

MEMORANDUM

TO: VSCS Finance & Facilities Committee
David Silverman, Chair
Adam Grinold, Vice-Chair
Lynn Dickinson
Bill Lippert
Jim Masland
Shawn Tester
Sue Zeller

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

DATE: August 18, 2022

SUBJECT: Finance and Facilities Committee Meeting scheduled for August 22, 2022

The Finance and Facilities Committee of the VSC Board of Trustees is scheduled to meet at 1:00 p.m. on Monday, August 22, 2022. This meeting will be held via Zoom.

In addition to review and approval of the minutes of the May 23, 2022 meeting. The Committee has two items requiring action, and three items requiring review and discussion.

The first item up for action includes review and approval of the **Community College of Vermont's Correctional Post-Secondary Education Initiative**. This \$4.5 million grant requires review and approval by Finance and Facilities and the Board of Trustees.

The second action item is review and approval of the **transfer of ownership of a life insurance policy**. This action authorizes transfer of a small dollar life insurance policy from Northern Vermont University to the University of Vermont Foundation.

Third, the Committee will receive an update on FY2022 unaudited financial results as well as an early look at FY2023's budget.

Fourth, the committee will review and discuss Vermont State University's current design approach to establishing a consolidated approach to tuition for the University. The Committee's feedback will be used to inform the final tuition proposal that will come to the Board at the September retreat.

Lastly, the Business Planning team will share the project design for shared expense allocations. Your feedback will be used to inform management's shared expense policy recommendation in the coming weeks.

Should you have any questions regarding these materials please contact me at Sharron.Scott@yvc.edu or 802.224.3022.

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

Finance and Facilities Committee

August 22, 2022
1:00 p.m. via Zoom

AGENDA

1. Call to Order
2. Public Comment – signup for public comment at www.vsc.edu/signup
3. **Review & Approve:** Minutes of the May 23, 2022, Finance & Facilities Committee meeting.
4. **Review & Approve:** CCV Correctional Post-Secondary Education Initiative
5. **Review & Approve:** Life Insurance Policy Transfer
6. **Review & Discuss:** FY2022 unaudited financial results & FY2023 budget forecast
7. **Review and Discuss:** VTSU Tuition Setting Design Principles
8. **Review and Discuss:** Shared Expense Allocation Design
9. Other Business
10. Adjourn

Meeting Materials

- ITEM 1:** May 23, 2022 Finance and Facilities Minutes
- ITEM 2:** CCV Correctional Post-Secondary Education Initiative Grant Request
- ITEM 3:** Life Insurance Policy Transfer
- ITEM 4:** Unaudited FY2022 Financial Results and FY2023 Early Budget Look
- ITEM 5:** Vermont State University Tuition Setting
- ITEM 6:** Shared Expense Allocation Project Design

ITEM 1: May 23, 2022 Minutes

**Minutes of the VSCS Board of Trustees Finance and Facilities Committee meeting held
Monday, May 23, 2022 at 2:30 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, May 23, 2022 via Zoom.

Committee members present: David Silverman (Chair), Adam Grinold (Vice Chair), Lynn Dickinson, Bill Lippert, Jim Masland, Shawn Tester, Sue Zeller

Other Trustees present: Megan Cluver

Presidents: Parwinder Grewal, Joyce Judy, John Mills, Pat Moulton

Chancellor's Office Staff: Donny Bazluke, Network/Security Analyst
Kellie Campbell, Chief Information Officer
Wilson Garland, Director of Transformation Projects
Katherine Levasseur, Director of Government & External Affairs
Jen Porrier, Administrative Director
Sharron Scott, Chief Financial and Operating Officer
Toby Stewart, System Controller
Patty Turley, General Counsel
Meg Walz, Director, Project Management
Sophie Zdatny, Chancellor
Yasmine Ziesler, Chief Academic Officer

From the Colleges: Roy Brock, Dean of Administration & Finance, Northern Vermont University
Sarah Chambers, Coordinator of Instructional Technology, Castleton University
Karen Madden, Director of Academic Services, Northern Vermont University
Andy Pallito, Dean of Administration, Community College of Vermont
David Rubin, Dean of Administration, Vermont Technical College
Dannielle Spring, Chief Budget & Finance Officer, Northern Vermont University
David Tabaruka, Controller, Community College of Vermont

From the Public: Tom Beraldi, Maguire Associates
Tim Lyon, Maguire Associates
Seke Mkhabela, Maguire Associates

1. Chair Silverman called the meeting to order at 2:30 p.m.
2. Approve April 11, 2022 Meeting Minutes

Trustee Zeller moved and Trustee Masland seconded the motion to approve the minutes of April 11, 2022. The motion was approved unanimously.

3. Review and Approve: Annual Banking and Investment Resolution

Chair Silverman explained that this standard annual resolution allows the VSC managers to conduct the banking and investing on behalf of the system.

Trustee Masland moved and Trustee Tester seconded the motion to approve Resolution 2022-012 Banking and Investment. The motion was approved unanimously.

4. Review and Discuss: FY2022 Q3 Forecast

Chief Finance and Operating Officer Sharron Scott provided a brief overview of the 3rd Quarter Forecast, that can be found [here](#) on pages 14-24. Overall net performance is better than budgeted with improvements on both revenues and expenses, excluding one-time funding sources.

5. Review and Approve: FY2023 Operating Budgets, Metrics and Proposed CapEx projects

Chair Silverman shared that this is the final version of the FY2023 budget, which is the culmination of nearly six months of work by each institution and the system. The result is a budget that meets the target savings objective set forth by the legislature in Act 74 to reduce the structural deficit by \$5 million a year through a combination of expense reduction and revenue increases. Additionally, the budget meets the target savings objective of \$6M set forth by this Committee at its February 7th meeting. CFOO Scott presented the final budget which can be found [here](#) on pages 26-33.

Trustee Masland moved and Trustee Grinold seconded the motion to recommend to the board the approval of Resolution 2022-013 FY2023 Vermont State Colleges System Annual Operating Budget. The motion was approved unanimously.

6. Review and Discuss: Business Planning Design Principles

Chair Silverman invited CFOO Scott to share the design principles that a business planning team, comprised of representatives of the Business Affairs Council, faculty, and staff, has identified to complete transformation discovery. The outline from the Business Planning & Administration Sub-Team can be found [here](#) on pages 46-51. CFOO Scott spent time explaining four deliverables: a multi-level strategic financial plan, planning budgeting and measurement, state appropriation allocation, and shared revenue, shared expenses and shared services allocations.

7. Other Business

There was no other business.

8. Public Comment

There was no public comment

Executive Session:

At 3:56 p.m. Chair Silverman moved that the Finance and Facilities Committee enter executive session pursuant to 1 V.S.A. § 313(a)(6) to discuss a record which is exempt under Section 317(9) of the Vermont Public Records Act, because premature general public knowledge would clearly place the public body involved at a substantial disadvantage. Along with the members of the Board present at this meeting, the Committee invited the Chancellor, General Counsel, CFOO, Director of Transformation Projects, the Dean of Enrollment for Castleton University and representatives from Maguire Associates to attend the executive session. Trustee Masland seconded the motion and it was approved unanimously. At the trustees' request, Dr. Parwinder Grewal was also invited into the executive session.

The committee exited exec session at 4:53 p.m. and took no action.

Vice Chair Grinold adjourned the meeting at 4:54 p.m.

**ITEM 2: CCV Correctional Post-Secondary Education
Initiative Grant Request**

Solicitation Title

2022 BJA FY 22 Invited to Apply — Byrne Discretionary
Community Project Funding/Byrne Discretionary Grants
Program

Awarding Agency

OJP

Program Office

BJA

Application Number

GRANT13603284

Grant Manager Name	Phone Number	E-mail Address
Geislia Barnes	202-598-7368	Geislia.Barnes@usdoj.gov

Project Title

Correctional Post-Secondary Education Initiative

Performance Period Start Date

09/01/2022

Performance Period End Date

08/31/2025

Budget Period Start Date

09/01/2022

Budget Period End Date

08/31/2025

Project Description

In 2016, Community College of Vermont (CCV) partnered with Vermont Department of Corrections (VDOC) to explore scope for collaboration. CCV and VDOC have a shared goal to provide VDOC's staff and Vermont's incarcerated population greater access to a college education. In 2017, CCV and VDOC launched a small pilot, offering 12 community college classes to over 100 students in Vermont's Northern State Correctional Facility. The Corrections Post-Secondary Education Initiative

(CPSEI) project seeks to build on the lessons learned as a result of the CCV/VDOC pilot. CPSEI has two primary goals:

- 1) expand access of post-secondary education to persons incarcerated in Vermont's six correctional facilities;
- 2) open access to college programs to VDOC personnel, with the goal of addressing employee recruitment and retention issues, meeting training needs, and forming pipelines for employee advancement.

The proposed Corrections Post-Secondary Education Initiative project provides funding for CCV to assess VDOC needs and programmatic priorities; conduct targeted outreach and recruitment; provide personalized academic and financial aid advising; offer specialized, contracted courses that align with learners' interests and unique needs; fund tuition and supplies for project participants; and deliver learning supports that support college persistence and successful course completion. Additionally, the funding allows for the critically important and deliberate process of relationship-building necessary to identify the best programmatic options for these students and to address the barriers particular to each Vermont prison facility and VDOC staff.

The Corrections Post-Secondary Education Initiative is a three-year project that will ultimately engage 150 VDOC personnel and 600 persons incarcerated in Vermont's correctional facilities.

Project Budget:				
Provider:				
Program:				
Budget Period: September 1, 2022 through September 30, 2025				
I. REVENUE:	YEAR 1	YEAR 2	YEAR 3	Total
Funding	1,570,199.05	1,401,879.20	1,527,921.74	4,500,000.00
TOTAL REVENUE	1,570,199.05	1,401,879.20	1,527,921.74	4,500,000.00
II. EXPENSES:				
A. PERSONNEL:				
Salaries	291,668.68	290,509.49	300,396.78	882,574.95
Fringe Benefits	201,589.20	203,670.21	213,622.28	618,881.69
TOTAL	493,257.88	494,179.70	514,019.06	1,501,456.64
B. OPERATING EXPENSES DIRECTLY RELATED TO FUNDED ACTIVITIES				
B.1. Travel				
Mileage reimbursement	9,360.00	9,360.00	9,360.00	28,080.00
Subtotal	9,360.00	9,360.00	9,360.00	28,080.00
B.2. Supplies				
Textbooks and Education Supplies	30,000.00	35,000.00	55,000.00	120,000.00
Subtotal	30,000.00	35,000.00	55,000.00	120,000.00
B.3. Construction				
				-
Subtotal	-	-	-	-
B.4. SubAwards Contracts				
Correction Position #1	90,000.00	94,500.00	99,225.00	283,725.00
Correction Position #2	90,000.00	94,500.00	99,225.00	283,725.00
Indirect allocation @30%	54,000.00	56,700.00	59,535.00	170,235.00
Subtotal	234,000.00	245,700.00	257,985.00	737,685.00
B.5. Procurement Contracts				
Laptops for Program Staff	17,493.34			17,493.34
Mobile Video Technology Classroom Units/Maintenance	300,000.00	100,000.00	100,000.00	500,000.00
Subtotal	317,493.34	100,000.00	100,000.00	517,493.34
B.6. Other Direct Cost				
B.6.1. Curriculum Development				
PLA Assessment of VT Corrections Academy	10,000.00			10,000.00
Flex Class Development and Maintenance	66,200.00	35,304.00	30,000.00	131,504.00
Coaching Training for CSAs	10,000.00	10,000.00	10,000.00	30,000.00
Subtotal	86,200.00	45,304.00	40,000.00	171,504.00
B.6.2. Course Offerings				
Contracted Courses, DoC Staff	40,960.00	76,040.00	76,040.00	193,040.00
Contracted Courses, Incarcerated Students	101,760.00	115,800.00	154,400.00	371,960.00
Tuition (gap after Pell, state tuition benefits)	50,000.00	80,000.00	114,887.55	244,887.55
Subtotal	192,720.00	271,840.00	345,327.55	809,887.55
B.6.3. Marketing				
Promo Materials	38,000.00	32,000.00	32,000.00	102,000.00
Subtotal	38,000.00	32,000.00	32,000.00	102,000.00
Other Direct Cost Subtotal	316,920.00	349,144.00	417,327.55	1,083,391.55
OPERATING EXPENSES (B.1. to B.6.)	907,773.34	739,204.00	839,672.55	2,486,649.89
TOTAL DIRECT EXPENSES (A. & B.)	1,401,031.22	1,233,383.70	1,353,691.61	3,988,106.53
C. ADMINISTRATIVE EXPENSES				
Indirect Program Cost Allocations [58% of Salary]	169,167.83	168,495.50	174,230.13	511,893.47
D. TOTAL EXPENSES (Total of A, B and C)	1,570,199.05	1,401,879.20	1,527,921.74	4,500,000.00

CCV STAFF SALARY YEAR 1 [10/1/2022 - 9/30/2023]

Name	Position	GRANT %	pp sal	pp ben	SALARY	FICA	TIAA	Ben	Opt Out	TUFT	BENEFITS	TOTAL SALARY
					SALARY	FICA	TIAA	Ben	Opt Out	TUFT		
FY2023												
TBH	Program Director	100%	20.50	20.50	50,461.57	3,860.36	4,667.69	24,480.93	0.00	0.00	33,008.98	83,470.55
TBH	Associate Program Director	100%	20.50	20.50	39,423.14	3,015.96	3,784.62	25,525.75	0.00	0.00	32,326.33	71,749.47
TBH	Data Analyst (.5 FTE)	50%	20.50	20.50	15,826.00	1,210.73	1,581.46	13,021.26	0.00	0.00	15,813.45	31,639.45
TBH	CSA/FAC (.70)	70%	20.50	20.50	27,596.20	2,111.17	2,649.23	17,868.02	0.00	0.00	22,628.42	50,224.62
TBH	CSA/FAC (.70)	70%	20.50	20.50	27,596.20	2,111.17	2,649.23	17,868.02	0.00	0.00	22,628.42	50,224.62
TBH	CSA/PLA Specialist (.70)	70%	20.50	20.50	27,596.20	2,111.17	2,649.23	17,868.02	0.00	0.00	22,628.42	50,224.62
TBH	Peer Mentor	50%	20.50	20.50	10,455.00	799.81	0.00	0.00	0.00	0.00	799.81	11,254.81
TBH	Peer Mentor	50%	20.50	20.50	10,455.00	799.81	0.00	0.00	0.00	0.00	799.81	11,254.81
TBH	Peer Mentor	50%	20.50	20.50	10,455.00	799.81	0.00	0.00	0.00	0.00	799.81	11,254.81
FY2024												
TBH	Program Director	100%	6.50	6.50	16,479.97	1,260.74	1,518.40	8,147.57	0.00	0.00	10,926.71	27,406.68
TBH	Associate Program Director	100%	6.50	6.50	12,875.01	984.95	1,230.00	8,495.59	0.00	0.00	10,710.54	23,585.55
TBH	Data Analyst (.5 FTE)	50%	6.50	6.50	5,168.54	395.40	513.48	4,333.88	0.00	0.00	5,242.76	10,411.30
TBH	CSA/FAC (.70)	70%	6.50	6.50	9,012.50	689.46	861.00	5,946.92	0.00	0.00	7,497.38	16,509.88
TBH	CSA/FAC (.70)	70%	6.50	6.50	9,012.50	689.46	861.00	5,946.92	0.00	0.00	7,497.38	16,509.88
TBH	CSA/PLA Specialist (.70)	70%	6.50	6.50	9,012.50	689.46	861.00	5,946.92	0.00	0.00	7,497.38	16,509.88
TBH	Peer Mentor	50%	6.50	6.50	3,414.45	261.20	0.00	0.00	0.00	0.00	261.20	3,675.65
TBH	Peer Mentor	50%	6.50	6.50	3,414.45	261.20	0.00	0.00	0.00	0.00	261.20	3,675.65
TBH	Peer Mentor	50%	6.50	6.50	3,414.45	261.20	0.00	0.00	0.00	0.00	261.20	3,675.65

FORM C: INFORMATION ABOUT THE AWARD

Principal Investigator/Project Initiator (PI)	Heather Weinstein
E-mail Address	heather.weinstein@ccv.edu
Will anybody besides the PI listed above manage the day-to-day grant activities?	Yes
Name of the grant manager (if different from PI)	TBD. CCV will hire a project manager to manage the grant and grant activities.
Email of grant manager (if different from PI)	tbd ***The form is forcing me to check one of the applicable grand fund activities, but the grant is not related to any listed.
Institution	Community College of Vermont
If applicable, please indicate if this grant will fund activities in one of these programs:	VCPI (NVU)
I am:	Staff
Title of Proposal	Correctional Post-Secondary Education Initiative
What type of funding is this?	Federal
Name of Primary Funder	Department of Justice, OJP - Program Office BJA
Is this funding passed through from another source than the funder above? (Example: a state agency passing through federal funds.)	No
CFDA Number	15PBJA-22-GG-00193-BRND
Project Start Date	09/01/22
End Date	08/30/25
List how you'd like this grant titled on the general ledger (limit of 25 characters).	CPSEI

Which IPEDS category best describes the main focus of this grant? (Choose all that apply.)

- 1 - Instruction (expenses related to any credit or non-credit instruction done by faculty, including academic, occupational, and vocational instruction; community education; remedial and tutorial instruction)
- 3 - Public Service (activities that provide non-instructional services beneficial to groups external to the organization)
- 5 - Student Services (activities such as admissions; counseling; financial aid administration; student records; athletics, health services; career guidance)

BUDGET

Total Project Cost 4500000

Direct Costs 3988107

Indirect Costs 511893

Are matching funds required for this project? No

Will non-employee participants in this project receive compensation paid by this grant? (Example: a participant in a research study) No

Upload copy of budget. <https://www.formstack.com/admin/download/file/13188590233>

Upload copy of signed grant agreement. <https://www.formstack.com/admin/download/file/13188590235>

If applicable, please include any additional details about this award. This grant is related to Senator Sanders' earmark award to CCV, supporting the expansion of the College's corrections work. I can't find a CFDA #. I see FAW-169317 and GAM-562604

Approvals

Approval Status Pending

Approved By

Approval Date

Comments

ITEM 3: Life Insurance Policy Transfer



NorthernVermont.edu

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

August 16, 2022

Sophie Zdatny, Chancellor
Vermont State Colleges System
PO Box 7
Montpelier, VT 05061

Dear Chancellor Zdatny,

The purpose of this letter is to recommend a transfer of Barbara Fiddler's life insurance policy from Northern Vermont University to the University of Vermont.

Ms. Fiddler has requested a change in ownership of her life insurance policy with an approximate cash value of \$16-\$18,000. The gift originated in the early 2000s and we are the current beneficiary of her policy. Barbara worked at Johnson State College for 3 years but is an alumnus of the University of Vermont and is now serving on the UVM Library board. After several conversations with Ms. Fiddler, we understand her wish to transfer ownership to support the UVM library. We are grateful for the support over the years from Ms. Fiddler and that she still plans to leave us with a \$25,000 gift in her bequest for scholarships to support our students on the Johnson campus.

It is my recommendation that we grant Ms. Fiddler's wishes to transfer ownership of her life insurance policy to UVM. As such, I would like to request that this topic be added to the Board of Trustee's Finance and Facilities Committee meeting agenda on Monday, August 22, 2022 for consideration.

Sincerely,

A handwritten signature in blue ink that reads "P. Grewal".

Parwinder Grewal, Ph.D.
President

**ITEM 4: FY2022 Unaudited Financial Results &
FY2023 Budget Forecast**

UNAUDITED FY2022 RESULTS

FY2022 unaudited financial performance is expected to be stronger than both budget and Q3. Net revenues have an overall improvement to budget of \$36.1M and an improvement of \$10.7M to Q3. Improvement over the Q3 forecast is due to the recognition of medical, workers compensation, and tuition remission savings of \$4.3M, reduction in the bad debt allowance of \$1.9M, unused Welcome Home Scholarship of \$1.1M (which will be carried into FY2023), a \$500K improvement in tuition and fees, and \$800K in other revenues. Additionally, expenses improved \$1.4M across all categories. Of these additional net revenues, CCV anticipates carrying forward \$1.75M into FY2023. Additionally, the system will be carrying forward \$5.3M in transformation funding and \$1.1M in *Welcome Home Scholarships* for the upcoming year. In October, management will recommend setting aside portions the remaining net revenue to strategic infrastructure projects.

	Projected FY22	Budget FY22	Proj vs Bud Fav / (Unfav)
TOTAL REVENUES	201,189	173,393	27,796
TOTAL EXPENSES	171,384	179,686	8,302
NET REVENUES/(DEFICIT)	29,805	(6,293)	36,098
Unrestricted use of CRF	17,197	17,174	(23)
Net Revenue without use of CRF	12,608	(23,467)	36,121

System-wide, overall revenues are \$27.8M better than budget and student revenues (tuition, fees, room, and board) are \$11.7M or 10% better than budgeted (\$14.4 including \$2.7M use of institutional HEERF). This correlates strongly with the institutional key performance indicators. Three of four institutions saw improved enrollment and housing participation, with enrollment up 11% system-wide and room occupancy up 20% compared to budget

An additional item of note is the \$2M increase to the State Appropriation due to the passage of the *Welcome Home Scholarship*, and \$8M in *Transformation Funding* after approval of the FY2022 budget. Excluding these specially budgeted items, and CRF, the total improvement in revenue compared to budget is \$15.1M.

	Projected FY22	Budget FY22	Proj vs Bud Fav / (Unfav)
REVENUES			
Tuition and Fees	104,010	95,462	8,548
State Appropriation	46,803	36,436	10,367
<i>ARPA funded lost revenue</i>	21,000	21,000	-
Room and Board	19,410	16,247	3,163
<i>CRF Covered Room/Board Refunds</i>	2,723	-	2,723
Net Room and Board	22,133	16,247	5,886
Sales and Services	4,584	2,584	2,000
Gifts	1,361	825	536
Other Revenue	1,298	839	459
TOTAL REVENUES	201,189	173,393	27,796

Overall, unaudited FY2022 expenses are \$8.3M lower than budget. Improvements since Q3 include a \$4.2M recognition for lower Medical, Tuition, & Workers Compensation expenses, \$1.9M bad debt allowance adjustment, \$1.7M other transfers associated with Workforce Development.

	Projected FY22	Budget FY22	Proj vs Bud Fav / (Unfav)
EXPENSES			
Salaries and Benefits	101,885	111,287	9,402
<i>CRF Use Salaries</i>	(969)	-	969
Services, Supplies, Travel	36,412	38,705	2,293
<i>CRF Use Services, Supplies, Travel</i>	(112)	-	112
Scholarships	20,200	18,086	(2,114)
<i>CRF Use Scholarships</i>	-	-	-
Utilities	6,396	6,216	(180)
Other Expenses	5	10	5
Debt Service	12,854	12,575	(279)
Chancellor's Office	1	-	(1)
Other Transfers	(5,288)	(3,367)	1,921
<i>CRF Use Other Transfers</i>	-	(3,826)	(3,826)
TOTAL EXPENSES	171,384	179,686	8,302

Consolidated system and institutional projected performance is available on the next two pages.

Vermont State Colleges System			
	Projected FY22	Budget FY22	ProjvBud Fav / (Unfav)
REVENUES			
Tuition and Fees	104,010	95,462	8,548
State Appropriation	46,803	36,436	10,367
<i>ARPA funded lost revenue</i>	21,000	21,000	-
Room and Board	19,410	16,247	3,163
<i>CRF/HEERF: Room & Board</i>	2,723	-	2,723
Net Room and Board	22,133	16,247	5,886
Sales and Services	4,584	2,584	2,000
Gifts	1,361	825	536
Other Revenue	1,298	839	459
TOTAL REVENUES	201,189	173,393	27,796
EXPENSES			
Salaries and Benefits	101,885	111,287	9,402
<i>CRF/HEERF: Salaries</i>	(969)	-	969
Services, Supplies, Travel	36,412	38,705	2,293
<i>CRF: Services/Supplies/Travel</i>	(112)	-	112
Scholarships	20,200	18,086	(2,114)
<i>CRF: Scholarships</i>	-	-	-
Utilities	6,396	6,216	(180)
Other Expenses	5	10	5
Debt Service	12,854	12,575	(279)
Chancellor's Office	1	-	(1)
Other Transfers	(5,288)	(3,367)	1,921
<i>CRF: Other Transfers</i>	-	(3,826)	(3,826)
TOTAL EXPENSES	171,384	179,686	8,302
	-	-	-
NET REVENUES/(DEFICIT)	29,805	(6,293)	36,098
Unrestricted use of CRF/ARPA ¹	17,197	17,174	(23)
Net Revenue without use of CRF	12,608	(23,467)	36,121

	Community College of Vermont			Castleton University			Northern Vermont University			Vermont Technical College ²			Chancellor's Office		
	Projected FY22	Budget FY22	ProjvBud Fav / (Unfav)	Projected FY22	Budget FY22	ProjvBud Fav / (Unfav)	Projected FY22	Budget FY22	ProjvBud Fav / (Unfav)	Projected FY22	Budget FY22	ProjvBud Fav / (Unfav)	Projected FY22	Budget FY22	ProjvBud Fav / (Unfav)
REVENUES															
Tuition and Fees	23,396	19,125	4,271	35,415	32,600	2,815	22,441	21,516	925	22,757	22,221	536	1	-	1
State Appropriation	6,811	6,811	-	8,169	8,169	-	11,868	11,868	-	8,490	8,523	(33)	11,465	1,065	10,400
<i>ARPA funded lost revenue</i>															
Room and Board	-	-	-	10,361	9,200	1,161	6,093	4,926	1,167	2,956	2,121	835	-	-	-
<i>CRF/HEERF: Room & Board</i>	-	-	-	272	-	272	2,450	-	2,450	-	-	-	-	-	-
Net Room and Board	-	-	-	10,633	9,200	1,433	8,543	4,926	3,617	2,956	2,121	835	-	-	-
Sales and Services	2	6	(4)	1,075	700	375	730	689	41	2,777	1,189	1,588	-	-	-
Gifts	142	50	92	540	400	140	315	275	40	358	100	258	6	-	6
Other Revenue	95	86	9	322	300	22	385	250	135	918	203	715	(422)	-	(422)
TOTAL REVENUES	30,446	26,078	4,368	56,154	51,369	4,785	44,282	39,524	4,758	38,256	34,357	3,899	32,050	22,065	9,985
EXPENSES															
Salaries and Benefits	21,447	21,138	(309)	27,764	29,900	2,136	27,772	31,976	4,204	23,344	23,701	357	1,557	4,572	3,015
<i>CRF/HEERF: Salaries</i>	-	-	-	(439)	-	439	(382)	-	382	(147)	-	147	-	-	-
Services, Supplies, Travel	4,406	4,910	504	9,446	10,475	1,029	8,238	10,041	1,803	7,457	7,974	517	6,865	5,305	(1,560)
<i>CRF: Services/Supplies/Travel</i>	-	-	-	-	-	-	(97)	-	97	(15)	-	15	-	-	-
Scholarships	98	170	72	12,190	11,635	(555)	5,416	4,659	(757)	1,582	1,622	40	914	-	(914)
<i>CRF: Scholarships</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	279	292	13	2,109	2,200	91	2,464	2,383	(81)	1,510	1,312	(198)	34	29	(5)
Other Expenses	-	-	-	-	10	10	4	-	(4)	1	-	(1)	-	-	-
Debt Service	1,823	1,823	(0)	3,061	3,061	(0)	2,338	2,338	(0)	778	778	0	4,854	4,575	(279)
Chancellor's Office	1,877	1,879	2	2,252	2,254	2	3,275	3,275	(0)	1,980	1,976	(4)	(9,384)	(9,384)	-
Other Transfers	(1,241)	(543)	698	727	807	80	314	509	195	(50)	956	1,006	(5,038)	(5,096)	(58)
<i>CRF: Other Transfers</i>	-	(3,826)	(3,826)	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENSES	28,689	25,843	(2,846)	57,110	60,342	3,232	49,342	55,181	5,839	36,440	38,319	1,879	(198)	1	199
NET REVENUES/(DEFICIT)	1,757	235	1,522	(956)	(8,973)	8,017	(5,060)	(15,657)	10,597	1,816	(3,962)	5,778	32,248	22,064	10,184
Unrestricted use of CRF/ARPA ¹	-	(3,826)	(3,826)	(711)	-	711	(2,929)	-	2,929	(163)	-	163	-	-	-
Net Revenue without use of CRF	1,757	(3,591)	5,348	(1,667)	(8,973)	7,306	(7,989)	(15,657)	7,668	1,653	(3,962)	5,615	32,248	22,064	10,184

²Vermont Technical College's performance includes both Workforce Development with Vermont Technical College. VTC's actual performance for FY2022 is a deficit of \$552K. Workforce Development has a surplus of \$2.2M due largely to funding transfers related to the Advanced Manufacturing Center.

FY2023 EARLY BUDGET PREVIEW

With classes for three of four institutions starting on Monday, August 22, now is an opportune time to assess the validity of the system's revenue budget for FY2023. In June, the Board of Trustees approved a student revenue budget of \$124.8M. For Castleton, Northern Vermont University, and Vermont Technical College, fall billing is 91% complete. As of today, tuition and fee revenue is tracking evenly with last year, which is an improvement from the budget – which estimated a 5% decline in tuition and fee revenue. Northern Vermont University is trending slightly better year-over-year, and significantly better than their budgeted 10% decline.

Revenue for the Community College of Vermont is more unpredictable as there are several more weeks remaining for fall enrollment. However, after a strong summer enrollment, early indicators suggest that student course placements will be closely aligned to budget.

At present, the Vermont State Colleges, is estimating that revenue budgets will be on target.

**ITEM 5: Vermont State University Tuition Setting
Design Principles**

VERMONT STATE UNIVERSITY TUITION SETTING

On July 1, 2023, Castleton University, Northern Vermont University, and Vermont Technical College will merge to form Vermont State University. Today, the three institutions have differing tuition and fees strategies as well as differing approaches to discounting. In part, these differences can be attributed to program cost structures. For example, it is more costly to run a nursing program, or a specialized technology program, than it is to run a traditional liberal arts program. However, programmatic requirements do not account for all of the pricing and discounting differences. Rather, some portion of the differences can be attributed to institutional enrollment strategies.

STICKER PRICE

The “sticker price” of tuition varies widely between institutions.

2022-2023 Tuition	In State			Out-of-State		
	CU	NVU	VTC	CU	NVU	VTC
Undergraduate	11,832	11,592	14,712	28,800	25,680	28,128
Nursing (BSN, RN)	15,456		15,432	28,800		35,592
Dental Hygiene			18,432			28,824
Nursing LPN - 3 term			21,219			44,814
Para medicine - 3 term			21,219			44,814
Radiologic Science			26,464			52,960
Graduate	11,916	11,106	13,410	11,916	16,488	25,650

As shown above, the undergraduate tuition rate for in-state students enrolled in a two-term academic program requiring standard teaching loads¹ varies from a low of \$11,592 at NVU to a high of \$14,712 at VTC, a variance of nearly 27%. The difference between NVU and CU is significantly smaller at approximately 2%. For out-of-state students, the variance is smaller, with a base undergraduate tuition of \$25,680 at NVU, and a tuition of \$28,800 at CU – a difference of approximately 12.1%.

The BSN and RN programs at VTC and CU are virtually identical in price. However, pricing for out-of-state students differs widely between the two institutions with a 23.6% difference between them.

Two of VTC’s programs operate on a three term academic schedule: Nursing LPN and Para Medicine. Thus, the programs have a higher academic year cost their sister programs in Allied Health. However, on a per semester basis both programs are comparable in price to VTC’s two-term nursing cost.

Two additional VTC programs, Dental Hygiene and Radiologic Science, command a higher price due to their equipment intensive natures and high faculty to student ratios.

¹ Sample programs common to VTC, CU, and NVU included in the standard undergraduate rate include Business Management, Entrepreneurship and related fields, Computer Science or related field. Programs unique to VTC included in this rate include all engineering programs, architecture, diesel mechanics, forestry, veterinary technology, etc.

FULL-TIME EQUIVALENT ENROLLMENT

Full-Time Equivalent	In State			Out-of-State			Total		
	CU	NVU	VTC	CU	NVU	VTC	CU	NVU	VTC
Undergraduate	891	798	544	654	452	99	1,545	1,250	643
Nursing (BSN, RN)	172		173	54		18	225		190
Dental Hygiene			45			19			64
Nursing LPN - 3 term			155			14			169
Para Medicine - 3 term			21			1			22
Radiologic Science			30			1			31
Graduate	63	134	3	47	23		110	157	3
	1,126	932	971	755	475	151	1,881	1,407	1,122

Out-of-state enrollments at VTC are significantly lower than at both NVU and CU. Proportionately, VTC's out-of-state enrollment accounts for 13.4% of its total enrollment, while NVU is comprised of 33.7% out-of-state students, and CU's student body is 40% out-of-state. Sticker price tells a portion of the story – for example, 9.4% of VTC's BN/RN students are from out-of-state while 24% of CU's BSN students are from out-of-state. VTC's nearly \$6,800 higher sticker price for this program (nearly 24% higher) may be less attractive. Additionally, VTC's LPN program typically attracts adult learners who are seeking to learn near their homes and families. This could contribute to lower out-of-state enrollment. Out-of-state enrollments in the very expensive LPN, Para Medicine and Radiologic Science programs, at more than one and a half times higher than CU's out-of-state programs likely has a directly depressing effect.

TUITION DISCOUNTING

In FY2022, Castleton, NVU, and VTC issued a combined \$22M in scholarships, waivers, and institutional aid, for a total discount, assessed against all student revenue, of 21%. However, this combined statistic masks institutional discounting. As discussed at previous Committee meetings, student discounting varies widely from institution to institution. Using FY2022 as an example, VTC's student discount was 10%, NVU's was 23% and CU's was 27%. This level of overall discount, especially at Castleton and NVU, suggests that the sticker price of tuition fees, room, and board may be too high in comparison to market.

VERMONT STATE

UNIVERSITY	2018	2019	2020	2021	2022	2023B
Tuition & Fees	91,570	94,705	96,742	86,068	83,321	78,520
Auxiliary Enterprises	23,738	24,126	18,989	12,253	19,410	18,754
Gross Student Revenue	115,309	118,831	115,732	98,321	102,731	97,274
Scholarship Allowance (Waivers)	(3,889)	(4,175)	(4,844)	(3,150)	(2,896)	(2,157)
Scholarships & Fellowships (Aid)	(12,425)	(17,174)	(19,040)	(16,976)	(19,188)	(19,196)
Total Scholarships & Discounts	(16,314)	(21,349)	(23,884)	(20,126)	(22,084)	(21,353)
Student Revenue Net of Discounts	98,994	97,482	91,848	78,195	80,648	75,921
Discount %	14%	18%	21%	20%	21%	22%

TUITION SETTING DESIGN PRINCIPLES

Taking into consideration the following factors it is clear tuition plays a critical factor in the overall health of Vermont State University and the State of Vermont.

1. Disparate sticker pricing between institutions and programs
2. Low out-of-state enrollment for high priced technical programs
3. High discount rates for out-of-state enrollments at CU, and to a lesser degree, NVU
4. The twin goals of *affordability* and *fiscal sustainability*
5. Acknowledgement that the sticker price for in state and out-of-state enrollment is a barrier to enrollment
6. Educating Vermont's workforce is a critical driver to Vermont's success

A revised tuition-pricing model for Vermont State University is necessary. As the team develops a pricing proposal it has determined the following design principles are necessary for success:

1. Pricing must be **easy for the consumer to understand** and **efficient to implement** within VSCS computer systems
2. Base tuition must be **consistent across all programs and campuses** with a **separate program fees to support differentiation** for programs requiring greater faculty to student contact, and/or equipment needs
3. Discounts must drive student **affordability, enrollment, financial sustainability,** and student **persistence**
4. Any **change in tuition should be more competitive and generate "buzz"** and new enrollments
5. Institutional **aid** and scholarships should be **used strategically to address recruitment and retention**
6. **Out-of-state** pricing should be normalized to **reduce discounting** while generating new student interest and increasing net student revenue
7. Selected pricing model must be **financially viable** and **fiscally sustainable**

TUITION SETTING PROCESS

Annually, the Finance and Facilities Committee reviews the recommendation from management regarding the face value of tuition, certain fees, room, and board for the upcoming academic year. Typically, the recommendations from management have included incremental upward adjustment of the sticker price², and the Committee has left the discounting process up to each individual institution as allowed under Board policy. However, as noted in these materials, scholarship and waivers are a major component of each institution's net revenue, and ultimately the net price each student pays. Thus, having a dramatic impact on *affordability*.

The creation of Vermont State University gives the Committee an unprecedented opportunity to influence student *affordability, accessibility,* and *institutional financial sustainability* through the creation of new pricing measures.

² The Vermont State Colleges has held tuition flat for all students for FY21, FY22, and FY23. Pro forma financial forecasts assume no increase in tuition through FY2026.

At Monday’s meeting, the Committee will discuss three possible options for pricing Vermont State University for the 2023-2024 academic year. The Committee’s feedback will be used to inform the tuition proposal that will come to the Board at the September retreat.

On the next few pages, three conceptual models are presented for your consideration. Please note, these models are not intended to serve as a final pricing structure or roadmap, but rather to serve as a jumping off point for discussion.

MODEL 1: BASELINE

The “baseline” conceptual model proposes tuition for in state undergraduate, out-of-state undergraduate, international undergraduate, and graduate students, and is generally designed with the goal of simplifying VTSU’s tuition structure while maintaining a similar expense and revenue profile. This model assumes a baseline tuition rate for in-state undergraduate programs and an out-of-state undergraduate rate calculated at two-times the in-state undergraduate rate. All programs requiring specialized equipment, higher than normal faculty to student ratios, and related, would be levied a program fee on top of this baseline rate. The result is a more easily understood pricing model that lowers published out-of-state rates.

CONCEPTUAL MODEL	In State		Out-of-State	
	Term	Annual	Term	Annual
<i>Baseline</i>				
Graduate	5,958	11,916	5,958	11,916
Undergraduate	5,916	11,832	11,832	23,664
Program Fees				
Technology, Engineering	1,440	14,712	1,440	26,544
Nursing (BN, RN)	1,812	15,456	1,812	27,288
Dental Hygiene	3,300	18,432	3,300	30,264 ³
Nursing LPN - 3 term	1,157	21,219	1,157	38,967 ⁴
Para Medicine - 3 term	1,157	21,219	1,157	38,967
Radiologic Science	7,316	26,464	7,316	38,296

Further analysis is necessary to assess whether this model would result in the same net student revenue.

³ The Dental Hygiene price in this model exceeds the current published price and will be further evaluated before any recommendation is pursued

⁴ LPN, Para Medicine, and Radiologic Science reflect a substantial decrease in published price. However, these programs had a combined out-of-state enrollment of 16. It is expected a decline in sticker price would have a positive impact on recruitment in these three programs

MODEL 2: MODESTLY LOWER UNIFIED PRICE FOR ALL STUDENTS

The “modestly lower unified pricing for all students” model proposes is generally designed to simplify the pricing structure while simultaneously lowering the cost of attendance for all students. As with the previous proposal, the out-of-state undergraduate rate would be at two-times the in state undergraduate rate, resulting in a significant reduction in the sticker price for out-of-state students. To achieve these reductions, institutional aid pools would be adjusted to effect similar net student revenue.

Conceptual Model	In State		Out-of-State	
	Term	Annual	Term	Annual
Modestly Lower Tuition				
Graduate	5,553	11,106	5,553	11,106
Undergraduate	5,796	11,592	11,592	23,184
Program Fees				
Technology, Engineering	1,440	14,472	1,440	26,064
Nursing (BN, RN)	1,812	15,216	1,812	26,808
Dental Hygiene	3,300	18,192	3,300	29,784
Nursing LPN - 3 term	1,157	20,859	1,157	38,247
Para Medicine - 3 term	1,157	20,859	1,157	38,247
Radiologic Science	7,316	26,224	7,316	37,816

As with the earlier model, a program fee would be levied for all programs requiring specialized equipment, higher than normal faculty to student ratios, and related items. Combined with lower tuition for Castleton and Vermont Tech, the resulting overall tuition price is lower for both in state and out-of-state students at these schools.

Significant analysis is necessary to assess the methods by which such a model could be employed, and to better understand how discounts would be adjusted to result in similar or improved net student revenue.

MODEL 3: LOWEST UNIFIED PRICE FOR NEW STUDENTS

The “lowest unified pricing for new students” model proposes a baseline tuition adjustment for students beginning enrollment for the first time in fall 2023. This model would retain *baseline* pricing for all returning students at the graduate and undergraduate level, as proposed in Model 1, and apply a significant decrease in the base price for new students. As proposed, this model would pilot a dramatic change in tuition to assess whether this would have a positive effect on enrollment and net revenue.

In this model, the base rate for in state undergraduate students would be targeted to be consistent with the available funding for a combination of Pell Grants, Supplemental Educational Opportunity Grants (SEOG), and Vermont Incentive Grants from VSAC. Conceptually, this model would allow fully Pell eligible students enrolling at Vermont State University to incur little debt if enrolled in one of the face to face plus programs at Vermont State University. For qualifying students interested in one of the programs with a differential program fee, as

proposed, the fee could be covered with a federally subsidized student loan or a specialized loan through VSAC.

As proposed here, the base tuition represents a significant decrease in the sticker price for first time in state undergraduate students. To pay for this model, Vermont State University discounting practices would be adjusted to achieve similar net student tuition revenue. Institutional aid pools/scholarships will be applied strategically to influence retention of all students.

Conceptual Model Lowest New Student Tuition	In State		Out-of-State	
	Term	Annual	Term	Annual
Graduate	5,500	11,000	5,500	11,000
Undergraduate	4,920	9,840	9,840	19,680
Program Fees				
Technology, Engineering	1,440	12,720	1,440	22,560
Nursing (BN, RN)	1,812	13,464	1,812	23,304
Dental Hygiene	3,300	16,440	3,300	26,280
Nursing LPN - 3 term	1,157	18,231	1,157	32,991
Para Medicine - 3 term	1,157	18,231	1,157	32,991
Radiologic Science	7,316	24,472	7,316	34,312

As with the previous two models, a program fee would be levied for all programs requiring specialized equipment, higher than normal faculty to student ratios, and related items. This model results in the lowest overall cost for both in state and out-of-state students.

Significant analysis is necessary to assess the methods by which such a model could be employed, and to better understand how discounts would be adjusted to result in similar or improved net student revenue.

CONCEPTUAL MODEL COMPARISON

The three conceptual models presented here offer differing alternatives for considering the tuition model for Vermont State University and all three must be evaluated before presenting a final proposal to the Board of Trustees.

<i>Conceptual Model Comparison</i>	<u>In State</u>			<u>Out-of-State</u>		
	Baseline	Lower	Lowest⁵	Baseline	Lower	Lowest
Graduate	11,916	11,106	11,000	11,916	11,106	11,000
Undergraduate	11,832	11,592	9,840	23,664	23,184	19,680
Special Undergrad Programs						
Technology, Engineering	14,712	14,472	12,720	26,544	26,064	22,560
Nursing (BN, RN)	15,456	15,216	13,464	27,288	26,808	23,304
Dental Hygiene	18,432	18,192	16,440	30,264	29,784	26,280
Nursing LPN - 3 term	21,219	20,859	18,231	38,967	38,247	32,991
Para Medicine - 3 term	21,219	20,859	18,231	38,967	38,247	32,991
Radiologic Science	26,464	26,224	24,472	38,296	37,816	34,312

As we continue the work of financial assessment, it is important to evaluate each model in terms of our design principles.

1. All models offer methods that are *easy for the consumer to understand* and *efficient to implement* within VSCS computer systems. However, it should be noted that the lowest tuition cost is proposed for *new students* and thus could be more difficult to explain to returning students. To mitigate this issue, strategies would be needed to influence retention of returning students.
2. The base tuition is **consistent across all programs and campuses**, and has a **separate program fees to support differentiation** for programs requiring greater faculty to student contact, and/or equipment needs
3. In all three models, tuition discounting is used to drive **affordability, enrollment, financial sustainability**, and student **persistence**. However, each model does this to differing degrees. For example, the baseline model *increases* costs for students at Northern Vermont University and maintains the cost for Vermont Tech students. The lower price model decreases costs for students at Castleton and Vermont Tech while holding the price constant for Northern Vermont University. The lowest cost model has the potential for the greatest shift in affordability and persistence for new students but is riskier to consider as it is expected some level of new student enrollment would be necessary to offset the reduction in price.
4. Of the three models presented, the lowest cost model would be more competitive and **generate “buzz”** and by extension should generate new enrollments.
5. All three models begin the shift to use institutional **aid** and scholarships **strategically** to **address recruitment and retention**, with the two lower price models having the greatest potential to effect change in this regard.

⁵ As outlined in this conceptual model, the *lowest unified price* would be applicable to students enrolling for the first time in Fall 2023. The price for all returning students would be closer to the *baseline model*.

6. All three models normalize **out-of-state** pricing to **reduce discounting** while generating new student interest and increasing net student revenue. Vermont Tech enrollments should be positively affected by all three models.

This leaves the most important design principle – that any selected pricing model must be **financially viable** and **fiscally sustainable**. As noted previously, significant analysis is necessary to provide sound recommendations.

NEXT STEPS

The University will conduct and provide a detailed financial analysis of each concept described herein, including the changes to discounting strategy necessary to support each proposal, and an assessment of inherent risk. The particular goals of such an analysis are (1) comprehensive analysis of the average net student revenue (tuition, fees, room & board, scholarships) according to current practice, disaggregated by our multiple price points; (2) comparable analysis of each theoretical model contemplated above, according to current enrollment patterns, with an estimate of the revenue delta in comparison to current practice; and (3) break-even analysis describing the required rate of enrollment growth inherent in any such revenue delta.

At the Board retreat in September, Vermont State University will offer this analysis, along with a tuition pricing recommendation for Fall 2023. At that meeting, the Board will be asked to make a decision regarding Vermont State University pricing.

ITEM 5: Shared Expense Allocation Design

BUSINESS PLANNING & ADMINISTRATION TRANSFORMATION SUB-TEAM

At the May Finance and Facilities Committee meeting, the Business Planning & Administration Transformation Team introduced three key business planning projects to the Committee. These projects included:

1. Shared Allocations
 - a. Shared expenses – estimated completion: 8/2022
 - b. Shared revenues – estimated completion: 10/2022
 - c. Base appropriation – estimated completion: 10/2022
2. Multi-level strategic planning – estimated completion: 12/2022
3. Planning, Budgeting, and Measurement – estimated completion: 5/2023

Recently the team concluded the design phase of the shared expenses project, and introduced the new allocation concepts to the project sponsors. A summary of the design is shared here for your review.

Shared Expenses Allocation Design Goals

In general, the Vermont State College's shared expense allocation methodologies will tie allocation in ways that are:

- Predictable
- Well documented, transparently shared to, and easily understood by, budget managers
- Efficiently created by finance using best available data
- Shared with budget managers in time for annual budgeting
- Regularly reviewed and revised

Only methodologies that include the factors listed below will be implemented.

- Drive strategic results and support strategic and operational financial analysis
- Incentivizes reduced costs while improving student outcomes and academic quality
- Balances ease of calculation/implementation with ability of leadership to manage components of cost

Further, where meaningful and actionable by budget managers, shared costs will be allocated to the lowest unit of measure such as:

- Institutions/Entities
- Locations
- Programs/Departments

ALLOCATION METHODS

The team identified four primary methods for allocating shared expenses and services. These methods include:

Equal Shares: this method will be used in situations where:

- Each institution/entity must have the service
- Where the cost is widely variable from one year to the next
- Budget manager/president has little to no direct impact on consumption

Consumption: this method will be used in situations where some or all of the expense/service is driven by institutional and/or entity consumption.

Default Methodology: where the cost of an expense is low, or it is difficult to separate define or separate the costing model, a default agreed upon methodology will be established.

Mixed Allocation: in many cases the team anticipates the a “mixed” allocation strategy will be necessary. A mixed strategy will be considered when a shared expense has elements of cost that combine some element of equal shares, consumption, and/or small dollars.

ALLOCATION PROCESS

Set-Up

Service catalogs and service level agreements will drive the overall portfolio of shared expenses and services. As we set-up the initial allocations, we will need to assess our existing portfolio of expenses and shared services, document our existing costs and contracts, gather, consumption data, and key statistics regarding standard measures such as student headcount, full-time equivalency, employee headcount, employee full-time equivalency, and related statistics.

These inputs will be used to develop best-fit allocation methodologies that will be reviewed with the Council of Presidents and inform the policy development.

The last step, prior to initial implementation, is to develop the shared expense allocation policy, review it with the Council of Presidents and gain approval from the Finance & Facilities Committee and Board of Trustees.

Annual Process

In subsequent years, the process begins with a review of prior year allocation accuracy, a refresh of all data, and a review of service catalogs and service levels. Adjustments to service levels and service catalogs – for example adding or deleting products or services would result in changes to staffing levels and program costs.

Using updated information, Finance will create preliminary allocations and share these with Council of Presidents. At that time, the COP may choose to negotiate further changes to service levels and/or product catalogs.

By December 31 of each fiscal year, Finance will provide the final shared expense allocation to each entity. Additionally, the system will be provided with detailed allocation information including cost structure, allocation method, service areas, and changes to the allocation to increase transparency.

SAMPLE ALLOCATIONS

The following are several sample allocation concepts for discussion purposes. These concepts are not intended to serve as a final formula, but rather to spark discussion

Shared Expense/Service	Equal Shares	Consumption	Default
Library <ul style="list-style-type: none"> • Management • Inter Library Loan • Core Database • Optional Database 	100% Equal Shares EE Cost Equal Share 25% Equal Shares	Actual Cost Direct Billed 75% Student FTE Direct Bill to Entity or Pgm	
Finance <ul style="list-style-type: none"> • Financial Audit • Single Audit 	50% Equal Shares	25% PY Assets + 25% PY Rev Prorate on SEFA \$	
Zoom		Prorated Employee FTE	
HR Software		Prorated Employee Headcount	
Payroll	25% Equal Shares	75% Prorated # Checks	
Canvas <ul style="list-style-type: none"> • Management/Support • Software 	Prorated EE headcount	Prorated Student FTE	
Legal Services <ul style="list-style-type: none"> • General Council • Labor Management • Outside Counsel 	100% Equal Shares	Prorated # of Labor Units Direct Bill to Consumer	
Treasury/Banking/AP <ul style="list-style-type: none"> • Management • Fees / Revenue • AP • Miscellaneous 	100% Equal Shares	Direct Bill to Entity Prorated # AP Checks/ACH	Default