

2nd Quarter Forecast

February 7, 2022

For the benefit of Vermont

Revenues 10.2% favorable
Expenses 1% unfavorable

2ND QUARTER FORECAST

TOTAL REVENUES

TOTAL EXPENSES

NET REVENUES/(DEFICIT)

Projected FY22	Budget FY22	Proj vs. Bud Fav / (Unfav)
191,010	173,393	17,617
181,333	179,686	(1,647)
-	-	-
9,677	(6,293)	15,970

Unrestricted use of CRF¹

Net Revenue without use of CRF

(3,735)

(3,826)

(91)

5,942

(10,119)

16,061

Student Revenue
10% > Budget

2ND QUARTER FORECAST

REVENUES

	Projected FY22	Budget FY22	Proj vs. Bud Fav / (Unfav)
Tuition and Fees	103,658	95,462	8,196
State Appropriation	59,436	57,436	2,000
Room and Board	19,262	16,247	3,015
<i>CRF/HEERF: Room & Board</i>	2,650	-	2,650
Net Room and Board	21,912	16,247	5,665
Sales and Services	4,095	2,584	1,511
Gifts	1,175	825	350
Other Revenue	734	839	(105)
TOTAL REVENUES	191,010	173,393	17,617

2ND QUARTER FORECAST

Projected FY22	Budget FY22	Proj vs. Bud Fav / (Unfav)
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REVENUES

Tuition and Fees	103,658	95,462	8,196
State Appropriation	59,436	57,436	2,000
Room and Board	19,262	16,247	3,015
<i>CRF/HEERF: Room & Board</i>	<i>2,650</i>	<i>-</i>	<i>2,650</i>
Net Room and Board	21,912	16,247	5,665
Sales and Services	4,095	2,584	1,511
Gifts	1,175	825	350
Other Revenue	734	839	(105)
TOTAL REVENUES	191,010	173,393	17,617

Other Revenues
41% > Budget

Salaries, Benefits
2.3% < Budget

2ND QUARTER FORECAST

EXPENSES

	Projected FY22	Budget FY22	Proj vs. Bud Fav / (Unfav)
Salaries and Benefits	108,730	111,287	2,557
<i>CRF/HEERF: Salaries</i>	(973)	-	973
Services, Supplies, Travel	38,114	38,705	591
<i>CRF: Services/Supplies/Travel</i>	(112)	-	112
Scholarships	21,812	18,086	(3,726)
Utilities	6,573	6,216	(357)
Other Expenses	14	10	(4)
Debt Service	12,577	12,575	(2)
Chancellor's Office	(2)	-	2
Other Transfers	(5,400)	(3,367)	2,033
<i>CRF: Other Transfers</i>	-	(3,826)	(3,826)
TOTAL EXPENSES	181,333	179,686	(1,647)
	-	-	-
NET REVENUES/(DEFICIT)	9,677	(6,293)	15,970

2ND QUARTER FORECAST

Projected FY22	Budget FY22	Proj vs. Bud Fav / (Unfav)
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EXPENSES

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TOTAL EXPENSES

181,333	179,686	(1,647)
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NET REVENUES/(DEFICIT)

9,677	(6,293)	15,970
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Scholarships
20.6% > Budget

2ND QUARTER FORECAST

EXPENSES

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Salaries and Benefits	108,730	111,287	2,557
<i>CRF/HEERF: Salaries</i>	<i>(973)</i>	<i>-</i>	<i>973</i>
Services, Supplies, Travel	38,114	38,705	591
<i>CRF: Services/Supplies/Travel</i>	<i>(112)</i>	<i>-</i>	<i>112</i>
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Other Transfers	(5,400)	(3,367)	2,033
<i>CRF: Other Transfers</i>	<i>-</i>	<i>(3,826)</i>	<i>(3,826)</i>
TOTAL EXPENSES	181,333	179,686	(1,647)
	-	-	-
NET REVENUES/(DEFICIT)	9,677	(6,293)	15,970

Timing Difference
Use of HEERF in 2021
instead of 2022

2ND QUARTER FORECAST

TOTAL REVENUES

TOTAL EXPENSES

NET REVENUES/(DEFICIT)

Projected FY22	Budget FY22	Proj vs. Bud Fav / (Unfav)
191,010	173,393	17,617
181,333	179,686	(1,647)
-	-	-
9,677	(6,293)	15,970



Improvement
since Q1 in
Revenue

Unrestricted use of CRF¹

Net Revenue without use of CRF

(3,735)	(3,826)	(91)
5,942	(10,119)	16,061

1st Pass Budget Review

February 7, 2022

For the benefit of Vermont

Act 74 Requirements

“VSC shall reduce its structural deficit by \$5,000,000 per year for five years through a combination of annual operating expense reductions and increased enrollment revenues, for a total of \$25,000,000.”

Multi-Year Budget Estimate balances the system-wide budget at end of FY2026

	FY2023E	FY2024E	FY2025E	FY2026E	FY2027E
TOTAL REVENUES	156,457	161,457	163,957	163,957	163,957
TOTAL EXPENSES	178,908	174,460	171,098	166,265	161,723
NET REVENUES/(DEFICIT)	(22,451)	(13,002)	(7,141)	(2,307)	2,234

Q2 FY2022 Performance is better than budgeted by \$9.7M (\$6M excluding one-time)

	FY2022 Budget	FY2022 Forecast	FY2023E 1st Pass	FY2023E Original
TOTAL REVENUES	173,393	191,010	165,628	156,457
TOTAL EXPENSES	179,686	181,333	189,745	178,908
NET REVENUES/(DEFICIT)	(6,293)	9,677	(24,638)	(22,451)

Net deficit variance between original and 1st pass budget is \$2.2M

	FY2022 Budget	FY2022 Forecast	FY2023E 1st Pass	FY2023E Original
TOTAL REVENUES	173,393	191,010	165,628	156,457
TOTAL EXPENSES	179,686	181,333	189,745	178,908
NET REVENUES/(DEFICIT)	(6,293)	9,677	(24,638)	(22,451)

Similar results; however, revenue is up \$9.2M and expenses are up \$10.8M

	FY2022 Budget	FY2022 Forecast	FY2023E 1st Pass	FY2023E Original
TOTAL REVENUES	173,393	191,010	165,628	156,457
TOTAL EXPENSES	179,686	181,333	189,745	178,908
NET REVENUES/(DEFICIT)	(6,293)	9,677	(24,638)	(22,451)

Rolling forward the 1st Pass Budget the VSC budget is not balanced in FY2027

	FY2023E 1st Pass	FY2024E 1st Pass	FY2025E 1st Pass	FY2026E 1st Pass	FY2027E 1st Pass
TOTAL REVENUES	165,628	170,628	173,128	173,128	173,128
TOTAL EXPENSES	189,745	178,955	180,069	179,691	179,581
NET REVENUES/(DEFICIT)	(24,638)	(8,327)	(6,941)	(6,563)	(6,453)

Two lines account for 72% of the increase relative to the Q2 FY2022 forecast

	FY2022 Budget	FY2022 Forecast	FY2023E 1st Pass	FY2023E Original
EXPENSES				
Net Salaries and Benefits	111,287	107,752	114,459	107,682
Net Services, Supplies, Travel	38,705	38,002	39,099	37,160
Scholarships	18,086	21,812	19,625	18,357
Utilities	6,216	6,573	7,582	6,488
Other Expenses	4,585	14	4,585	4,585
Debt Service	8,000	12,577	8,003	8,002
Chancellor's Office	-	(2)	(1)	-
Other Transfers	(3,367)	(5,400)	(3,607)	(3,367)
<i>CRF: Other Transfers</i>	<i>(3,826)</i>	<i>-</i>	<i>-</i>	<i>-</i>
TOTAL EXPENSES	179,686	181,333	189,745	178,908

Some expenses, without structural changes are beyond the control of the VSCS

	FY2022 Budget	FY2022 Forecast	FY2023E 1st Pass	FY2023E Original
EXPENSES				
Net Salaries and Benefits	111,287	107,752	114,459	107,682
Net Services, Supplies, Travel	38,705	38,002	39,099	37,160
Scholarships	18,086	21,812	19,625	18,357
Utilities	6,216	6,573	7,582	6,488
Other Expenses	4,585	14	4,585	4,585
Debt Service	8,000	12,577	8,003	8,002
Chancellor's Office	-	(2)	(1)	-
Other Transfers	(3,367)	(5,400)	(3,607)	(3,367)
<i>CRF: Other Transfers</i>	<i>(3,826)</i>	-	-	-
TOTAL EXPENSES	179,686	181,333	189,745	178,908

There is room to maneuver; however, ongoing costs must decrease to reduce the structural deficit

	FY2022 Budget	FY2022 Forecast	FY2023E 1st Pass	FY2023E Original
TOTAL REVENUES	173,393	191,010	165,628	156,457
TOTAL EXPENSES	179,686	181,333	189,745	178,908
NET REVENUES/(DEFICIT)	(6,293)	9,677	(24,638)	(22,451)

Our target is a balanced budget by the end of FY2026. The *underlying costs* must decrease

	FY2023E	FY2024E	FY2025E	FY2026E	FY2027E
TOTAL REVENUES	156,457	161,457	163,957	163,957	163,957
TOTAL EXPENSES	178,908	174,460	171,098	166,265	161,723
NET REVENUES/(DEFICIT)	(22,451)	(13,002)	(7,141)	(2,307)	2,234

While also addressing our underfunded capital infrastructure, technology, reserves, and important curricular work