

# Pass 1.5 Budget Review

March 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
<b>TOTAL REVENUES</b>	156,457	161,457	163,957	163,957	163,957
<b>TOTAL EXPENSES</b>	178,908	174,460	171,098	166,265	161,723
<b>NET REVENUES/(DEFICIT)</b>	(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	FY2023E		
	Forecast	1st Pass	Pass 1.5	Original
<b>TOTAL REVENUES</b>	191,010	165,628	166,106	156,457
<b>TOTAL EXPENSES</b>	181,333	189,745	185,761	178,908
<b>NET REVENUES/(DEFICIT)</b>	9,677	(24,117)	(19,655)	(22,451)

# \$4.5M variance to 1<sup>st</sup> Pass Budget

	FY2022	FY2023E		
	Forecast	1st Pass	Pass 1.5	Original
<b>TOTAL REVENUES</b>	191,010	165,628	166,106	156,457
<b>TOTAL EXPENSES</b>	181,333	189,745	185,761	178,908
<b>NET REVENUES/(DEFICIT)</b>	9,677	(24,117)	(19,655)	(22,451)

# \$478K increase in Room & Board

	FY2022	FY2023E		
	Forecast	1st Pass	Pass 1.5	Original
<b>TOTAL REVENUES</b>	191,010	165,628	166,106	156,457
<b>TOTAL EXPENSES</b>	181,333	189,745	185,761	178,908
<b>NET REVENUES/(DEFICIT)</b>	9,677	(24,117)	(19,655)	(22,451)

# \$3.98M decrease in expenses

	FY2022	FY2023E		
	Forecast	1st Pass	Pass 1.5	Original
<b>TOTAL REVENUES</b>	191,010	165,628	166,106	156,457
<b>TOTAL EXPENSES</b>	181,333	189,745	185,761	178,908
<b>NET REVENUES/(DEFICIT)</b>	9,677	(24,117)	(19,655)	(22,451)

# Two lines account for expense change – Personnel & Supplies, Service, Travel

<b>EXPENSES</b>	<b>FY2022</b>	<b>FY2023</b>		
	<b>Forecast</b>	<b>1st Pass</b>	<b>Pass 1.5</b>	<b>Original</b>
Salaries and Benefits	107,757	114,459	112,105	107,682
Services, Supplies, Travel	38,002	39,099	37,469	37,160
Scholarships	21,812	19,625	19,625	18,357
Utilities	6,573	7,582	7,582	6,488



# Net Deficit \$2.8M better than multi-year forecast for VSCS

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<b>TOTAL REVENUES</b>	191,010	165,628	166,106	156,457
<b>TOTAL EXPENSES</b>	181,333	189,745	185,761	178,908
<b>NET REVENUES/(DEFICIT)</b>	9,677	(24,117)	(19,655)	(22,451)

# Combined Structural Deficit – for Vermont State University (CU, NVU, VTC)

	FY22B	Q2 Forecast	1st Pass	Pass 1.5	\$	%
Total Revenues	96,690	106,297	102,189	102,668	5,978	6%
Total Expenses	153,842	151,110	159,896	155,912	2,070	1%
<b>NET REVENUE / (DEFICIT)</b>	<b>(57,152)</b>	<b>(44,813)</b>	<b>(57,707)</b>	<b>(53,244)</b>	<b>3,908</b>	<b>-7%</b>
State Appropriation	28,560	28,560	32,435	32,435	3,875	14%
HEERF / CRF / ARPA		3,730				
TOTAL APPROP / HEERF	28,560	32,290	32,435	32,435	3,875	14%
<b>NET DEFICIT</b>	<b>(28,592)</b>	<b>(12,523)</b>	<b>(25,272)</b>	<b>(20,809)</b>	<b>7,783</b>	<b>-27%</b>

# Vermont State University accounts for the entirety of the Pass 1.5 deficit

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Total Revenues	96,690	106,297	102,189	102,668	5,978	6%
Total Expenses	153,842	151,110	159,896	155,912	2,070	1%
<b>NET REVENUE / (DEFICIT)</b>	<b>(57,152)</b>	<b>(44,813)</b>	<b>(57,707)</b>	<b>(53,244)</b>	<b>3,908</b>	<b>-7%</b>
State Appropriation	28,560	28,560	32,435	32,435	3,875	14%
HEERF / CRF / ARPA		3,730				
<b>TOTAL APPROP / HEERF</b>	<b>28,560</b>	<b>32,290</b>	<b>32,435</b>	<b>32,435</b>	<b>3,875</b>	<b>14%</b>
<b>NET DEFICIT</b>	<b>(28,592)</b>	<b>(12,523)</b>	<b>(25,272)</b>	<b>(20,809)</b>	<b>7,783</b>	<b>-27%</b>

**Our target is a balanced budget by the end of FY2026 by reducing the *underlying costs*. Rolling forward, this budget achieves that goal**

	FY2023E	FY2024E	FY2025E	FY2026E	FY2027E
	Pass 1.5	Pass 1.5	Pass 1.5	Pass 1.5	Pass 1.5
<b>TOTAL REVENUES</b>	166,106	170,169	172,669	172,669	172,669
<b>TOTAL EXPENSES</b>	185,761	181,047	177,408	172,284	167,439
<b>NET REVENUES/(DEFICIT)</b>	(19,655)	(10,878)	(4,739)	385	5,230

However, it must also address our underfunded capital infrastructure, technology, reserves, and important curricular work

# Next Steps

- Continue refining budget estimates
- Reevaluate fuel pricing
- Identify capital infrastructure projects & develop proposals
- Capitalize on transformation activities

Pass 2 Budget

April 11

Pass 3 Budget

May 23