

MEMORANDUM

TO: VSCS Finance & Facilities Committee
David Silverman, Chair
Shawn Tester, Vice Chair
Lynn Dickinson
David Durfee
Bob Flint
Bill Lippert
Sue Zeller

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

DATE: December 6, 2023

SUBJECT: Finance and Facilities Committee Meeting scheduled for December 11, 2023

The Finance and Facilities Committee of the VSC Board of Trustees meets Monday, December 11, 2023. The meeting is scheduled to begin at 1:00 p.m. The meeting will be held via Zoom at www.vsc.edu/botzoom.

The agenda for the meeting is quite full with five items (including review the minutes of the last meeting) up for action and four items up for review. The action items include:

1. Review and approval of the **minutes of the last committee meeting**. You will find the minutes of the last meeting as **ITEM 1** in the materials.
2. Approval of an endowment request for Vermont State University for the **Claire Fisher Heist and Mae Niles Scott Nursing Scholarship Endowment**. The letter requesting the endowment along with Endowment Form C are available in your materials as **ITEM 2**.
3. Review and approval of Vermont State University's request for a **tuition, fee, room, and board increase for academic year 2024-2025**. Their request is for a 3.5% coupled with the consolidation of several fees into either program tuition or the institution's comprehensive fee. This is the first tuition increase for the Vermont State Colleges since 2020. The rationale, revised rates, and comparison of total sticker price can be found in your packet as **ITEM 3**.

4. Review and approval of Vermont State University's request to create **One-to-One Device (Technology) fee**. VTSU's proposal creates a mandatory fee for all incoming degree seeking students to allow the purchase of a laptop to support student learning. Students with proof of a comparable device may have this fee waived and students with a demonstrated financial hardship may apply for use of a loaner laptop. The rationale, fee structure, and resolution are available in your materials as **ITEM 4**.
5. Last January the Board approved revisions to the System Annual Operating Budget. As we prepare for the second year of implementation of these policies, **several revisions to Policy 403-A related to the state general fund appropriation are recommended**. These changes decrease the likelihood of unintended consequences, offer a small amount of budgetary relief, and make clear the Board's scope of responsibility relative to the distribution of unspent Strategic Initiative funds from a prior year. A summary of the proposed policy changes and a redlined version of the policy can be found in your materials as **ITEM 5**.

We have four items scheduled for review during this meeting. These items include:

6. Review of the **FY2025 state appropriation allocation** (using the proposed policy adjustments), as well as the **first pass of the corporate, and shared services budgets**. The allocation and updated budget information can be found in your materials as **ITEM 6**.
7. Vermont State University will provide an update on the **Vermont State University Master Plan**. Scheduled for completion in spring 2024. A brief description of progress on this project can be found in your materials as **ITEM 7**.
8. Wilson Garland, Director of Transformation Projects, will be on hand to provide an update on the **Enterprise Resource Planning (ERP) Assessment Project**. A brief description of the project, progress to date, and the remaining schedule can be found your materials as **ITEM 8**.
9. As time permits, an update on **1st Quarter Results** will be presented. A summary of the results to date is available as **ITEM 9** in your materials.

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

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

Finance and Facilities Committee

Zoom Meeting / YouTube Stream¹ December
11, 2023 at 1:00 p.m.

AGENDA

1. Call to Order
2. Public Comment – signup for public comment at www.vsc.edu/signup²

Items for Review & Approval

3. Minutes of the October 16, 2023, Finance & Facilities Committee meeting.
4. Claire Fisher Heist & Mae Niles Scott Nursing Scholarship Endowment
5. Vermont State University Academic Year 2024-2025 Tuition, Fees, Room & Board
6. Vermont State University One-to-One Device (Technology) Fee Recommendation
7. Policy 403-A State General Fund Allocation Policy Adjustments

Items for Review & Discussion

8. State Appropriation, Corporate, and Shared Services 1st Pass Budget
9. Vermont State University Master Plan Update
10. ERP Assessment Update
11. 1st Quarter Results

Other Items

12. Other Business
13. Adjourn

¹ The livestream link is on YouTube at www.vsc.edu/live

² To make a public comment you must be logged into the live session at <https://www.vsc.edu/botzoom>. The rules for public comment may be found on the VSC website at <https://www.vsc.edu/wp-content/uploads/2022/08/VSC-BOT-Rules-for-Public-Comment.pdf>.

Meeting Materials

- ITEM 1:** Finance and Facilities Minutes, October 16, 2023
- ITEM 2:** Claire Fisher Heist and Mae Niles Scott Nursing Scholarship Endowment
- ITEM 3:** VTSU AY2024-25 Tuition, Fees, Room & Board Recommendation
- ITEM 4:** VTSU One-to-One Device (Technology) Fee Recommendation
- ITEM 5:** Policy 403-A State General Fund Allocation Adjustments
- ITEM 6:** FY2025 Pass 1 State Appropriation, Corporate & Shared Services Budgets
- ITEM 7:** VTSU Master Plan Update
- ITEM 8:** ERP Assessment Update
- ITEM 9:** 1st Quarter Results

ITEM 1: Minutes of October 16, 2023

**Minutes of the VSCS Board of Trustees Finance and Facilities Committee meeting held
Monday, October 16, 2023 at 2:45 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, October 16, 2023 via Zoom.

Committee members present: David Silverman (Chair), Shawn Tester (Vice Chair), Lynn Dickinson, David Durfee, Bob Flint (3:00 p.m.) Sue Zeller

Absent: Bill Lippert

Presidents: Joyce Judy, Mike Smith (Interim)

Chancellor's Office Staff: Jen Porrier, Administrative Director
Sophie Zdatny, Chancellor

Shared Services: Donny Bazluke, Network/Security Analyst
Kellie Campbell, Chief Information Officer
Sharron Scott, Chief Financial and Operating Officer
Toby Stewart, System Controller
Patty Turley, General Counsel

From the Colleges: Kelley Beckwith, Vice President of Student Success, Vermont State University
Nicole Mace, Dean of Administration, Community College of Vermont
Maurice Ouimet, Vice President of Admissions, Vermont State University
Sarah Truckle, Vice President of Business Operations, Vermont State University
Littleton Tyler, Assistant Vice President, Finance & Compliance, Vermont State University
Beth Walsh, President, VSCUP, Vermont State University

1. Chair Silverman called the meeting to order at 2:45 p.m.
2. Public Comment

There was no public comment.

3. Approve August 21, 2023 Meeting Minutes

Chair Silverman noted one correction in the listed title of an attendee – that correction was made.

Trustee Tester moved and Trustee Durfee seconded the motion to approve the August 21, 2023 minutes with the noted correction. The motion was approved with one abstention.

4. Review and Approve: Endowment Requests

Chair Silverman asked Vice President of Business Operations Sarah Truckle to describe each endowment individually before approval. VP Truckle shared information on the Florilla Ames Endowment which will provide scholarships to undergraduate students attending Vermont State University's Lyndon campus. Further information can be found [here](#) on pages 11-13.

Trustee Tester moved and Trustee Zeller seconded the motion to recommend to the Board the approval of the Florilla Ames Endowment . The motion was approved unanimously.

VP Truckle then described the updated criteria for the existing Bridges to Vermont Scholarship which included decreasing the minimum GPA from 2.5 to 2.0 and increasing eligibility to include students who are not United States citizens. Further information on the changes can be found [here](#) on page 15.

Trustee Zeller moved and Trustee Tester seconded the motion to recommend to the Board the approval of the changes to the Bridges to Vermont Scholarship. The motion was approved unanimously.

VP Truckle described the proposal to update the criteria for the existing Alumni Association Endowment to broaden the eligibility. The changes include a name change, updating eligible majors and updating language to honor the original intent of the award. Further details can be found [here](#) on pages 17-18.

Trustee Tester moved and Trustee Zeller seconded the motion to recommend to the Board the approval of the changes to the Alumni Association endowment. The motion was approved unanimously.

5. Review: FY2023 Financial Performance Review

Chief Financial and Operating Officer Sharron Scott provided updated information on the Vermont State Colleges' composite financial index. These materials can be found [here](#) on pages 20-21. CFOO Scott shared information about the CFI as it continues in a positive trajectory with the exception of operating performance which was not unexpected. The payoff of the 2013 bond had a favorable impact on the viability ratio. The long-term financial viability of the VSC is reliant on the continued work of VSC's fiscal transformation.

6. Government Affairs Update

Chancellor Zdatny provided an update on the VSC's intended legislative request:

- \$48 M base plus inflationary increase
- \$10 M bridge funding
- Another year of support for the Vermont Tuition Advantage program at CCV (\$5M)
- The VSC will also be requesting a few language adjustments to previous programs in the Budget Adjustment Act for FY24, additional Global Commitment funds to support our allied health programs, as well as some funding to support high-priority deferred maintenance exacerbated by the July 2023 flooding.

7. Other Business

There was no other business.

Chair Silverman adjourned the meeting at 3:04 p.m.

**ITEM 2: Claire Fisher Heist and Mae Niles Scott
 Nursing Scholarship Endowment**



December 4, 2023

Sophie Zdatny, Chancellor
Vermont State Colleges System
PO Box 7
Montpelier, VT 05601

Dear Chancellor Zdatny,

I am pleased to send you the New Funding Source Document for establishing a new endowment at Vermont State University.

The Claire Fisher Heist and Mae Niles Scott Nursing Scholarship Endowment, in the amount of \$100,000, is funded with an estate gift from the Robert W. Chapman Trust.

Per Robert Chapman and John Fisher's wishes (as recorded in the deed of trust), this scholarship will be used to provide scholarship support to students enrolled in the pre-nursing or nursing program on the Lyndon campus. Recipients will be selected on the basis of need and academic performance. Preference will be given to student who plan to pursue a nursing career in the Northeast Kingdom of Vermont. If, in the future, the Lyndon campus ceases to offer a pre-nursing/nursing program, the scholarship will be awarded to students in another health or human services field at Lyndon campus that benefits the Northeast Kingdom.

We look forward to the VSC Board of Trustees' approval for the establishment of this new endowment.

Sincerely,

A handwritten signature in black ink, appearing to read "David Bergh".

David Bergh
Interim President

Attachments: Funding Source C document

- NEW FUNDING SOURCE DOCUMENT - ENDOWMENTS ONLY

VERMONT STATE UNIVERSITY
(College Name)

Submit to Chancellor's Office for all activities based upon a new funding source.
Place copy in front of any applicable master file.

1) Name of endowment: (type in all CAPS)

Claire Fisher Heist and Mae Niles Scott Nursing Scholarship Endowment

2) Granting agency/donor/other funding source: (Attach supporting Documentation)

Bequest distribution from the Robert W. Chapman Trust

3) Purpose of endowment: (Attach supporting Documentation)

The **Claire Fisher Heist and Mae Niles Scott Nursing Scholarship Endowment** provide scholarship support to students enrolled in the pre-nursing or nursing program on the Lyndon campus. Recipients will be selected on the basis of need and academic performance. Preference will be given to student who plan to pursue a nursing career in the Northeast Kingdom of Vermont. If, in the future, the Lyndon campus ceases to offer a pre-nursing/nursing program, the scholarship will be awarded to students in another health or human services field at Lyndon campus that benefits the Northeast Kingdom.

4) Proper accounting fund:

Regular
Endowment

Term Endowment

5) General Ledger Activity Code(s): (as proposed or assigned)

Not assigned

6a) Date Endowment Reach Endowment Status:

October, 2023

7) Reporting requirements: (format/to whom/frequency/other)

None

8a) Funding amount:

\$100,000.00

8b) One-time - OR

Ongoing funding (indicate timeframe:)

Another significant distribution from the trust is expected in early to mid-2024. Annual gifts may be made to the endowment corpus.

9a) Is principal use allowed:
(w/Board OK?)

No.

9b) If yes, is replenishment of principal
allowed or required:

Not Applicable

- NEW FUNDING SOURCE DOCUMENT - ENDOWMENTS ONLY

VERMONT STATE UNIVERSITY

(College Name)

10) If investment proceeds generated, indicate intended disposition:

Per Board Approved Spending Procedure

Fully expend for program as prescribed

Increase principal for inflation and expend remainder

All investment earnings added for ___ years before expending for endowment purposes begins

Other (describe:)

11) President:



12) Date to Ch's Ofc:

December 4, 2023

13) Date Board Approved:

Version 4/17/2008

**ITEM 3: Vermont State University AY2024-2025
Tuition, Fees, Room, and Board**

VERMONT STATE UNIVERSITY – FY25 TUITION AND FEES PROPOSAL

For FY25 (academic year 2024-2025) Vermont State University proposes a 3.5%¹ increase to the tuition, fees, room, and board. This increase is below the inflationary costs the University is incurring, and balances student affordability with expenses. It is expected that the remainder of inflationary costs will be covered by the requested increase to the State Appropriation. Vermont State University proposes no changes to the financial aid packages as currently designed.

In addition to the 3.5% increase to tuition and fees, Vermont State University proposes to eliminate the *orientation fee* and *lab fees* attached to specific courses and incorporate the orientation fee into the comprehensive fee and lab fees into the program fees associated with specific programs (nursing, dental hygiene, engineering etc.) respectively.

This will allow for streamlined revenue and reduced administrative burden while also providing transparency to both current and incoming students and elimination of what is often viewed as unexpected add-on costs.

Inclusive of the proposed increases, Vermont State University’s total published price for Vermonters continues to fall below the majority of its New England peers. Shown below is a comparison of tuition, fees, room, and board using the 3.5% increase.

INSTITUTION	TUITION	FEES	ROOM	BOARD	TOTAL
<i>Vermont State University PROPOSED</i>	10,344	2,866	8,104	5,245	26,559
Keene State College	11,754	2,956	9,174	4,324	28,208
Plymouth State University	14,558	2,688	7,944	4,160	29,350
Framingham State University	972	5,423	8,880	4,930	20,205
Eastern Connecticut State University	6,664	6,628	8,942	6,666	28,900

The following pages outline the changes to tuition, fees, room, and board for Vermont State University.

¹ Due to the nearest whole dollar per credit, increases for tuition and fees may fall above or below the proposal; however, the net change in 3.5% across all categories

Shown below is the proposed changes to tuition by student type and major program.²

IN-STATE UNDERGRADUATES					
	Tuition Type	AY 2023-24	AY 2024-2025	Y/Y Variance \$	Y/Y Variance %
Standard Programs	General Tuition	9,984	10,344		3.61%
Program Tuition					
Engineering & Tech	+Program Specific Tuition	3,696	4,248	552	14.94%
Nursing & Resp Therapy	+Program Specific Tuition	4,368	4,944	576	13.19%
Dental & Radiologic	+Program Specific Tuition	6,768	7,440	672	9.93%
Practical Nursing Certificate	+Program Specific Tuition	4,368	4,944	576	13.19%
Paramedicine Certificate	+Program Specific Tuition	6,768	7,440	672	9.93%
OUT-OF-STATE UNDERGRADUATES					
	Tuition Type	AY 2023-24	AY 2024-2025	Y/Y Variance \$	Y/Y Variance %
Standard Programs	General Tuition	19,992	20,688	696	3.48%
Program Tuition					
Engineering & Tech	+Program Specific Tuition	4,704	5,304	600	12.76%
Nursing & Resp Therapy	+Program Specific Tuition	5,376	6,000	624	11.61%
Dental & Radiologic	+Program Specific Tuition	7,776	8,472	696	8.95%
Practical Nursing Certificate	+Program Specific Tuition	5,376	6,000	624	11.61%
Paramedicine Certificate	+Program Specific Tuition	7,776	8,472	696	8.95%
ONLINE-ONLY UNDERGRADUATE PROGRAMS					
	Tuition Type	AY 2023-24	AY 2024-2025	Y/Y Variance \$	Y/Y Variance %
Online-Only Programs	General Tuition	9,000	9,000	-	0.00%
GRADUATE PROGRAMS					
	Tuition Type	AY 2023-24	AY 2024-2025	Y/Y Variance \$	Y/Y Variance %
Standard Programs	General Tuition	639 Credit	661 Credit	22 Credit	3.44%
Out-of-State Special Programs					
MA Athletic Training MFA	General Tuition	821 Credit	850 Credit	29 Credit	3.53%
MS School Pshychology	General Tuition	822 Credit	850 Credit	29 Credit	3.53%
MA Education	General Tuition	823 Credit	850 Credit	29 Credit	3.53%
MA Counseling	General Tuition	824 Credit	850 Credit	29 Credit	3.53%

Please note that Vermont State University is recommending *no changes to tuition for online-only programs* in recognition of our above average per credit tuition costs in comparison to other online programs.

² The program specific tuition increases at a rate greater than 3.5% due to the elimination of lab fees from individual courses. By removing lab fees, transparency is increased. The net effect to students will be the 3.5% proposed.

As noted on the previous page, Vermont State University proposes eliminating both the orientation fee as well as all lab fees. By incorporating these fees into the *comprehensive fee* and *program specific tuition* respectively transparency is increased, and revenue estimating is more complete. While the year over year variance for the comprehensive fee and program specific tuition are higher than the proposed 3.5% the actual amount students will pay will not exceed an additional 3.5% due to incorporation of these fees into the comprehensive fee and program specific tuition.

GENERAL FEES	AY 2023-24	AY 2024-2025	Y/Y Variance \$	Y/Y Variance %
Comprehensive Fee (Campus Based, F2F+)	1,416	1,608	192	13.56%
Institutional Fee (Online)	672	696	24	3.57%
Orientation Fee	400	discontinued	discontinued	
International Student Fee	200	208	8	4.00%
Killington Trimester Fee	2,600	2,691	91	3.50%

SPRING ADMITS	AY 2023-24	AY 2024-2025	Y/Y Variance \$	Y/Y Variance %
Orientation Fee (Spring)	150	discontinued	discontinued	

OTHER FEES	AY 2023-24	AY 2024-2025	Y/Y Variance \$	Y/Y Variance %
Institutional Lab Fees (per hour)	67 per hour	discontinued	discontinued	
Course Fees (per course)	varies per course	varies per course	varies per course	

Vermont State University recommends a 3.5% increase in room and board for academic year 2024-2025. Room and board pricing consistently FY24 Room and Board fees are as follows:

ROOM PRICING	AY 2023-24	AY 20234-25	Y/Y Variance \$	Y/Y Variance %
Standard Rooms				
Double Room	7,830	8,104	274	3.50%
Single Room	9,882	10,228	346	3.50%
Triple Room	6,178	6,394	216	3.50%
Premium Rooms & Apartments				
Rita Bole	10,812	11,190	378	3.50%
Rutland Apts	10,542	10,911	369	3.50%
Johnson College Apartment Multi	6,842	7,081	239	3.49%
Johnson College Apartment Single	9,882	10,228	346	3.50%
Killington Single	8,204	8,491	287	3.50%
Killington Double	7,088	7,336	248	3.50%

BOARD PRICING	AY 2023-24	AY 20234-25	Y/Y Variance \$	Y/Y Variance %
Standard Dining				
Unlimited Meal Plan	5,068	5,245	177	3.49%
12 Meal Plan	4,882	5,053	171	3.50%
8 Meal Plan	4,690	4,854	164	3.50%
Killington Dining	4,580	4,740	160	3.49%

VERMONT STATE COLLEGES SYSTEM

BOARD OF TRUSTEES

RESOLUTION 2023-015

2024-2025 Vermont State University Tuition, Fees, Room & Board

- WHEREAS, In accordance with Policy 403-C, System Annual Operating Budget – Student Tuition and Fees, Each institution may propose individual tuition rates, room and board program charges and selected fees based on a review of and recommendation by the Chancellor; and
- WHEREAS, Vermont State University proposes a 3.5% increase to tuition, fees, room and board for the 2024-2025 academic year as outlined in the December 11, 2023 Finance and Facilities materials; and
- WHEREAS, The recommendation has been reviewed and verified by the Chancellor and Chief Financial & Operating Officer and the Chancellor agrees the proposal has merit and should be recommended for consideration by the Board of Trustees; and
- WHEREAS, The Finance and Facilities Committee of the Board of Trustees has reviewed the recommendation and agrees with the Chancellor’s recommendation; therefore, be it
- RESOLVED, That the tuition, fees, room, and board for increase for Vermont State University Students for Academic Year 2024-2025 shall be 3.5% as outlined in the December 11, 2023 Finance & Facilities Materials attached hereto

Approved: _____

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

**ITEM 4: Vermont State University AY2024-2025
One-to-One Device (Technology) Fee**

VERMONT STATE UNIVERSITY ONE-TO-ONE TECHNOLOGY

A critical strategic goal of Vermont State University is to continue its evolution to a hybrid University serving Vermonters from any location in the state. In alignment with this goal, Vermont State University proposes a new one-to-one device (technology) fee for undergraduate degree seeking students who start on or after fall 2024.

Pilot programs over the last two years have identified that students having a device is critical for their academic success and each student's ability to access all components of the student experience at a hybrid university. The intent of this fee is to slowly, over several years, ensure all students, starting with the incoming class, have the technology necessary to be fully participants in learning at Vermont State University.

As proposed, the fee covers the expenses of a laptop and all productivity software, plus a four-year maintenance service plan. A two-semester fee in the amount of \$629 per semester (\$1,258 total in the student's first year) would fund full payment of the device. Once fully paid, the device is owned by the student and will not be returned.

Vermont State University recognizes the importance of balancing affordability with the student experience and acknowledges this fee may be a hardship for some students, and that many students have access to high quality technology when they arrive at the university. Therefore, while this is proposed as a mandatory fee for all incoming students, the fee may be waived under the following circumstances:

1. Fee will not be required for online only, graduate, nursing, or early college students
2. Fee may be waived if students attest to having a laptop that meets the required specifications, generally a machine that is less than 3 years old and has 256 GB of RAM, however, Information Technology reserves the right to fully define this requirement a minimum of six months prior to the start of classes in the fall of each year
3. Students with a demonstrated financial hardship may use a loaner laptop

In addition, recognizing that this fee may prove overly burdensome to some students, Vermont State University will create a loaner program of one-hundred devices using one-time funding to which students may submit a hardship request to receive a Vermont State University loaner device to participate in their program. If the request is granted, a device will be provided for use. Loaner devices will be limited, so devices will only be provided to students who can demonstrate hardship.

VERMONT STATE COLLEGES SYSTEM

BOARD OF TRUSTEES

RESOLUTION 2023-016

2024-2025 Vermont State University One-to-One Device (Technology) Fee

- WHEREAS, In accordance with Policy 403-C, System Annual Operating Budget – Student Tuition and Fees, Each institution may propose individual tuition rates, room and board program charges and selected fees based on a review of and recommendation by the Chancellor; and
- WHEREAS, Vermont State University has piloted the use of individual classroom technology to support student learning; and
- WHEREAS, The pilot programs have allowed students to be more academically successful and supports hybrid learning; and
- WHEREAS, Students who possess technology that meets the minimum requirements may be exempted from the one-to-one device (technology) fee; and
- WHEREAS, Students with a demonstrated financial hardship may apply for use of a loaner device at minimal cost; and
- WHEREAS, The recommendation has been reviewed and verified by the Chancellor, Chief Information Officer, and Chief Financial & Operating Officer and the Chancellor agrees the proposal has merit and should be recommended for consideration by the Board of Trustees; and
- WHEREAS, The Finance and Facilities Committee of the Board of Trustees has reviewed the recommendation and agrees with the Chancellor’s recommendation; therefore, be it
- RESOLVED, That Vermont State University may institute a one-to-one device (technology) fee as outlined in the December 11, 2023 Finance & Facilities Materials attached hereto

Approved: _____

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

ITEM 5: Policy 403-A Modifications

POLICY 403-A – ALLOCATION OF STATE GENERAL AND CAPITAL FUND APPROPRIATION

In January 2023 the Board of Trustees adopted a revised form of Policy 403, System Annual Operating Budget. The revised policy allocated state appropriation according to a different methodology. The updated methodology attempted to direct the state appropriation to the areas of greatest need for academic and administrative operations within the system.

As with all policies, an important best practice is to periodically review the policy for unintended consequences and offer revisions as needed to better reflect the needs of the organization. A review of Policy 403-A and the allocation of the state general fund appropriation is no exception.

With one year of appropriations allocation behind us, we recommend the following changes to this policy. The intent of these changes is to smooth any potential changes, offer a small amount of annual budget relief, and clarify the Board's responsibilities regarding the expenditure of unspent Strategic Initiative funding.

PROPOSED CHANGES TO POLICY 403-A

1. To better reflect the ongoing nature of anticipated strategic initiatives, we propose reducing the total amount of base appropriation dedicated to strategic initiatives from 3% of the net available balance to 2%. This amount is consistent with the value set-aside annually for economic stabilization efforts.
2. Added language to make it clear that unspent strategic initiative funding from the prior year may, at the Board's discretion, be distributed to another purpose. While the policy offers suggestions as to how those funds could be used, these are merely examples and would be established by board action at the time the decision is made.
3. Modified the rolling average from three years to five years. The intent of this change is to assure smooth changes as performance improves or declines at an institution.
4. Added a maximum proportional change "throttle" of 1% to the calculation. By doing so, the unintended consequence of a large swing in appropriation (unrelated to the amount of appropriation approved by the State of Vermont) can be avoided.



Manual of Policy and Procedures

Title	Number	Page
SYSTEM ANNUAL OPERATING BUDGET - ALLOCATION OF STATE GENERAL AND CAPITAL FUND APPROPRIATIONS	403-A	1 of 3
	Date	01/22/2023

Deleted: 3

PURPOSE

Vermont State Colleges System receives general and capital fund appropriations from the State of Vermont. The primary purpose of these appropriations is to support the VSCS and create access to higher education for Vermonters throughout the state. This policy describes the methodology by which the general fund and capital fund will be distributed across the component units (i.e. individual institutions, shared services and Chancellor's Office.)

STATEMENT OF POLICY

1. Allocation of General Fund Appropriation

A. Deductions prior to allocation of the General Fund Appropriation:

- (1) Allocations named to a specific purpose by state law shall be allocated solely to that purpose and assigned to the appropriate component unit
- (2) All extraordinary and one-time funding not named to a specific purpose by state law
- (3) 2% of the total base appropriation less the values of (1) and (2) above for strategic initiatives at the discretion of the Chancellor. At the discretion of the Board of Trustees, any portion of the available balance from the prior fiscal year may, in whole or in part, be distributed to another purpose such as reallocation to the economic stabilization fund or distribution to the institutions proportional to the prior year's appropriation allocation.
- (4) 2% of the total base appropriation less the values of (1) and (2) above allocated to an economic stabilization fund
- (5) Budgeted retiree medical costs

Deleted: 3

(6) Corporate functions including Chancellor, Government Relations, Board Support, and related activities.

B. After all deductions occurring in A above, the remaining balance shall be distributed to the member institutions to fill the gap between a five-year rolling average of actual unrestricted Student Revenue (Net Tuition and Fees plus Room and Board) plus special purpose general fund allocations as described in A(1) above, less all Unrestricted Expenses excluding all Athletics, Camps & Conferences, and Development/Fundraising. Where the need exceeds the available general fund balance, the amount shall be shared proportionately. Under no circumstances shall an institution receive less than 15% of the available appropriation and not more than 85%. Further, to prevent undue harm to an institution, under no circumstances will the proportional change in appropriation exceed 1% for any given year.

Deleted: three

Example

Available general fund appropriation after application of deductions is \$18,000,000.

	Institution 1	Institution 2
All Student Revenue	15,000,000	20,000,000
Gross Unrestricted Exp	23,000,000	40,000,000
Athletics	0	-6,500,000
Development	-75,000	-300,000
<u>Camps and Conferences</u>	<u>0</u>	<u>-1,000,000</u>
Net Expense	22,925,000	32,200,000
Balance	7,925,000	12,200,000
	39.4% of whole	60.6% of whole

The total need for both institutions is the sum of the balances for each organization: \$12,200,000 + \$7,925,000 = \$20,125,000. Because the need of \$20,125,000 exceeds the available balance, of \$18,000,000, the available balance is distributed proportionately to the whole of the need. Therefore, Institution 1 would receive 39.4% (\$7,092,000) of the available general fund appropriation and Institution 2 would receive 60.6% (\$10,908,000) of the general fund appropriation.

2. Allocation of Capital Fund Appropriation

A. Deductions prior to allocation of the Capital Fund Appropriation:

- (1) Allocations named to a specific purpose by state law shall be allocated solely to that purpose and assigned to the appropriate component unit
- (2) \$500,000 for emergency repairs which shall be distributed at the discretion of the Chancellor or Chief Financial Officer

B. After all deductions in A above, the remaining balance shall be distributed proportionate to owned square footage by institution as calculated the fall before the beginning of each State Biennium; with the expectation that not less than \$150,000 will issued to each institution regardless of proportionate value.

Signed by: _____
Chancellor

Deleted: Sophie Zdatny,

<u>Date</u>	<u>Version</u>	<u>Revision</u>	<u>Approved By</u>
<u>1/23/2023</u>	<u>1.0</u>	<u>Adopted</u>	<u>VSCS Board of Trustees</u>
<u>1/22/2024</u>	<u>2.0</u>		

**ITEM 6: FY2025 Pass 1 State Appropriation Allocation,
Corporate & Share Services Budgets**

FY2025 State Appropriation Allocation

FY2025 is the second year of the new State Appropriation Allocation methodology. As discussed earlier in these materials, management proposes several modest adjustments to the formula to better reflect the intent of the appropriation distribution. The following calculation assumes the recommendations will be adopted. Should this not be the case, the calculation will be revised.

The state general fund allocation is a two-part calculation. First, the amount of general fund to be allocated is calculated. This is done by taking the total allocation to the Vermont State Colleges and deducting all of the following:

1. Legal Obligations
 - a. Special purpose appropriations such as Allied Health, VMEC, CCV Vermont Tuition Advantage, and other similar programs
 - b. Extraordinary and one-time funding not named to a specific purpose (i.e. bridge funding)
 - c. Retiree medical cost
2. Economic Sustainability and Strategic Initiatives
 - a. 2% for strategic initiatives as established by the Chancellor
 - b. 2% to create an economic stabilization fund
3. Corporate Functions
 - a. Chancellor and staff
 - b. Board Support
 - c. External Affairs/Government Relations

These deductions are necessary to guarantee the Vermont State Colleges meets its legal obligations, has the resources necessary to lead the corporation, and provides the funds necessary for a sustainable future.

The second step is to distribute the remaining funds, after deduction of the above items. The proportion of funding for each institution is based on their proportional share of academic and administrative need using a five-year look back. The academic and administrative need of each institution is calculated as follows:

1. Total Student Revenues: tuition, fees, room, and board; minus
2. Gross Unrestricted Expenses: all expenses excluding athletics, development, camps and conferences

By including only student revenue and expenses related to running the academic and administrative portions of the operations the calculation therefore focuses solely on the core functions of each institution. The calculation for FY2025 is listed on the next page.

	FY25 Pass 1	FY24 Budget
Allocated General Funds	65,585	49,086
a. Allocations named to a specific purpose	(1,586)	(1,586)
b. Extraordinary & one-time funding not named to a specific purpose	(15,000)	-
General Fund less Special Purpose and Extraordinary	49,000	47,500
c. Strategic Initiatives (2% of General Fund less a and b)	(980)	(1,425)
d. Economic Stabilization (2% of General Fund less a and b)	(980)	(950)
e. Estimated Retiree Medical Insurance	(7,700)	(9,294)
f. Corporate Functions	(1,219)	(1,118)
Deductions before Distribution	(10,879)	(12,788)
Balance to Allocate	38,121	34,712

As shown above, the total amount of state general fund appropriation to allocate for FY2025 is \$38.121M. This amount is \$3.409M higher than the budget for FY2024. This increase in available funds is due to three primary reasons, the first is a budgeted increase of 3% in the state general fund appropriation consistent with the Governor’s budget instructions, the second is the reduction from 3% to 2% for the strategic initiatives fund, and the third is a restatement of retiree medical insurance to better reflect current year actual performance.

Below is the updated distribution of state appropriation, using the available balance for FY2025. As shown here, Community College of Vermont will see a \$969K increase in its state appropriation, or 11.19%, and Vermont State University will see an increase of \$2.44M or 9.36%.

	FY25 Pass 1		FY24 Budget	
	CCV	VTSU	CCV	VTSU
5 Year Avg Academic & Administrative Need	\$ 5,917	\$ 17,506	\$ 5,202	\$ 15,646
Proportion of Total Need	25.26%	74.74%	24.95%	75.05%
FY25/FY24 Allocation	\$ 9,630	\$ 28,490	\$ 8,661	\$ 26,051
Year over Year \$ Change in Appropriation	\$ 969	\$ 2,440		
Year over Year % Change in Appropriation	11.19%	9.36%		

1ST PASS BUDGET: CORPORATE FUNCTIONS (CHANCELLOR’S OFFICE)

The corporate budget, also known as the Chancellor’s Office, includes the functions associated with leading the corporation. Key roles and activities include the chief executive officer, government relations and external affairs, chief academic officer, and board support.

Rolling forward the corporate budget, we would expect total expenses approximately 5.3% higher than FY2024. The actual proposal is a 9% increase, or \$42,053 higher than our roll forward estimates.

Unit	FY25 Corporate	FY24 Corporate
Board Support	108,522	105,432
Chancellor	685,819	587,048
External Affairs	319,505	304,976
Facilities	105,320	120,820
Total Corporate Expenses	1,219,165	1,118,275

1ST PASS BUDGET: SHARED SERVICES

At its January 2023 Board of Trustees meeting the board approved a revised allocation model for the services shared across the Vermont State Colleges. Previously, the charges were allocated strictly on the percentage of appropriation received. Therefore, if an institution received 20% of the appropriation they paid 20% of the cost of shared services. This methodology was in place for many years, but it did not take into consideration any of the factors that drive the cost of shared services; nor, did it encourage cost containment because there was not a relationship between spending on services and the payment expended by an institution.

In the new model, each expense category is assigned to an allocation distribution method. These distribution methods approximate the consumption pattern for each category of spending. Each budget line is assigned to an allocation method that most closely matches the service. In instances where pricing is negotiated using a specific metric such as student or employee headcount, that metric is used. Where only one institution chooses to purchase the service, the charge is directly applied to that institution

For FY2024, the shared services budget, which is comprised of finance, human resources, information technology, legal services, VSC libraries¹, and workforce development, had a total budget of \$17.005M for FY2024. Rolling forward the shared services budget we would expect a budget of \$17.791M for FY2025, or an approximately 4.6% increase. However, the proposed budget for FY2025 is just 0.02% or \$3,391 higher than the current budget. The first pass of the shared services budget is shown on the next page.

¹ CCV and VTSU are discussing the feasibility of returning VSC Libraries to an in house function. Subsequent versions of the shared services budget may remove VSC libraries from the budget should the institutions reach a mutual agreement regarding means, methods, and charge-back strategy.

Department	FY2025 1st Pass			FY2024		
	FY2025 Total	CCV	VTSU	FY2024 Total	CCV	FY25 VTSU
Finance	1,767,231	380,278	1,386,953	1,801,648	394,486	1,407,162
Human Resources	686,248	153,156	533,092	683,713	150,160	533,553
Information Technology	11,541,832	3,750,417	7,791,416	11,065,588	3,702,743	7,362,845
Legal	619,223	176,678	442,545	581,865	164,601	417,264
VSC Libraries	2,393,979	731,190	1,662,789	2,613,692	805,446	1,808,246
Workforce Development	-	-	-	258,617	129,308	129,308
Total Shared Services	17,008,514	5,191,720	11,816,794	17,005,123	5,346,745	11,658,378
Y/Y \$ Change	3,391	(155,026)	158,416			
Y/Y % Change	0.02%	-2.90%	1.36%			

The budgets for three departments: finance, VSC libraries, and workforce were reduced from the current year. Three departments are budgeting an increase, year over year, these are human resources, information technology, and legal services.

Due to changes in services used by institution, and refinement of the allocation based on consumption, CCV will see a 2.90% decline in the cost of shared services for FY25 while VTSU will see a 1.36% increase².

1ST PASS BUDGET: GENERAL FUND ALLOCATION LESS SHARED SERVICES

Of critical importance to the institutions is the net state general funds available, after all corporate and shared services functions have been addressed. Using the data presented here, CCV's share of state general fund, net of shared services, will increase by 34% from \$3.3M to \$4.4M. Simultaneously, VTSU's share of state general fund, net of shared services, will increase 16% from \$14.4M to \$16.7M.

The difference in percent change is due to two factors. The first is the proportional increase in state appropriation going to CCV (from 24.95% to 25.26%) and the second is the proportionately greater consumption of shared services functions for Vermont State University.

	FY25 Pass 1		FY24 Budget	
	CCV	VTSU	CCV	VTSU
State Appropriation Allocation	\$ 9,630	\$ 28,490	\$ 8,661	\$ 26,051
Shared Services	\$ (5,192)	\$ (11,817)	\$ (5,347)	\$ (11,658)
Net Available	\$ 4,438	\$ 16,673	\$ 3,314	\$ 14,392
\$ Change Year over Year	\$ 1,124	\$ 2,281		
% Change Year over Year	34%	16%		

² Depending on the chargeback methodology selected for the libraries when an agreement is finalized the final budgeted value may vary from what is shown here.

NET EFFECT OF CHANGES – FY2020 TO FY2025 (PROPOSED)

The change in the allocation methodologies does not come without consternation and hardship. As the system moves into a new era with just two institutions it is imperative that the allocation of state general fund and shared services be consistent with the Board’s expectations and meet the needs of the system as a whole. With that said, it is also important that undue harm not come to the institutions.

The following is a brief comparison of the allocation and spending for the years FY2020 and FY2025.

	<u>CCV</u>	<u>VTSU</u>	<u>VSC</u>
(1) FY2020 General Fund Allocated to Institutions	6,119	25,319	31,438
(2) Corporate, Retiree, and Shared Services Expenses Charged to Institutions			
(a) FY2020 Retiree Medical	(736)	(5,625)	(6,361)
(b) FY2020 Chancellor's Office Allocation			
(b.1) FY2020 Corporate Functions as defined in 403-A	(183)	(731)	(914)
(b.2) FY2020 Shared Expenses (IT, Finance, etc.)	(1,438)	(5,748)	(7,186)
(c) FY2020 Direct Expenses (now Shared Expenses)	(1,742)	(4,919)	(6,661)
Total Corporate, Retiree, Shared Services Expenses (sum a-d)	(4,099)	(17,023)	(21,122)
(3) FY2020 General Fund Available for use by Institution (1+2)	2,020	8,296	10,316
(4) FY2025 General Fund Allocated to Institutions	9,630	28,490	38,120
(5) FY2025 Shared Expenses Charged to Institutions	(5,192)	(11,817)	(17,009)
(6) FY2025 General Fund available for use by Institution (4+5)	4,438	16,673	21,111
(9) Difference in net available funds FY20 to FY25 (6-3)	2,418	8,377	10,795
(10) % Change in net available funds FY20 to FY25 (9/3)	120%	101%	105%

As shown here the general fund available for use, which should be considered “purchasing power” of the appropriation, by the institutions (row 3), after deductions for retiree medical, the allocation for the chancellor’s office, and shared expenses that were direct expenses to each institution, totaled \$10.316M in FY2020. CCV’s net share of the appropriation, after all deductions for shared services, retiree medical, and corporate functions was \$2.02M or 19.58% of the funds available and VTSU’s share was \$8.296M or 80.42%.

For FY2025, the proposed first pass budget provides net available funds, or “purchasing power” (row 6) totaling \$21.111M. CCV’s share of these available funds is \$4.438M or 21.02% and VTSU’s is \$16.673M or 78.98%.

There has been a very slight shift in purchasing power of the appropriation between VTSU and CCV. Using ratio and proportion, CCV's purchasing power of the appropriation using 19.58% would have been \$4.134M, the currently estimated value is \$4.438M, a difference of \$304K.

Using similar ratio and proportion, VTSU, using FY2020 proportion would be have been \$16.977M, the current FY2025 estimate is \$16.673M, or \$304K.

(1) Net Value of Appropriation	21,111	
<u>% General Fund Available for Use</u>	<u>CCV</u>	<u>VTSU</u>
(2) FY2020 (actual)	19.58%	80.42%
(3) FY2025 (proposed)	21.02%	78.98%
	<u>Estimate</u>	
(4) FY2025 using FY2020 (1 * 2)	4,134	16,977
(5) FY2025 (proposed)	4,438	16,673
Absolute Variance (5-4)	304	(304)

While there is an absolute value shift in the purchasing power of the appropriation between the institutions, the shift is nominal, and therefore does not have a negative influence on either institution. Recent changes in Shared Services, specifically cost reduction measures put in place for FY2025 have helped to mitigate the overall impact.

ITEM 7: VTSU Master Plan Update

VERMONT STATE UNIVERSITY MASTER PLAN UPDATE

Since September the consultants have continued to work with the Master Planning Working Group and specific focus groups to bring to conclusion the Investigation Phase of this work. As a reminder the Investigation Phase included items like Campus Visits, Data Review, Analysis & Evaluation, Issue Identification and Initial Ideas. The meeting held on November 13th established a set of initial ideas.

Our next meeting, December 11, will focus more on areas of opportunities for the various campuses. We will be seeking information and feedback regarding the benefits to be had by focusing on strategic investments.

Through February the group will be working on diving into identified Focus Areas and developing various Scenario Iterations. This work will include more detailed analysis of specific assets through the previously established lens of utilization, deferred maintenance and operational cost but will now layer in the outcomes of Optimization 2.0. The work will then shift to documenting and assembling draft and final reports.

ITEM 8: ERP Assessment Update

ERP ASSESSMENT UPDATE

As previously announced as part of an update shared at the Board meeting on November 13, 2023, the Vermont State Colleges (VSC) is partnering with the enterprise systems consultant, Ferrilli, to assess the VSC Enterprise Resources Planning (ERP) system, Ellucian Colleague, and create a roadmap to future sustainability. The assessment will look at our whole ERP environment *and* include a review of software systems connected to our ERP. This assessment is not a commitment to change or move away from our ERP system but an investigation of our current state and today's technology marketplace to understand the opportunities we have to position ourselves for the future. We have drafted answers to some frequently asked questions, and you can find those on our VSC transformation website at <https://transformation.vsc.edu/administrative-operations/erp-assessment-faq/>.

The first phase of the ERP Assessment is soon ending, with close to 40 interviews completed with institutional leaders and key functional stakeholders as part of our current state assessment. We also have an active survey out, and the link was shared through the most recent transformation newsletter. We appreciate the responses so far from over 50 individuals and welcome more.

The next phase of the assessment is phase 2, focused on a full market analysis. This phase is inclusive of gathering insights into how ERP systems in the market might be able to address our identified limitations *and* align with our documented priorities outlined in phase 1. This assessment will consider the requirements of both CCV and VTSU in addition to the broader system requirements. Looking ahead in the timeline, Ferrilli will deliver the Assessment Report, including market analysis and recommended roadmap, to sponsors and stakeholders early in the 2024.

As shared at the November 13 Board meeting, an approved resolution and governance model for reviewing the assessment report in the spring is being advanced. We will be working with both VTSU and CCV to ensure the executive steering committee is organized. This governance structure will be used as we make decisions on how to implement Ferrilli's recommendations concerning the future ERP roadmap and you can find a high-level overview of the governance structure on the transformation website as well. We expect to provide the next update to the Board at the February 12th Finance and Facilities meeting.

ITEM 7: FY2024 1st Quarter Results

FIRST QUARTER FINANCIAL RESULTS

First quarter results are promising. As a system, the Vermont State Colleges projects total revenues \$2.6 million better than budget, and total expenses \$2.4 million less than budget for a combined net improvement of \$4.98 million from budget.

While the first quarter is still early in the year, initial enrollment and expense data suggests net performance will be stronger than budget at Vermont State University where revenue is forecasted at \$961 thousand dollars lower than budget and expenses are estimated to be approximately \$2.3 million lower than budget. VTSU is projecting 0.8% increase in FPE enrollment from budget and a 10.8% reduction in residential occupancy from budget. The net improvement for Vermont State University is forecasted at \$1.3 million or 1.0% of budgeted expenses.

Community College of Vermont, while seeing stronger enrollment than budget for both their summer and fall terms, is less confident of their revenues than VTSU due to the high variability in enrollment from term to term. While their revenue for the first half of the year is stronger than budget, they have forecasted revenue consistent with budget for the first quarter as a conservative hedge against the future. The Finance and Facilities Committee should expect to see a clearer picture of CCV's performance upon receipt of the second quarter results, when CCV has a clearer understanding of spring enrollments.

The Chancellor's Office budget reflects the use of \$2.0 million tuition set-aside for VTSU's FY24 tuition rate reduction. This is offset by the portion of Bridge Funding that was not budgeted, leaving a forecasted \$1.3 million upside to budget.

Shared Services is forecasting a \$2.6 million improvement from the budget, driven primarily by the lower retiree medical expenses. The excess funds related to retiree medical will be distributed to the institutions on using their pro-rata share of the state general fund allocation in the second quarter.

FIRST QUARTER METRICS

The FY2024 budget is predicated on key values related to enrollment, room occupancy and employee wages. As part of the FY2024 budgeting process, each institution within the Vermont State Colleges supplied the Finance and Facilities Committee with the foundational metrics upon which their budgets were built as a means for the Committee to gauge current year budget performance.

As noted above, CCV full-paying equivalent enrollment for the fall term is 2.4% better than budgeted, with stronger than budgeted out-of-state enrollment. Overall, CCV has offset this increase in fall enrollment by reflecting enrollment consistent with budget for the spring and summer 2024 terms. The data for spring will be firmed up with the spring semester.

Vermont State University's net student tuition revenue is currently estimated at 2.0% better than budget as compared to a full-paying equivalent increase of approximately 0.8%. Combined with an increase in institutional aid of \$1.5 million and a 10.8% shortfall in residential occupancy, results in a 4.3% shortfall for net student revenue. Vermont State University's salaries and benefits line improvements related to administrative optimization efforts will be reflected in the second half of FY2024 for the majority of personnel actions. Academic optimization efforts will be reflected in the FY2025 budget.

System-wide budget and forecast: first quarter FY2024

FY24 Q1 Projections
 (Amounts rounded to \$1,000)

	Vermont State Colleges System			Community College of Vermont			Vermont State University			Shared Services			Chancellor's Office		
	Projected FY24	Budget FY24	Proj vs. Bud Fav / (Unfav)	Projected FY24	Budget FY24	Proj vs. Bud Fav / (Unfav)	Projected FY24	Budget FY24	Proj vs. Bud Fav / (Unfav)	Projected FY24	Budget FY24	Proj vs. Bud Fav / (Unfav)	Projected FY24	Budget FY24	Proj vs. Bud Fav / (Unfav)
REVENUES															
Tuition and Fees	81,149	83,735	(2,586)	18,185	22,000	(3,815)	62,965	61,735	1,230	-	-	-	-	-	-
State Appropriation	56,979	49,586	7,393	12,797	8,797	4,000	27,977	27,977	(0)	9,294	9,294	-	6,911	3,518	3,393
Room and Board	18,124	20,314	(2,190)	-	-	-	18,124	20,314	(2,190)	-	-	-	-	-	-
Sales and Services	4,550	4,549	1	2	1	1	4,548	4,548	(0)	-	-	-	-	-	-
Gifts	1,135	1,135	(0.10)	80	80	0	1,055	1,055	(0)	-	-	-	-	-	-
Other Revenue	1,328	1,327	0.74	183	183	0	1,144	1,144	0	-	-	-	-	-	-
TOTAL REVENUES	163,264	160,646	2,618	31,247	31,061	186	115,812	116,773	(961)	9,294	9,294	-	6,911	3,518	3,393
EXPENSES															
Salaries and Benefits	102,332	103,869	1,537	21,353	21,353	(0)	71,436	72,470	1,034	8,794	9,203	409	749	843	94
Retiree Medical Expenses	7,000	9,294	2,294	-	-	-	-	-	-	7,000	9,294	2,294	-	-	-
Services, Supplies, Travel	41,274	40,654	(620)	5,334	4,848	(486)	26,563	26,559	(4)	9,122	8,992	(130)	255	255	-
Scholarships	9,714	8,133	(1,581)	170	170	(0)	9,433	7,963	(1,470)	-	-	-	110	-	(110)
Utilities	8,596	8,603	7	352	352	(0)	8,224	8,221	(3)	-	10	10	20	20	-
Other Expenses	3,812	3,795	(17)	-	-	-	-	-	-	-	-	-	3,812	3,795	(17)
Debt Service	6,826	7,865	1,039	1,561	1,561	-	5,265	6,304	1,039	-	-	-	-	-	-
Shared Services	(1)	(1)	(0)	5,346	5,346	-	11,658	11,658	(0)	(17,005)	(17,005)	-	-	-	-
Chancellor's Office	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Transfers	(4,209)	(4,507)	(298)	(2,569)	(2,569)	0	(662)	1,040	1,702	-	-	-	(978)	(2,978)	(2,000)
Strategic Initiatives (3%)	1,440	1,440	-	-	-	-	-	-	-	-	-	-	1,440	1,440	-
Economic Stabilization (2%)	960	960	-	-	-	-	-	-	-	-	-	-	960	960	-
TOTAL EXPENSES	177,744	180,105	2,361	31,547	31,061	(486)	131,918	134,215	2,297	7,911	10,494	2,583	6,368	4,335	(2,033)
NET REVENUES/(DEFICIT)	(14,480)	(19,459)	4,979	(300)	-	(300)	(16,106)	(17,442)	1,336	1,383	(1,200)	2,583	543	(817)	1,360

System-wide metrics: first quarter FY2024

	Community College of Vermont				Vermont State University				Vermont State Colleges			
	FY24 Budget	FY24Q1**	Var S	Var %	FY24 Budget	FY24Q1	Var S	Var %	FY24 Budget	FY24Q1	Var S	Var %
Student Revenue & Wages (Smillions)												
Net Student Revenue	\$ 21,830	\$ 22,015	\$ 185	0.8%	\$ 73,975	\$ 70,796	\$ (3,179)	-4.3%	\$ 95,805	\$ 92,811	\$ (2,994)	-3.1%
Annual Employee Wages	\$ 15,719	\$ 15,719	\$ -	0.0%	\$ 46,655	\$ 46,889	\$ 234	0.5%	\$ 62,374	\$ 62,608	\$ 234	0.4%
Full Paying Equivalent Enrollment												
Annual FPE	2,932	2,974	42	1.4%	4,141	4,173	32	0.8%	7,073	7,147	74	1.0%
FPE by Term												
Fall	2,560	2,620	60	2.4%	4,280	4,318	38	0.9%	6,840	6,938	99	1.4%
Spring	2,224	2,224	0	0.0%	4,002	4,033	31	0.8%	6,226	6,257	31	0.5%
Other	1,080	1,103	23	2.1%	-	-	-		1,080	1,103	23	2.1%
FPE by Value Stream												
Vermonters	2,783	2,812	29	1.1%	1,693	1,706	13	0.8%	4,476	4,518	42	0.9%
Out-of-State	116	124	8	7.3%	859	866	7	0.8%	975	990	15	1.6%
NEBHE & Good Neighbor	39	38	(1)	-1.4%	200	202	2	1.0%	239	240	1	0.6%
Nursing & Allied Health	n/a				545	549	4	0.7%	545	549	4	0.00734
Online	n/a				291	293	2	0.7%	291	293	2	0.7%
Graduate												
Vermonters	n/a				207	209	2	1.0%	207	209	2	1.0%
Out-of-State	n/a				60	60	-	0.0%	60	60	-	0.0%
Room Occupancy												
Annual Occupancy	n/a				1,650	1,472	(178)	-10.8%	1,650	1,472	(178)	-10.8%
Occupancy by Term												
Fall	n/a				1,751	1,562	(189)	-10.8%	1,751	1,562	(189)	-10.8%
Spring	n/a				1,550	1,383	(167)	-10.8%	1,550	1,383	(167)	-10.8%
Other	n/a				0	0	-		-	-	-	

** CCV Vermont Tuition Advantage is included in these numbers for metrics reporting

Community College of Vermont

CCV's FY24 Fall semester enrollment revenue was higher than anticipated leading to a slight increase over budget for tuition. The higher enrollment is likely due to a combination of the McClure Early Promise program, 802 Opportunity program, and the Vermont Tuition Advantage program. We anticipate Spring and Summer enrollment to be consistent with budget and therefore are projecting a \$186k increase in revenue over the FY24 budget.

This increase in revenue will be offset by anticipated increases in our ReUp fees and marketing costs associated with the launch of the Vermont Tuition Advantage program. All other FY24 expenses for CCV remain on track with budget.

Revenues:

Tuition and Fees: Overall total tuition and fees slightly higher than BOT approved budget

Sales & Services/Gifts/Other Revenues: Remains the same as budget

Expenses:

Salaries & Benefits: No change.

Service, Supplies & Travel: Slight increase due to ReUp and marketing Vermont Tuition Advantage.

Scholarships & Fellowships: No change.

Other Transfers: No change.

Vermont State University

VTSU's bottom-line projection, at Q1, is slightly favorable to budget. Budgeting a \$17.6M deficit, the University projects a \$16.2M deficit, with aggregate revenue and aggregate expense both trending under budget.

Revenue. VTSU's FY24 net student revenue is projected at \$3.2M below budget.

- While fall semester enrollment and tuition revenue have come in close to the 5% decline budgeted, auxiliary revenue (room and board) is off budget, and scholarship expense is outpacing budget.
- Room and board revenue, driven by a smaller than anticipated residential population, is projected below budget by approximately 11% (it was budgeted down 4% from prior year).
- Scholarship expense is projected above budget by 18%. (As part of VTSU's tuition restructuring, scholarship expense was expected to decline 59% year-to-year; VTSU has only realized a 52% decline.)

We expect winter, spring, and summer enrollment to be consistent with our fall experience.

Expense. VTSU's FY24 operational expenses (not including scholarships, addressed above), are projected at \$4.5M lower than budget.

- Salary and benefit lines are projected at 11% below budget. (~\$1.5M) This is attributable to position vacancies.
- Q1 projections incorporate ~\$1M in savings from the recent bond buy-back.
- Q1 projections incorporate transfer offsets of \$2M, representing the financial support set aside by the board of trustees as part of the recent tuition restructuring.

Expenses:

Retiree Medical Expenses: Reductions are being realized in this area and a favorable \$2.3M variance to budgeted is being projected and this will continue to be monitored for trends throughout the year.

Chancellor's Office

Revenues:

State Appropriations: Non-ARPA portion of the FY24 Bridge Funding was not budgeted.

Other Transfers: Q1 projections incorporate transfer offsets of \$2M, representing the financial support set aside by the board of trustees as part of the recent tuition restructuring.