Transformation Update

Board of Trustees – September 20, 2021

Summary of Progress

- Launched the core teams and sub-teams for Student Experience, Academic Operations, and Administrative Operations
  - All teams focused on Discovery work through the end of October
- Workforce Development teams scheduled to kick off in October
- Several key deliverables needed for design and development are on track
  - Mission and Vision for the New Combined Entity (NCE) in development
  - Program Array work progressing toward governance process
  - Naming and Branding initiative for the NCE

Gate   Gate   Gate   Launch

Discovery → Design → Development → Launch → Review

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Discovery Priorities

- Gathering insights to inform Design Principles for each key activity area
  - What's working?
  - What's not working?
  - What are some best practices we should learn from?
- Identifying dependencies, risks, and constraints across teams
- Ensuring alignment with our core Transformation objectives

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Risks and Dependencies

- Sequencing the work of NECHE's process while executing on Transformation

- Capacity challenges of gaining faculty governance approval of programs, policies, and other shared governance priorities

- Managing the scope of change to match student needs, capacity, and schedule constraints
  - Sequencing changes and process improvements
  - Adding temporary capacity as needed to support the work of teams

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Academic Operations

Accomplishments	Priorities Looking Ahead
• First draft of program array completed • Sub-team discovery focusing on student success, access, best practices	• Evaluation of array for cost and mission • Professional development regarding modalities and DEI priorities • Defining Gen Ed

Issues and Dependencies

- Capacity of governance structures and processes to evaluate programs and policies
- Complexity of merging and supporting scheduling across programs and institutions
- Scope of development needed in systems and technologies (delivery modalities)

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Student Experience

Accomplishments	Priorities Looking Ahead
• Delivered name recommendation for Board consideration • Drafted Transformation FAQ for use in Fall recruitment • Kicked off Discovery across all sub-teams • Established cross-functional team to recommend tuition pricing approach	• Discovery concerning alignment across student service functions • Strategy and approach for the website • Discovery must address diversity, equity, and inclusion goals

Issues and Dependencies

• Academic program and co-curricular offering decisions and communication of implications for admissions, student and residence life, and marketing.

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Administrative Operations

Accomplishments	Priorities Looking Ahead
• Kicked off Core Team and established objectives and deliverables • Sub-teams convening this week to begin discovery	• Identifying key dependencies that cross processes and teams • Evaluating system needs across the transformation teams as they go through Discovery

Issues and Dependencies

• Need additional people and resources in targeted areas to ensure the capacity to support Discovery and Design stages across the Transformation initiatives
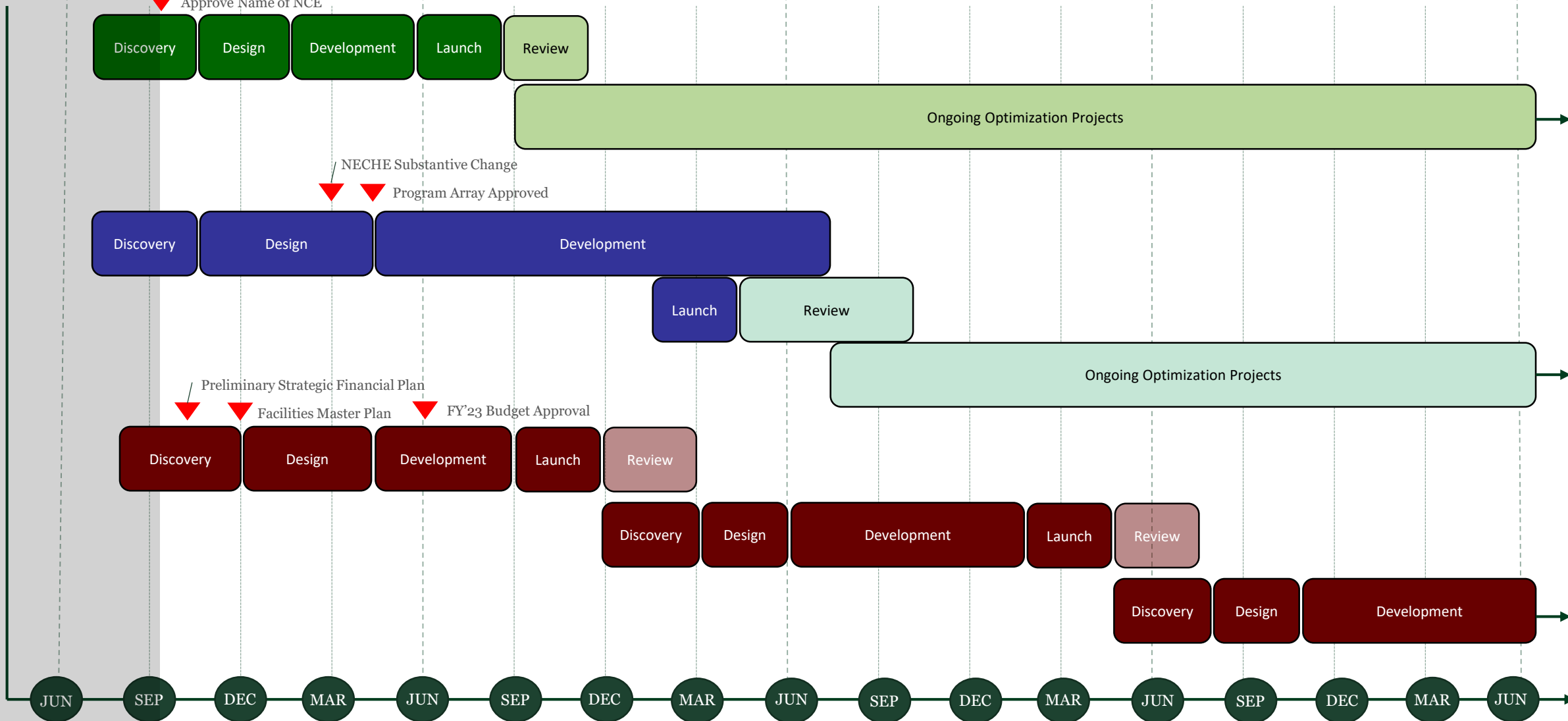
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Budget Overview

- $20M Transformation Budget
  - 41% Student experience
  - 22% Academic Operations

- Greatest spending types:
  - 26% Marketing
  - 15% Technology
  - 43% Consultants & Personnel

Estimated Spending by Category

Estimated Spending by Subcategory

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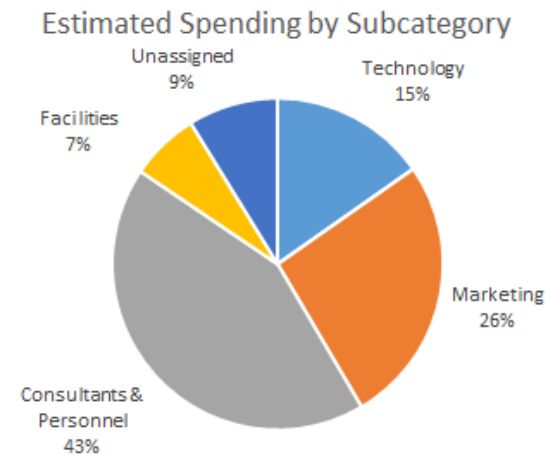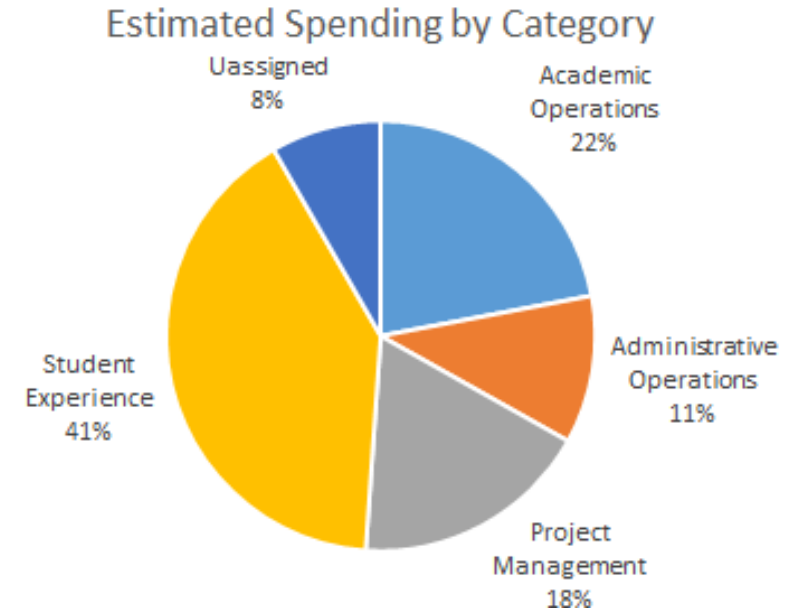
Additional Board Considerations

- About which additional elements of Transformation would the Board like more detail in future updates?

- Are there any transformation activities that are not important to the Board?

- Resource and timing tradeoffs – faster progress to cutting costs vs. foundation for the future?

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Accountability Dashboard

Prioritizing Measures for the Dashboard

- Evaluated the proposed measures for both availability and impact

- Highlighted the metrics that we would prioritize in the short, medium, and long-term

- Prioritized metrics will be presented to relevant committees

Example:

Financial Stability Ratio

Prioritizing Accountability Dashboard Measures

	Objectives	Measures	Timing

1	AFFORDABILITY: Reduce total cost of attendance for students and families.	1. **Published Tuition and Net Cost of Attendance**
		   a. **Discount Rate**
		   b. **State-Funded Scholarships**
		2. Student Loan Debt at Graduation for Vermont In-State/Out-of-State
		3. Published Tuition & Net Cost as % of Vermont Median Family Income
			Available Now
			
			Medium-Term (Source Exists)
			
			Medium Term (Source Exists)

2	ACCESSIBILITY: Increased access to VSCS programs regardless of race/ethnicity, age, educational attainment of parents, prior educational experience, family status, or place of residence.	1. **Headcount Enrollment by Student Type (HS, First-Time College, Transfer, Graduate, etc.)** 2. **Headcount Enrollment by Student Demographics (Full-Time and Part-Time)** 3. Percentage of Programs available Statewide [definition of "Statewide" needed]	**Adapt from EPSL Dashboard** **Adapt from EPSL Dashboard** Medium-Term (Project as part of Program Array)
3	ACCESSIBILITY: Students receiving the academic,	1. **Retention rates (first year and year-over-year by cohort)** 2. Percentage of students	**Short-Term** Medium-Term

Considerations

- Are the measures we prioritized the right place to start?

- Are there other measures on the list we should prioritize in each category?

- Are there other measures not on the list that we should consider?

Month	Approve	Originator	Review	Action	Originator
Sep 2021	NCE Name	All	Draft Strategic Financial Plan	Review	All
Oct 2021	Draft Program Array	EPSL	NCE Brand	Review	All
	Mission & Vision	EPSL	Dashboard Update: Financial & Affordability	Review	F&F
	External Audit	Audit			
Dec 2021	Facilities Planning: Space Utilization, Return on Assets & 10 Year Direction	F&F			
Feb 2022			FY2023 Budget: 1st Pass	Review	F&F
Mar 2022			NCE Substantive Change Request	Review	EPSL
			Dashboard Update: Accessibility	Review	EPSL
Apr 2022	NCE President	All	FY2023 Budget: 2nd Pass	Review	F&F
	NCE Tuition Model - FY2024	F&F			
	FY2023 VSCS Tuition Maximums	F&F			
May 2022	FY2023 Budget	F&F	Faculty Governance Recommendations	Review	EPSL

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Academic Programs Update

Board Authority

The Board of Trustees may confer such honors and degrees as are usually given in colleges and universities and any other appropriate degrees and shall appoint a chancellor of the Corporation and a president for each institution under its control and prescribe their duties, salaries, and terms of office. The Board shall make bylaws and regulations for the government of its meetings and each institution under its control prescribing among other things, the terms of admission, courses of instruction, educational standards, rates of tuition, scholarships, and other student aids. **16 V.S.A. § 2171**

See presentation on Board Authority and Locating Responsibility 3-27-2021

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Faculty Governance Role

NECHE Accreditation Standard 3: Organization and Governance

"The institution places primary responsibility for the content, quality, and effectiveness of the curriculum with its faculty." (3.15)

VSC Full-time Faculty Contract, Article 19: Faculty Governance

"Recognizing the final determining authority of the President, matters of academic concern shall be initiated by the Faculty Assembly or by the President through the Faculty Assembly which shall consider the matter and respond within a reasonable time. Such matters shall include…the development, curtailment or reorganization of academic programs."

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Board Priorities for Programs (Fall 2020)

AFFORDABILITY: Cost and debt are not access barriers for students.

ACCESSIBILITY: Increased access to VSCS programs regardless of race/ethnicity, age, educational attainment of parents, prior educational experience, family status, or place of residence.

QUALITY: The ability of VSCS graduates to meet externally-recognized measures of achievement (i.e. licensure exam success rates) and their preparation to compete in the global workforce.

RELEVANCE: Development of degree paths that are relevant to student goals and expectations of value in a career.

See VSCS Strategic Priorities adopted October 16, 2020.

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Program Analysis Goals (Spring 2021, rpkGROUP)

1. Develop a framework for evaluating current academic programs within the VSCS portfolio;

2. Identify gaps in the VSCS's existing academic portfolio relative to the demands of Vermont's labor market;

3. Recommend an ideal portfolio of programs that meets the needs of Vermont students and the work force; and

4. Design action plans to help the VSCS implement the recommended academic portfolio.

See System Transformation Proposal approved by the Board, Feb. 22, 2021.

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Program Efficiency Opportunity
Increase average student credit hours per faculty FTE

Legend: FT FTE, PT FTE, OL FTE, SCH per FTE

Program	FT FTE	PT FTE	OL FTE	SCH per FTE
Health Professions	34	24	5	187
Engineering Technology	15	7	5	191
Education	16	10	3	229
Professional Programs	7	4	3	237
Agriculture, Plant and Animal Sciences	5	2	2	240
Fine and Performing Arts	27	24	4	251
Computer Information Systems	6	1	2	259
Ski Resort Management/Outdoor Education and Adventure	4	1	1	277
Communications/Journalism	6	3	2	300
Athletic Training, Exercise and Health Sciences	12	8	3	309
Math, Environmental Science, and Physical Science	46	26	10	321
Counseling and Psychology	13	19	3	324
Social Sciences	14	4	3	378
Humanities	34	27	5	382
Business/Accounting	17	16	6	402

Summer 2021 Optimization Goal and Charges

From the Board: Work with faculty to develop a plan for program optimization and to report back to EPSL at its August meeting with an evaluation of that work and decisions on the program investment and elimination recommendations made by rpk GROUP. See May 24, 2021 presentation to EPSL and June 16, 2021 Board Meeting Minutes

From the CAOs: Develop comprehensive first draft of an **aligned** and **streamlined** academic portfolio for the new combined institution that prioritizes **student success, statewide access,** and **financial sustainability**.

✓**Singular programs** from multiple, similar programs

✓**Shared curriculum** across programs and locations

✓**Expanded access** through delivery modality changes

✓**Meaningful work** opportunities (service, internships) incorporated into programs

100+ quality programs from 250+ original programs and concentrations

Nursing & Health Professions

8 programs
(1 graduate)

Business & Accounting

7 programs
(1 graduate)

Athletic Training, Exercise & Health Sciences

6 programs
(1 graduate)

Communica-tions & Journalism

2 programs

Counseling & Psychology

8 programs
(2 graduate)

Education

4 programs
(1 graduate)

Engineering

12 programs

Humanities

5 programs

Math & Sciences

17 programs
(1 graduate)

Professional Programs

5 Programs

Outdoor Ed & Leadership

1 Program

Social Sciences

7 programs

Graphic Design, Fine & Performing Arts

13 programs

Agriculture, Plant & Animal Sciences

5 programs

Preliminary Evaluation

August 2021: Consensus determination by CAOs:

Does the optimization proposal meet the goals and charges?

46 Programs Yes, optimized program fully meets the goals and charges and should move ahead.

39 Programs Review and refine proposal. 13 now moved to green

16 Programs Significant additional work and review. 2 to yellow

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Stage-Gates for Academic Program Array

Gate   Gate   Gate   Launch

Discovery → Design → Development → Launch → Review
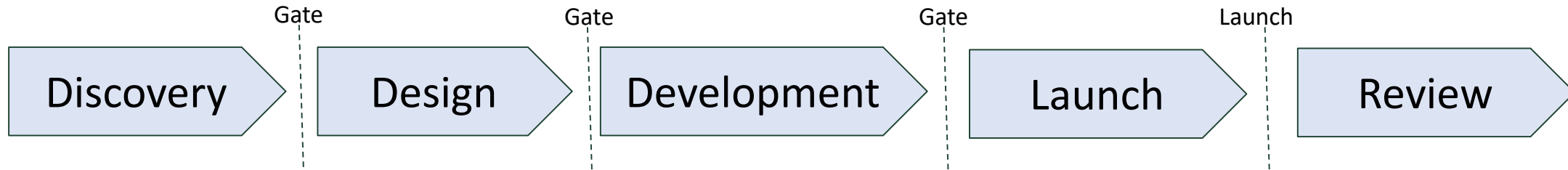
Discovery (through Oct 2021) includes:

- rpk GROUP analysis
- Program optimization proposals
- Delivery modalities and locations
- Mission alignment evaluation
- Financial sustainability evaluation

Design (through May 2022) will include:

- Revisions and final review of proposed programs via faculty governance process.
- Delivery modality definition at program level.

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Mission and Financial Sustainability Review

"No margin, no mission"

Priorities: Does the balance of programs in the array reflect the priorities of the mission, *including the ability to continuously advance those priorities*?

Scope: Does the array provide *maximum sustainable breadth* in alignment with mission?

Additional Board Considerations

In achieving financial sustainability, we will need to balance our priority on statewide access regardless of modality.

The nature of campus experiences will likely evolve as programs include increasing proportions of flexible remote learning.

Some programs are embedded in existing mission or history but may not be independently sustainable in the array.

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Board Role in Next Steps

October 15, 2021 EPSL meeting: review proposed program array

- all programs meeting optimization goals and reviewed for mission alignment and financial sustainability

- all other programs with projected timeline and next steps (continued optimization work, additional review, potential closure).

May 23, 2022 EPSL meeting: review status of faculty governance recommendations on proposed program array

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NCE Vision & Mission Update

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Creating the NCE Vision and Mission

The work of transformation needs answers to these questions:

- What are we creating?
- What kind of institution does the NCE aspire to be?
- What are the institution's purposes?

Creating the NCE Vision and Mission

Standard One
Mission and Purposes

The institution's mission and purposes are appropriate to higher education, consistent with its charter or other operating authority, and implemented in a manner that complies with the Standards of the New England Commission of Higher Education. The institution's mission gives direction to its activities and provides a basis for the assessment and enhancement of the institution's effectiveness.

1.1   The mission of the institution defines its distinctive character, addresses the needs of society, identifies the students the institution seeks to serve, and reflects both the institution's traditions and its vision for the future. The institution's mission provides the basis upon which the institution identifies its priorities, plans its future, and evaluates its endeavors; it provides a basis for the evaluation of the institution against the Commission's Standards.

1.2   The institution's mission statement is formally adopted by the governing board and appears in appropriate printed and digital institutional publications.

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Vision

- What kind of an institution are we creating?
- What kind of institution does the NCE aspire to be?

Mission

- Authentic expression of what's important about the institution
- A statement of what you do and why you do it – why does the institution exist?

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Key Words, Phrases, and Concepts
that will be used to craft Vision and Mission Statements

Transformative Student Experience

- Committed to the success of every student
- interactions and relationships with students
- Developing the whole person
- Life-long learning
- Ethos of diversity, equity, and inclusion
- Career ready
- Creating aspiring leaders

Academic Programs

- Globally relevant program array focused on student success and the needs and issues facing our Vermont communities
- Applied learning in Vermont communities and beyond
- Diverse portfolio of relevant, high-quality programs that include advanced technology, professional, and liberal arts
- Grounding in the liberal arts – transferrable skills
- Multi-modal program delivery
- Stackable credentials of value

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Key Words, Phrases, and Concepts
that will be used to craft Vision and Mission Statements

Institution

- Regional, geographically distributed, public university
- Embracing a public engagement mission* with Vermont communities
- Vermont is my campus/Vermont is our living laboratory
- Partnerships
- Access, affordable

*The publicly engaged institution is fully committed to direct, two-way interaction with communities and other external constituencies through the development, exchange, and application of knowledge, information, and expertise for mutual benefit. See AASCU Task Force Publication for more details.

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Next Steps

- Collecting additional feedback:
    - Faculty across the system
    - Transformation Listening Tour Town Halls
    - Vision Point Survey

- A cross-institutional working group will synthesize current thinking and additional feedback and begin crafting vision and mission statements

- Presentation to the Board at 25 October, 2021 meeting

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Financial Update

September 20, 2021

"Balancing an approved budget is an important [and] noteworthy achievement.

Yet a balanced budget is not necessarily a sign that all is financially well*. A budget may underfund depreciation, for example. This strategy can be useful to bridge a short-term budget gap, but chronic underfunding leads to an inevitable and sometimes unrecoverable increase in deferred maintenance, an issue now requiring VSCS attention.*

*Also, a budget that just breaks even may not have included investment funds to update programs, improve classroom technologies, etc. **Any institution that foregoes investing puts itself at a significant competitive disadvantage**."*

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Accountability Matrix: Financial Measures

- Financial Accountability Goals:
  - Assess financial health
  - Current and future capacity of organization
  - Understand trend
  - Sufficiency of Resources
  - Living within our means

- Four key ratios combined into a single index

Resources
Primary Reserve

Operating Results
Net Operating Revenue

Composite Financial Index

Asset Performance
Return on Net Assets

Debt Management
Viability
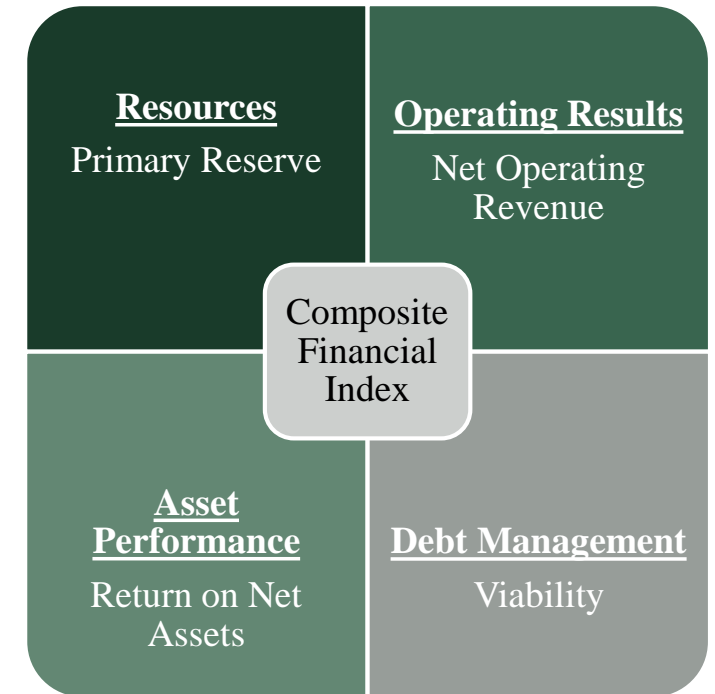
Primary Reserve Ratio

Preferred Metric	Calculation	Measures
.40X or higher	**Expendable Net Assets** / Total Expenses	Financial Strength higher ratio is better

FY20	FY18	FY16	FY14	FY12
0.25	0.20	0.18	0.19	0.22

Resources
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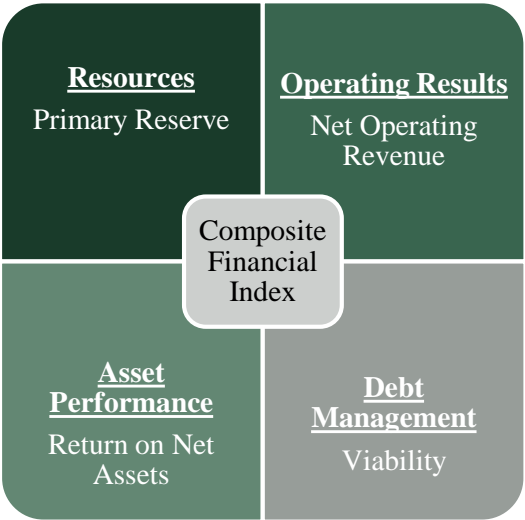
Net Operating Revenue Ratio

Preferred Metric	Calculation	Measures
2% to 4%	$$\frac{\text{Excess (deficiency) of unrestricted operating revenue}}{\text{Unrestricted operating expense}}$$ Total unrestricted operating income	Operating Performance Living within available resources

FY20	FY18	FY16	FY14	FY12
3.4%	-1.4%	-3.1%	-2.7%	-2.4%

Resources Primary Reserve

Operating Results Net Operating Revenue

Composite Financial Index

Asset Performance Return on Net Assets

Debt Management Viability

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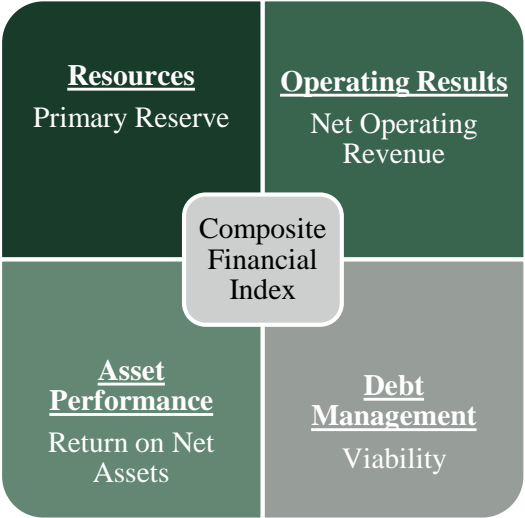
Return on Net Assets Ratio

Preferred Metric

3% to 4%

Calculation

$$\frac{\text{Change in Net Assets}}{\text{Total Net Assets}}$$

Measures

Total economic return
Living within Means

FY20	FY18	FY16	FY14	FY12
6.6%	-1.3%	-3.0%	-2.8%	7.5%

Resources
Primary Reserve

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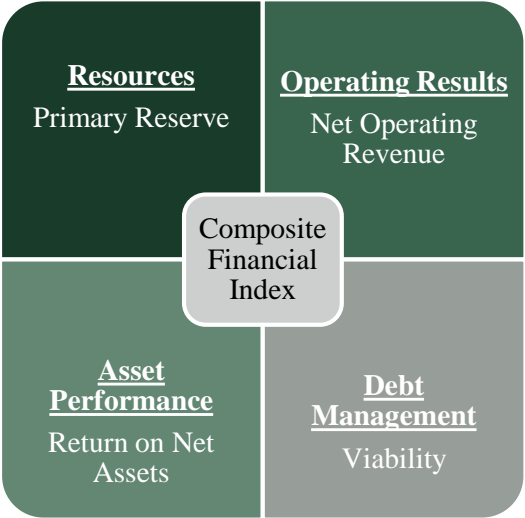
Viability Ratio

Preferred Metric	Calculation	Measures
1.25X to 2.0X	$$\frac{\text{Expendable net assets}}{\text{Long-term debt}}$$	Availability of net assets to cover debt

FY20	FY18	FY16	FY14	FY12
0.38	0.31	0.28	0.28	0.30

Resources
Primary Reserve

Operating Results
Net Operating Revenue

Composite Financial Index

Asset Performance
Return on Net Assets

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Viability

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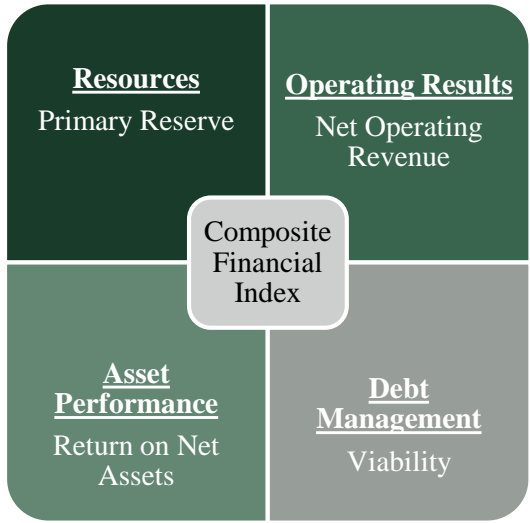
FY2020 Composite Financial Index (CFI)

FY2020 Financial Ratios	VSCS Value	Strength Factor	Weighting Factor	Weighted Score
Primary Reserve	0.25	1.86	0.35	0.65
Net Operating Revenue	0.03	4.88	0.10	0.49
Viability Ratio	0.38	0.92	0.35	0.32
Return on Net Position	0.07	3.29	0.20	0.66
			Composite Financial Index	2.12

One overall measurement of financial health based on the four core ratios

Profile of Financial Strength Factors
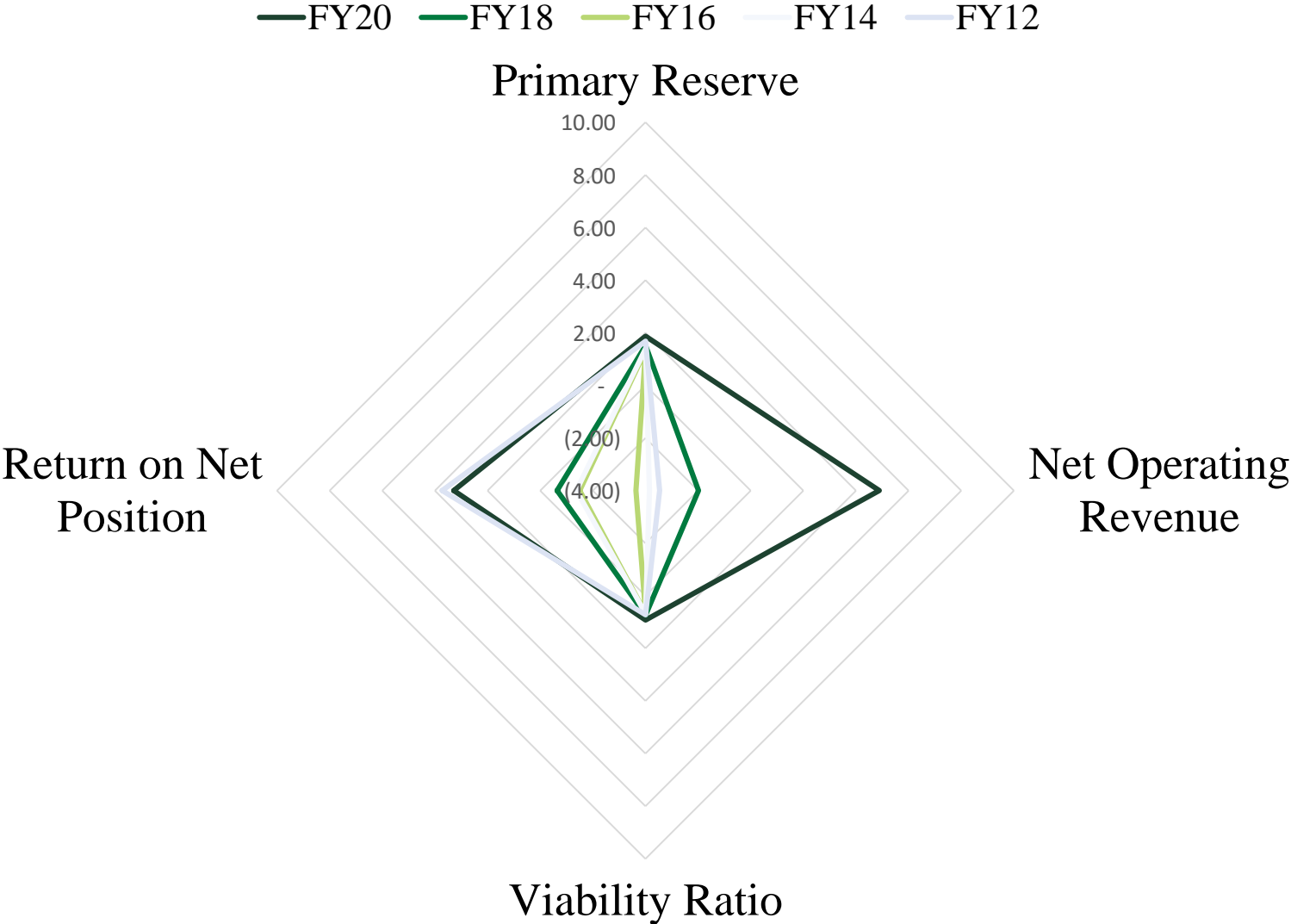
Composite Financial Index Scale

FY20	FY18	FY16	FY14	FY12
2.12	0.46	(0.04)	0.07	1.24

We are here

-1 to 1	Assess viability to survive
0 to 3	Reengineer
3 to 5	Direct resources to allow transformation
5 to 7	Focus resources to compete in future
7 to 9	Opportunities to experiment with new initiatives
8 to 10	Deploy resources to achieve robust mission

Composite Financial Index 2012-2020

2.50
2.00
1.50
1.00
0.50
-
(0.50)

FY20 FY18 FY16 FY14 FY12

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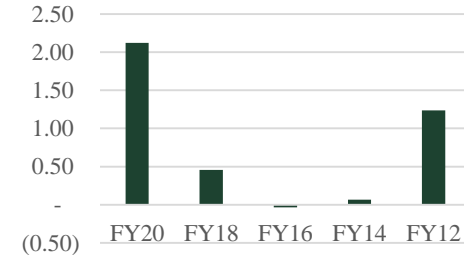
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Strategic Financial Plan – Simplified Format

	Quality	Qty	Utilization	Costs – Unit Cost	Costs – Total Cost		Revenues – Total Revenue	Revenues – Revenue Sources

Assets
    Personnel (FT)
    Facilities
    Equipment
    Library Collections
    Financial Reserves
    Program Updates
								Student Tuition
								
								Student Fees
								
								State Budget Appropriations
								
								Govt. Grants
								
								Private Gifts
								
								Endowment
								
								Sales & Services
								
								Other Revenues
								
								Reserves

Consumables
    Personnel (PT)
    Services
    Supplies
    Utilities								

Annual Contingency								
New Initiatives								
Total						=		

Source: NCHEMS

FY2019 Actual Values	Unrestricted Costs		Unrestricted Revenues	
Category	Unit Cost	Total Cost	Total Revenue	Revenue Sources
Assets			101,218,723	Student Tuition
FT Personnel	9,092	83,727,162	11,875,215	Student Fees
Facilities	217	2,000,000	24,125,665	Room & Board
Equipment	97	894,401	29,287,990	General Fund Appropriation
Library Collections	56	513,816	2,000,000	Capital Appropriation
Financial Reserves	2	22,375	208,318	Govt. Grants / Contracts
Program Updates	-	-	1,560,931	Private Gifts
Consumables			4,534,774	Sales & Services
PT Personnel	2,496	22,983,052	637,314	Interest Income
Leased Facilities	321	2,955,412	2,176,997	Other Revenues
Institutional Aid	1,882	17,332,769		Reserves (use of)
Services	1,259	11,592,266		
Supplies, Travel, Transfers	1,630	15,010,688		
Utilities	735	6,772,007		
Long Term Debt	890	8,191,886		
Annual Contingency	-	-		
New Initiatives	-	-		
Total		171,995,833 <	177,625,927	

FY2019
Expenses: $18.7K
Revenues: $19.3K
per student FTE

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Planning Factors

Category	Basis	Planning Factor
Facilities	Owned Property Value	2%
IT Equipment	Asset Value	14% - 7 Year Schedule
Other Equipment	Asset Value	5% - 10% - By Asset Type
Libraries	Asset Value	5%
Board Required Reserve	Budgeted Unrestricted Expenses	25% - 10 year phase-in
Strategic Reserve	Budgeted Unrestricted Expenses	5% - 25% - 10 year phase-in
Program Updates	# of Programs	$100K per program – 10 Year Cycle
Annual Contingency	Budgeted Unrestricted Expenses	2%
New Initiatives	Budgeted Unrestricted Expenses	1%

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| | FY19 Actual | | FY19 Grossed Up | | Variance | |
Category	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost
Assets						
FT Personnel	9,092	83,727,162	9,092	83,727,162	-	-
Facilities	217	2,000,000	1,000	9,204,733	782	7,204,733
Equipment	97	894,401	570	5,249,171	473	4,354,770
Library Collections	56	513,816	83	766,362	27	252,545
Financial Reserves	2	22,375	844	7,773,515	842	7,751,140
Program Updates	-	-	271	2,500,000	271	2,500,000
Consumables						
PT Personnel	2,496	22,983,052	2,496	22,983,052	-	-
Leased Facilities	321	2,955,412	321	2,955,412	-	-
Institutional Aid	1,882	17,332,769	1,882	17,332,769	-	-
Services	1,259	11,592,266	1,259	11,592,266	-	-
Supplies, Travel, Transfers	1,630	15,010,688	1,630	15,010,688	-	-
Utilities	735	6,772,007	735	6,772,007	-	-
Long Term Debt	890	8,191,886	890	8,191,886	-	-
Annual Contingency	-	-	377	3,467,475	377	3,467,475
New Initiatives	-	-	188	1,733,738	188	1,733,738
Total	18,677	171,995,833	21,638	199,260,234	2,961	27,264,401

1

2

4

3

5

Source: NCHEMS

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Personnel Expenses

Wages & Benefits	EE Headcount	Student FTE Per EE Type	Cost Per Student FTE	Total Cost
Full-Time + Retirees	925	9.76	9,092	83,727,162
Part-Time	1,153	7.83	2,496	22,983,052
	2,078		11,588	106,710,213

Quality Factors	Utilization Factors
Establish Standard Operating Procedures	Increase Average Class Size
Professional Development	Increase Staff Productivity
Productivity Metrics	Increase Student FTE
Hiring Criteria	Decrease Headcount

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Capital Expenditures

Capital Expenditures	Asset Value	Square Footage	Cost Per Square Foot	Cost Per Student FTE	Total Cost
Facilities	460,016,651	2,345,808	3.92	1,000	9,204,733
IT Equipment	18,866,356	-	-	293	2,695,422
Other Equipment	25,164,684	-	-	277	2,553,749
				1,570	14,453,904

Quality Factors	Utilization Factors
Shorten or Lengthen Replacement Cycle	Decrease square footage
Purchase Higher Quality Products	Decrease equipment volume
Design for Longevity	Increase Student FTE
Implement Preventative Maintenance	Share Assets across System

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Financial Reserves

Financial Reserves	FY19 Value	FY19 Percent	FY19 Days on Hand	Recommended	Recommended Days on Hand	10 Year Phase In
Board Required Reserve	4,400,000	2.2%	8.06	44,000,000	81	4,400,000
Strategic Reserve	7,400,000	3.7%	13.56	8,800,000	16	880,000

Quality Factors	Utilization Factors
Ready reserves for emergencies	Duration of Phase-In
Weather unknown issues such pandemic	Size of Reserve / Number of Days on Hand

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Program Updates / Refreshes

Periodic Updates	Number of Programs	Cost Per Program	Cost Per Student FTE	Total Cost
Programs	250	100,000	271	2,500,000

Quality Factors	Utilization Factors
Extent of Update	Frequency of Updates
Curricular or Course Updates	Number of Programs in the Array
Availability of Expert Resources	Program Assessment Process

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Annual Operations & New Initiatives

Annual Operations	Cost Per Student FTE	Total Cost
Annual Operating Contingency	377	3,467,475
New Initiatives	188	1,733,738

Quality Factors	Utilization Factors
Invest in New Offerings	Adjust Target Size
Expand into New Markets	Phase-In Period
Accommodate Market Changes	Set Initiative Targets

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Additional Board Consideration

- Number and quality of facilities
- Currency of technology
- Size of reserves
- Frequency and extent of program refreshes
- Funding for new initiatives
- Impact of finances on programmatic decisions

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FY22 Budget: Multi-Year Budget Estimate

	FY2022 Budget	FY20223E 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)	(13,003)	(7,141)	(2,308)	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	-	2,449	3,497	2,859	2,692	2,234
Unrestricted Use of CRF	(3,826)	-	-	-	-	-
Net Revenue without Use of CRF	(3,826)	2,449	3,497	2,859	2,692	2,234

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	FY2022 Budget	FY20223E 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)	(13,003)	(7,141)	(2,308)	2,234

- Revenue Assumptions
  - Tuition, Fees, Room & Board remain flat
  - Volume of students does not change
  - State appropriation increases according to *Select Committee* schedule

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	FY2022 Budget	FY20223E Budget	FY2024E Budget	FY2025E Budget	FY2026E Budget	FY2027E Budget
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Total Expenses (all sources)	(179,686)	(178,908)	(174,460)	(171,098)	(166,265)	(161,723)
Net Revenue/(Deficit)	(6,293)	(22,451)	(13,003)	(7,141)	(2,308)	2,234

- Expense Assumptions
  - Waterfall reduction
  - Inflationary increases for salaries, benefits, utilities, services, supplies
  - Then reduced by $5 million annually
  - Will need to be adjusted for Strategic Plan Investments

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	FY2022 Budget	FY20223E Budget	FY2024E Budget	FY2025E Budget	FY2026E Budget	FY2027E Budget
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	-

- One-Time Funding Sources
  - Anticipating $10M carry over from HEERF III from FY2022
  - Additional bridge funding for next four years

- Balanced budget without Bridge in FY2027

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Anticipated Savings Reductions

- Program Array (i.e. reductions needed for facilities, refresh, etc.)
- Increased Average Class Size
- Operational Efficiencies
- Right-sizing campus square footage
- Senior Leadership Organizational Restructuring
- Economies of Scale / Greater Purchasing Power

10 Year Facilities Plan

Underway	Planned
Deferred Maintenance Study	Gordian Site Visits
Return on Physical Assets Study	Facilities Planning Team Discovery
Space Utilization Study	F&F Review of Gordian work products
Facilities Planning Team	F&F Approval of 10 Year Work Plan

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What's Next for Finance and Facilities

October	December	April	May
Financial Health Measures	Strategic Plan Reserve Discussion	FY24 NCE Tuition Setting Discussion	Approve FY23 Budget
Tuition Discounting Update (prior year)	Approve Capital Equipment Policy Modifications	Approve FY23 VSCS Tuition and Fees	
External Audit	Review space use and return on assets studies		
Strategic Plan Capital Equipment Discussion	Approve Facilities Plan		

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