.257M increased expense for CCV to absorb in FY2022.

Through discipline, strategic thinking, short-term sacrifice, and long-term planning CCV has been able to balance its budget, even in tight times. Our strategic plan guides our spending decisions and supports collaboration, transparency, and sustainability in our budget planning and preparation.

NORTHERN VERMONT UNIVERSITY

Enrollment

The recruitment challenges for Fall 2021 are unprecedented, but NVU has responded. A few highlights of these challenges include; two threats of campus closure, restriction of travel for admission counselors and suspension of campus visits for prospective students during the majority of the recruitment cycle, reduction in FASFA filers and VT applications, and a range of pandemic impacts felt by prospective students and their families. Despite these challenges, NVU is anticipating a strong rebound in new student enrollment for Fall 2021. Admissions continues to push for their best likely scenario of 710 newly enrolled students. May 1 deposit information is trending towards this possibility, however based upon the unpredictability of this enrollment cycle and the early nature of this information, NVU is budgeting 669 new enrollments for Fall 2021, which would be an 11% increase from 603 new enrollments last year on October 15, 2020. This is an all-inclusive total of new students and represents the broad range of students served by NVU including the traditional campus based undergraduates, NVU Online, Graduate degree seekers, as well as Vermont high school students in the Early College and dual enrollment programs. NVU is proud to support Vermonters in their pursuits through the various pathways chosen for their higher educational goals.

Returning student projections are budgeted based upon last year's Fall 2019-Fall 2020 persistence numbers for campus-based undergraduates and historical trends for Graduate and NVU Online students. The COVID effects of both a smaller class and historically low persistence result in smaller returners in fall 2021. Therefore, the overall budgeted total headcount for fall 2021 is 1,829 or 8% less than fall 2020. This total reflects the negative impact caused from multiple closure threats as well as the COVID factor. It is important to note that when an institution is not able to recruit a strong freshman class, there is a negative impact in that year as well as the following three years as the class progresses through the academic cycle.

There is optimism that the potential Welcome Home, Green Mountain Grad Gift, Workforce Development, Degree Completion, and Free Last Dollar Tuition programs will provide affordability and accessibility benefits for NVU students. However, it is too early to estimate the positive impact of these exciting pending programs, which are arriving in the later stages of the enrollment cycle. NVU is excited to begin implementation of these programs, supporting affordability and accessibility for Vermont students.

State Appropriation

FY22 marks the third year of the BOT approved change to Policy 403, which shifts \$400 thousand per year of State Appropriation from Northern Vermont University's two campuses to other VSCS entities. NVU's portion of the \$5 million increase in base appropriation is included in this budget.

Room & Board

The projected change in campus-based undergraduates combined with the results from the Fall 2021 housing selection process informs a budget for residential students of 510, which is 12% lower than Fall 2020 (578). This represents the higher end of the anticipated range. The following opportunities are being monitored; new student demand for housing (influenced by the

in/out of state mix) and the number of returning students who consider a return to campus as classes return to face-to-face modality.

Sales & Service

Conferences and events will resume during summer 2021, with some differences from historical performance driven by some pandemic-related cancellations, Vermont State camp guidelines, and a switch of mix from residential to commuter camps for some of the internal athletic camps. The expectation is that summer 2022 will return nearly to pre-Covid levels, with an eye towards the summer 2021 influence over future residential and commuter camp mix.

Salaries & Benefits

FY22 is budgeted based upon current staffing levels, filling open positions, and applying the anticipated pay rate increases. Evaluation of open and vacant positions will continue with a preference to those positions that support student experience and success. Medical insurance rate increases of 3.68% are budgeted across the VSCS.

Services, Supplies, and Travel

NVU operated under an austerity budget reduction during FY21 of 25% from FY20 budgeted levels. In anticipation of return to full operations during FY22, NVU is budgeting overall expenditures at FY19 levels, with a shift in allocation and focus to areas that support the student experience, recruitment, and persistence; such as admissions, marketing, athletics, and physical plant. Additionally, a full year of Sodexo's cost of operations, has been factored into the budget.

Reserves

Northern Vermont University is expecting to carry its full \$5.7 million reserve balance into FY22, thanks to better than budgeted performance in FY21 and the use of; FY20 carryforward, one-time CRF/HEERF funds, and bridge funding if necessary.

Strategic Initiatives

Recognizing the need for creative funding to advance the mission and strategic initiatives, NVU highlights areas of investment that are possible solely through several grants and gifts.

1) Learning and Working Community:

Northern Vermont University received the largest gift in the history of the Vermont State College System (\$3.5 million) to advance the Learning and Working Community. The purpose is to create partnerships between NVU and local businesses and organizations to formalize career pathways and provide hands-on learning opportunities for students. The project addresses the region's need for workforce development, the need to make college more affordable, and students' needs to connect their academic studies with real-world experiences, creating a pipeline of engaged, critical thinkers for work, action, and service for the region for generations to come. Additionally, this partnership will improve the relevance of a student's education.

2) Title III Grant

The Title III Grant not only provides funding for retention efforts, which will produce higher future graduation rates, but also contributes seed money for NVU's High Impact Endowment Fund. This endowment supports worthy projects, large and small, for transformative academic initiatives, including but not limited to high-impact activities, lecture and arts programs and programming, professional development opportunities that advance pedagogical, technological, and professional practices, and other emerging opportunities that strengthen the university's commitment to foster intellectual, creative, and personal growth. The endowment reflects NVU's strategic initiatives to continue to provide transformative academic experiences on vibrant, thriving campuses, to strengthen student retention, and to expand and enhance NVU's community relationships through engagement. NVU is on track to meet the maximum federal match and double our money.

3) Expanded access to education and training

NVU secured two rounds of funding from the USDA RUS grant to establish video conference capabilities to support the regions need to provide telemedicine in rural areas, provide distance learning and community support to people with intellectual and development disabilities. There are 58 planned sites in 13 Vermont counties with 28 at Vermont high schools and 30 clinical/training sites.

4) Wood Product Business Accelerator

In support of the regional need in the Forestry and Wood Product Industry for affordable access to training, NVU secured a three-year \$986,252 grant to expand the Do North Coworking Space to include a dedicated Wood Product and forestry Accelerator facility. This will provide technical assistance to businesses in the forestry and recreation sector looking to grow to the next level and offer entrepreneurship and workforce development to re-train displaced forest economy workers.

5) Wellness Suite

As the SHAPE facilities reopen to community members, the Wellness Suite is a recent improvement for the benefit of students and community members that was possible through a large gift and subsequent fundraising of nearly \$500 thousand to renovate and equip the Wellness Suite on the Johnson campus.

6) Northern Vermont University Strategic Plan

Despite the pandemic, NVU has continued to make progress on its Strategic Plan. Based upon the last official report, 85% of the strategic initiatives are completed or are underway.

VERMONT TECHNICAL COLLEGE

Budgetary Overview

Vermont Technical College is anticipating another unusual year in FY22, characterized by lingering pandemic concerns and continued disruption in student enrollment patterns. The budgetary proposal put before you today assumes general factors as listed below, which we believe conservatively estimate the likely outcomes of the coming year. In this proposal we request authorization to draw up to a \$4.0M deficit.

- *Enrollment & Tuition.* FY21 saw an 11% decline in student tuition; we anticipate an additional 2% decline in FY22 due to the effects of a diminished returning class. In enrollment terms, this corresponds to a general FTE decline from 1,138 to 1,115. While there are some promising indicators from Admissions regarding a potential rebound in our incoming Fall '21 class, we don't see sufficient data yet to support a more aggressive projection: as of now, we're planning for an incoming class level to Fall '20. Tuition Rates for FY22 remain unchanged from FY21.
- *Residential.* In anticipation of an increase in vaccination rates and a general economic reopening, we're projecting a modest increase in our residential enrollment. From pre-pandemic occupancy rates to our current, we dropped from six of seven beds full to one of five. In FY22, we are planning for a modest recovery, and have budgeted for two of five beds occupied.
- *Salary, Wage, & Benefit.* We have budgeted \$22.7M in salary, wage, and benefits—approximately \$0.1M below that of FY19, our last undisrupted year. This reflects an 8.7% increase over that of our FY21 Q3 projections, due to two factors: first the discontinuation of CRF support, and secondly, the refilling of several key positions left unfilled last year.
- *Other expense.* As campus returns to an increased level of operations, we're anticipating a rebound in expense, as well. We've budgeted for an increase in utilities cost from \$1.1M to \$1.3M (we'd seen approx. 30% savings in FY21); an increase of approximately \$1.5M in our supplies and services lines (resumed athletics travel, increased Sodexo cost, rebounding facilities & maintenance cost, etc).

Below, please find a description of a number of initiatives to which we are assigning resources in the coming year; each addresses an identified area of strategic focus by the VSCS Board of Trustees.

Project-Management-Led Transformation Initiatives

Vermont Technical College is actively implementing five transformation planning projects, as well as the Agriculture and Food Systems Transformation work during FY21 and FY22. The five project charters and their alignment to college and Board of Trustees strategic priorities include:

- *Physical Plant* is outlined in more detail below, which includes the master planning, property sales and right sizing to lower our overhead and allow for reinvestment in relevant priorities.
- *Enhanced Enrollment Pathways* seeks to enhance pathways to Vermont Tech from other VSCS institutions, high schools and Career and Technical Education (CTE) Centers, and

inventory and expand Industry Recognized Credentials (IRC) offered through Vermont Tech programs. These efforts will enhance access and lower the cost of attending.

- *Non-traditional delivery* is expanding access through more distance-learning, low-residential and decentralized-delivery opportunities.
- *Academic Program Review* is examining academic programs for quality, relevance and cost effectiveness and recommend program re-design, expansion and/or elimination.
- The *Business Analysis* group is developing a tool to examine the per-student costs of non-academic departments and look for efficiencies in those departments with high costs per student to improve affordability. This tool will be one element of academic program review.

Aspiring to Regional Leadership in Advanced Manufacturing

Vermont Tech has established the Vermont Manufacturing Collaborative (VT-MC) and is building an Advanced Manufacturing Center at the Randolph Center campus through a \$12M contract partnership with the U.S. Department of Defense. VT-MC will house state-of-the-art metal and polymer additive manufacturing equipment (3D printing), along with advanced post-processing technologies. The primary mission of the VT-MC is *to advance technology-enabled manufacturing and associated workforce readiness in Vermont and beyond, aligning with the “Build Back Better” initiatives of the Biden Administration. VT-MC seeks to fulfill its mission through collaborative public-private partnerships and innovative learning, teaching and manufacturing environments through the following:*

- Engage students with 3D-printing platforms that build back the post processing skill sets/technologies of CNC machining, CAD/CAM, QA/QC, metrology, materials and design.
- Develop and enhance industry sponsored internships and continuing education opportunities.
- Provide industry partners locally and regionally with technology assistance in advanced manufacturing.
- Become an advanced manufacturing training and educational hub for the New England region where other universities, colleges and industry partners can collaborate and utilize the facilities, curriculum and expertise to provide multiple pathways back to manufacturing.

Right-Sizing and Reinvestment

Vermont Tech is optimizing its physical campus holdings to match its core educational value with a consultant-led master planning process using institutional funds. We expect that process to conclude in the fall, which is part of the college’s *Physical Plant Charter* project. Other aspects of that charter include consolidation of classrooms, labs and offices – enabled by work-from-home options – to regain space or enable sale of assets. Vermont Tech will obtain a sustainable and strategic multi-year roadmap for capital investment, targeting renovation to that infrastructure most critical to the student educational experience, and selling and repurposing less critical assets. By owning and operating fewer facilities, we are able to reduce operating costs, improve affordability, and enhance student experience through reinvestments with sales proceeds. There has been notable progress with the sale of properties and research and due diligence for additional properties to go to market soon.

Improving Student Experience and Retention

Vermont Tech is working with a consultant to prepare a grant proposal for the Department of Education (DOE) Title III five-year grant to improve quality and increase relevance. In preparation for this year's application, we have completed a draft proposal and are in process with drafting a budget. Irrespective of a grant award, retention encompasses three specific areas of need for the college:

1. Establishing a centralized advising office. Currently, Vermont Tech is the only VSCS institution without a staff person or office overseeing advising, so we plan to hire a Director of Advising and Retention (\$85,000 salary and benefits).
2. Hiring for coordination of Assessment and Institutional Research. These were areas of deficiency noted by NECHE during our recent comprehensive review (combined, \$140,000 salary and benefits).
3. Developing a credit-bearing First Year Experience Program. Based on the successful launch of an online, non-credit bearing FYE course developed by a full-time nursing site director and faculty, we plan to hire a Coordinator of First Year Experience to oversee the evolution to a credit-bearing course and full-time oversight of FYE programming (\$65,000 salary and benefits).

Transforming a 120-Year-Old Program

With the assistance of over 40 volunteer subject matter experts, we have a plan to transform the current agriculture program to a more relevant, higher quality and affordable program. We will seek grants and philanthropy to provide three years of seed funding to hire a Director of the new "Center for Agriculture and Food Entrepreneurship" (CAFÉ). The director's primary goals will be boosting enrollment and overseeing the transformation of the farm and facilities to more diversified animals and crops. The curriculum adjustments will ensure a quality foundational associate degree program with specialization tracks for those pursuing a bachelor degree. Students could begin farming at the end of two years or continue on to one of two specialized paths – agriculture entrepreneurship or farm management - for their bachelor's degree. This provides more options for students in ag-based education and maintains our 2 + 2 FARMS program with UVM. We will be investing through grants, sale of assets and college funds in needed renovations at the farm. The expected enrollment growth after three years will cover the Director costs, who will continue to facilitate growth.

Creating Capacity in Nursing Programs

To increase access to our nursing programs statewide, Vermont Tech has worked in conjunction with regional medical centers on expansion. These partnerships increase access to local communities, raise enrollments in essential majors, and enhance collaboration with regional healthcare educators, providers, and nursing staff, which will support the local nursing workforce and bolster student and faculty relationships with regional providers.

The Northwestern Medical Center's (NMC) new nursing education unit is established and open. The St. Albans-based Practical Nursing (PN) students are no longer required to commute to Williston for labs. The telepresence classroom is online, enabling increases in fall enrollment to 18 PNs and 27 Associate Degree Nursing (ADN) students. We are in the process of hiring a full-time ADN faculty member for the site. Our budgetary input into this space was centered on the installation and upgrades in the telepresence classroom.

The Gifford-Vermont Tech Simulation Center in Randolph is on line and fully functional. PN and ADN students have experienced multiple high-fidelity simulations in the space. The new space is enabling increases in fall enrollment to 18 Randolph ADN students. Associated costs included installing the IT equipment and some minor fit-up work. On the Randolph Center campus, we also expensed the costs of turning the former simulation space into offices for nursing staff.

Lyndon nursing expansion is slowly on track. Our collaborative EDA grant application has been submitted and we are waiting for those results. Until then, building the skills lab and simulation lab is on hold. We are aiming to start Vermont Tech classes for the new face-to-face cohort in fall of 2022 with enrollment of 20 PN students. At this time, NVU is recruiting for pre-nursing student enrollment for fall of 2021. However, we are hesitant to move forward at full speed until funding for the lab/sim lab space is secured.

Prompted by COVID, Continuing for Increased Access

To enable the switch to remote learning in the pandemic, Vermont Tech IT partnered with Audio-Visual Corporation to upgrade many classrooms across all campuses. Multiple classrooms were upgraded with touch-panel TVs, mics, and cameras to support virtual teaching and hy-flex modalities. Many of these rooms were funded with CRF, and grants for program-specific upgrades in Veterinary Technology and Architectural Engineering Technology. Vermont Tech IT also invested in more licenses for Splashtop Remote Desktop tool to allow students, faculty, and staff remote access to on-campus devices for licensed software and access to local files.

These new classroom settings will increase remote access for students, who cannot participate in traditionally delivered classes due to work, family or other responsibilities, to the didactic component of courses in synchronous or asynchronous modalities. The in-person requirement will be reduced to laboratory components of the courses; quality and content will not be diminished, while access will be expanded.

Restarting Dental Therapy Progress After COVID

We remain fully committed to starting up the Dental Therapy program in fall of 2022. As a reminder, the legislation enabling Dental Therapists to practice in Vermont passed in 2015. We have been working to get this program accredited and established since that time. We successfully attracted over \$1.5 million dollars in grants and philanthropy thus far to fund staff, accreditation, equipment and supplies. COVID has impacted the start time of this program as the pandemic closed down the Commission on Dental Accreditation (CODA) for the year. Grants-funded staffing costs are ending, leaving two years of program director salary and fit-up costs at the Williston dental clinic to cover. The Vermont Senate has allocated \$400,000 as a separate appropriation in the FY22 spending bill. If the legislative appropriation does not make it through the approval process into the final state budget, we will seek philanthropy and grants to cover that gap. We are seeking CODA accreditation this year to assure quality. The program is designed to enable existing hygienists to complete the degree in 18 months and new dental students to complete the degree in three years. We are partnering with Federally Qualified Health Centers (FQHC's) and private dental clinics around Vermont as clinical placements, improving access for students.

Through Continuing Education and Workforce Development

Over the next year we are investing ~\$400,000 in a VDOL / AOE funded initiative to build new apprenticeship programs and expand capacity for existing programs to meet workforce needs. The initiative will provide training in the following fields: Airframe Maintenance; Broadband installer; Additive Manufacturing; Solar; HVAC; Tramway; EMT; Manufacturing; and Licensed Practical Nursing. We are currently working with over 40 partners in manufacturing and have served over 1200 students.

We are also working with several partners related to training, IRC development, Career exploration and new apprenticeship opportunities, including Vocational Rehab, Career and Tech Ed Teacher Licensure programs, VTRANS, and ANR. We will also be administering new training dollars Legislatively appropriated for FY22 including Workforce 2.0 dollars coming to the System.

VERMONT STATE COLLEGES SYSTEM

BOARD OF TRUSTEES

RESOLUTION 2021-016

FY2022 VERMONT STATE COLLEGES SYSTEM ANNUAL OPERATING BUDGET

WHEREAS, The Finance and Facilities Committee of the Board of Trustees has reviewed the FY2022 budget information presented for the Vermont State Colleges System, has discussed individual aspects of the proposals with the Chancellor and Presidents of the individual institutions, and endorses approval of the Chancellor's recommendation by the full board; therefore be it

RESOLVED, That the Board of Trustees of the Vermont State Colleges System hereby approves the System Annual Operating Budget of \$XXX.XX million, including the projected operating deficit of \$X.XXX million, consistent with the attached materials.

Approved: June 16, 2021

Eileen "Lynn" Dickinson, Chair of the Board of Trustees