

## MEMORANDUM

**TO:**            **Committee Members**                      **Committee Liaisons**  
David Silverman, Chair                      Alexis Anderson, VTSU Staff  
Marc Mihaly, Vice Chair                      Rick Arend, CCV Faculty  
Coleen Condon                                  Ryan Dulude, CCV Staff  
Lynn Dickinson                                  Marybeth Lennox-Levins, VTSU Faculty  
David Durfee  
Bob Flint  
Sue Zeller

**FROM:**        Sharron Scott, Chief Financial & Operating Officer  
**DATE:**        May 7, 2025  
**RE:**            VSC Board of Trustees Finance & Facilities Committee May 12, 2025

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The VSC Board of Trustees Finance & Facilities Committee will meet on **Monday, May 12, 2025, at 2:00 p.m.** remotely via Zoom.

Please review the accompanying materials for the committee's discussion, including minutes from the meeting on April 14, 2025, a redlined version of Policy 408, an updated Driver Safety Policy, tuition and fees requests for Academic Year 2025-2026, the FY26 System-Wide Operating Budget, the FY26 Banking and Investment Resolution, and 3<sup>rd</sup> Quarter Financial Results.

After public comment and minute approval, the Committee will review and make recommendations on policy 408 (grants and external funding) and policy 419 (driver safety). The Committee will then review and make recommendations on requests for tuition and fee increases at Community College of Vermont and Vermont State University, and then review and make recommendations on the FY26 System-Wide Operating Budget. The last action item is review and recommendation regarding the Annual Banking and Investment Resolution.

The Committee will then review third quarter performance and receive an update on the Workday implementation project from Wilson Garland. Following these discussion items, the Committee will consider other business and then go into an executive session to receive confidential attorney-client communication, discuss records exempt from public records, and discuss real estate. recommend budget final recommendations and annual banking and investment resolution. After addressing any additional business, the committee will adjourn.

**Note:** Please be advised that the board has seven members. The quorum for starting the meeting and to take any action is four members of the committee.

The board assistant may be reached at (802) 224-3021 for any questions.

Cc: Council of Presidents Finance & Facilities Committee Liaisons  
Vermont Department of Libraries VSC Board of Trustees

**Vermont State Colleges Board of Trustees  
Finance & Facilities Committee Meeting  
Zoom Meeting<sup>1</sup>/YouTube Stream<sup>2</sup>  
Monday, May 12, 2025 at 11:30 p.m.**

**AGENDA**

1. Call to Order
2. Public Comment<sup>3</sup>
3. Approve Minutes: *April 14, 2025*
4. Review/recommend Policy 408 Grants and External Funding
5. Review/recommend Policy 419 Driver Safety
6. Review/Recommend Tuition and Fees Increase Requests for VTSU and CCV
7. Review/Recommend FY26 System-Wide Budget
8. Review/Recommend Annual Banking & Investment Resolution
9. Review Third Quarter Financial Results
10. Review Workday Implementation Project
11. Other Business
12. Executive Session to receive confidential attorney-client communication, discuss records exempt from public records, and real estate
13. Adjourn

**MATERIALS**

1. Minutes: *April 14, 2025*
2. Policy 408 Grants & External Funding Redline
3. Policy 419 Driver Safety Policy and Procedures
4. Tuition and Fee Increase Request for CCV and VTSU
5. FY26 System-Wide Operating Budget
  - a. Overview and Budget Narratives
  - b. Resolution 2025-005 System-Wide Operating Budget
6. FY26 Annual Banking & Investment Resolution 2025-006
7. 3<sup>rd</sup> Quarter Financial Results

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<sup>1</sup> <https://www.vsc.edu/botzoom>

<sup>2</sup> [www.vsc.edu/live](https://www.vsc.edu/live)

<sup>3</sup> Public comment sign up - [www.vsc.edu/signup](https://www.vsc.edu/signup). This is an in person meeting. To make a public comment you must be physically present.

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**ITEM 1: April 14, 2025**

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**Minutes of the VSC Finance & Facilities Committee meeting held Monday, April 14, 2025  
at 1:00 p.m. at Community College of Vermont in Montpelier – UNAPPROVED**

*Note: These are unapproved minutes, subject to amendment and/or approval at the subsequent meeting.*

The VSC Finance & Facilities Committee met on Monday, April 14, 2025 at 1:00 p.m. at Community College of Vermont, Montpelier, Room 113.

**Attendance**

Committee Members: David Silverman (Chair), Lynn Dickinson, David Durfee, Marc Mihaly, Sue Zeller

Absent: Bob Flint

Other Trustees: Jason Musal, Jim Masland, Gwen Bailey-Rowe, Shirley Jefferson, Megan Cluver, Janette Bombardier (online at 1:45)

Liaisons: Alexis Anderson, VTSU staff  
Rick Arend, CCV faculty (online)  
Ryan Dulude, CCV staff

Chancellor: Elizabeth Mauch

Presidents: David Bergh, VTSU President  
Joyce Judy, CCV President

Other Attendees: Nolan Atkins, VTSU Provost  
Kelley Beckwith, VP of Student Success  
Kayla Dewey, Executive Assistant  
Jason Kaiser, Learning Spaces Technology Specialist  
Karen Luneau, former trustee  
Nicole Mace, CCV Dean of Administration  
Maurice Ouimet, VP for Admissions and Enrollment Services  
Hannah Reid, AVP of Communications  
Sharron Scott, Chief Finance and Operating Officer  
Toby Stewart, VSC Controller  
Shawn Tester, former trustee (1:44)  
Patty Turley, General Counsel  
Heather Weinstein, CCV Dean of Strategic Initiatives  
Yasmine Ziesler, Special Assistant to the President

**1. Call to Order**

Chair Silverman called the meeting to order at 1:00 p.m.

2. Comments from the Public

There was no public comment.

3. Approve Minutes: February 10, 2025

**Trustee Zeller moved and Trustee Dickinson seconded the motion to approve the minutes of February 10, 2025. The motion was approved unanimously.**

Chair Silverman announced that the committee would not be taking up discussion on an agenda item: Relinquishment of WJSC Radio Station FCC License

4. Vote/Recommend: *Northern Lights Grant Request*

CCV serves more than 8,000 early childhood and afterschool professionals in Vermont as part of the *Northern Lights Grant*. This grant funded by the Agency of Human Services as a path through from the US Department of Health and Human Services is renewed annually. The anticipated grant for FY26 is \$1.85 million.

**Trustee Dickinson moved and Trustee Zeller seconded the motion for the Finance and Facilities Committee to recommend the Board accept the Northern Lights Grant. The motion was approved unanimously.**

5. VTSU FY24 Carry Forward Request

VTSU concluded FY24 with a favorable balance compared to budget and requested use of carry forward funds for projects that benefit the University. President Bergh explained that the five areas of the request match the surveyed priorities of campus constituents and included enhancing student mental health support, enhancing campus security, strengthening employee culture, increasing capabilities for flexible teaching modalities, and strengthening recruitment/marketing abilities.

**After discussion, Trustee Mihaly moved and Trustee Dickinson seconded the motion to recommend to the full board approval of VTSU's request to use \$1,365,000 in carry forward from FY24 for the projects outlined) in the [Finance & Facilities Packet](#). The motion was approved unanimously.**

6. Maintain Status Quo through FY2027 on Policies 403-A and 403-B

Chair Silverman provided an overview of this item. Several years ago the Vermont State Colleges introduced new allocation methodologies for the state appropriation and shared services. These new policies were designed with an eye toward rebalancing the distribution of

shared expenses relative to consumption by the institutions, and the state appropriation relative to the academic and administrative needs of each institution. While fundamentally sound, until VTSU's budget is fully righted the new methodology has unintended consequences that would negatively affect CCV. Management is recommending a temporary hold on these policies until VTSU has stabilized. The Board also discussed the policies and the impact of the allocation methodology.

**Trustee Zeller moved and Trustee Dickinson seconded the motion for the Finance and Facilities Committee to recommend to the Board a hold on the recalculation of the proportional share of state appropriation and shared services through the end of FY27. The motion was approved unanimously.**

7. Review: Second Pass VSC Budget

Chair Silverman provided an introduction of the second pass of the FY26 budget. As presented, the draft budget met the target for the system. Chair Silverman turned the meeting over to Sharron Scott who provided additional context including the target of a \$5 million deficit for FY26. Legislative bridge funding is expected to cover the deficit. The Board discussed the changes to the budget, which were based on expense and revenue predictions, primarily from investment income and enrollment expectations.

8. Update: Workday Implementation Project

Chair Silverman turned the meeting over to Sharron Scott to provide a brief update. The contract was signed in February and the team is preparing for the implementation of the project, which is scheduled to begin on April 15<sup>th</sup>.

9. Other business

There was no other business.

10. Adjourn

Chair Silverman adjourned the meeting at 2:04 p.m.

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**ITEM 2: Policy 408 Grants & External Funding Redline**

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## **POLICY 408 GRANTS AND EXTERNAL FUNDING**

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From time-to-time Vermont State Colleges policies must be updated to comport with state and federal regulations. One such area that requires regular updates is the policy related to Grants and External Funding. Recent changes to federal regulations require updates to this important policy.

The redlined policy includes the following changes:

### **Section III.C.7 on Supplanting**

- We do not currently have anything in our written grant policies about supplanting, which would be if grant funding is used to pay for something that was previously institutionally funded.
- It is a question that state agencies ask when we fill out grant risk assessment questionnaires, and we've always had to say that we didn't have a policy on supplanting, hence the addition of this section.

### **Section III.K. on Externally Funding Equipment**

- The revised Uniform Guidance, which went into effect in October 2024, raised the equipment threshold to \$10,000, so the policy reflects this change. (2CFR 200.439)

### **Section III.N on Use of External Funds for Additional Compensation**

- We do not currently have anything in our written grant policies that clarifies when employees can receive grant pay outside their normal contracted workload.
- To make sure that this is handled consistently and in compliance with Uniform Guidance 2CFR 200.430, the policy now clearly spells out the three types of additional compensation and the conditions for when additional grant pay is allowable.
- Extra service pay – this would be for additional assignments (ie, overload or stipend) beyond the typical workload for both faculty and staff. It must be allowed by the sponsor, the rate of pay must be based on the employee's annual contracted salary, and the work must be demonstrated to be beyond a person's contract.
- Summer pay – this is applicable to faculty only; pay must be based on the employee's annual contracted salary.
- Incidental activities – this is for infrequent, short-term, and irregular activities, such as faculty being given a stipend to attend a grant-funded workshop. In these cases, the

faculty could all receive the same amount, and it would not be based on their annual contracted salary rate.

### **Section III.O on Sabbatical Leave**

- We do not currently have anything in our written grant policies that stipulates how much faculty can receive in supplemental grant pay while on sabbatical.
- To align with Uniform Guidance 2CFR, the policy now clarifies that grant pay in combination with sabbatical pay can't exceed the faculty member's regular salary.



## Manual of Policy and Procedures

Title	Number	Page
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Date		

### PURPOSE

Consistent with the Board of Trustees' responsibility for oversight of all VSC finances, the purpose of this policy is to define and establish application, approval, acceptance, and monitoring processes for sponsored projects.

### DEFINITION

A sponsored project is an activity with a specific scope of work that is funded externally by public or private sources. These include grants, sponsored contracts, and cooperative agreements.

### STATEMENT OF POLICY

The Board of Trustees encourages the submission of proposals that are expected to be of benefit to the VSC and/or the member Institutions. All use of sponsored projects funding shall be in accordance with VSC policies, the terms of the award, and any applicable state or federal laws. Any activity or expense related to federal grants or contracts must comply with 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. This Policy is to be read consistent with federal and state law. If there is any conflict between this Policy and federal or state law, this Policy is to be interpreted consistent with federal or state law.

#### I. APPROVAL AND SUBMISSION OF PROPOSALS

Any employee of a VSC Institution or the VSC Chancellor's Office may apply for grants provided that all provisions of the grant are in conformance with this and other VSC policies. Student organizations may apply for grants under the supervision of an advisor.

Prior to submission, all proposals for external funding, regardless of size, require approval of the President (or delegated authority) for member Institutions and of the Chancellor (or delegated authority) for system-wide requests. Each Institution's Office of Sponsored Programs, or

equivalent office, must also perform a budget and compliance review before any proposals can be submitted.

A proposal shall require review and approval by the Finance and Facilities Committee and the Board of Trustees if it:

1. Requests \$1,500,000 or more per fiscal year, or
2. Involves annual matching or cost sharing of \$375,000 or more.

Prior to submitting a proposal for external funding, applicants are required to disclose any potential conflicts of interest to their appropriate administrator, following the procedures outlined in VSC Policy 207: *Trustee and Executive Conflict of Interest* and VSC Policy 210: *Employee Conflict of Interest*. If the proposal involves federal funds, the administrator shall disclose this potential conflict of interest, in writing, to the awarding agency or, in the case of pass-through funds, to the entity that is providing the federal sub-award.

Proposals that involve research require additional approvals prior to submission. To comply with 42 CFR Part 50, Subpart F – Responsibility of Applicants for Promoting Objectivity in Research, applicants proposing to conduct research using federal funding are required to identify significant financial interests. (See VSC Policy 435: *Externally Funded Research*).

## II. ACCEPTANCE OF EXTERNAL AWARDS

All agreements for externally funded awards shall be signed by an authorized organizational representative (AOR). Presidents or a delegated AOR shall sign on behalf of their institutions. The Chancellor or a delegated AOR shall sign agreements for awards to the Chancellor's Office. Authorizing officials bear responsibility for reviewing the terms and conditions of awards before they are accepted.

After the President, Chancellor, or delegated AOR has signed an agreement, it must be forwarded to the VSC [Shared Services](#) Finance Department along with any applicable forms. Work may not begin on an externally funded project until the VSC Finance Department has received the fully executed agreement and the accounts for the project have been set up.

Any proposals that involve research on human subjects must receive Institutional Review Board (IRB) approval before any expenses can be charged to the award. Each VSC institution maintains a process for reviewing and approving research requests that involve human subjects.

## III. MONITORING, REPORTING, AND COMPLIANCE

To ensure that awarded funds are spent according to the requirements of the funding organization, the VSC maintains and follows documented procedures for the areas outlined below.

A. Internal Controls

In accordance with VSC Policy 431: *Internal Controls*, the VSC shall implement internal controls over all sponsored projects so as to provide reasonable assurance that the VSC is compliant with conditions and requirements of each award. The VSC shall follow an established system to evaluate and monitor its compliance with award requirements and will take prompt action when instances of noncompliance are identified in audit findings. The VSC shall take reasonable measures to safeguard personally identifiable information and other information designated as sensitive. (See VSC Policy 312: *Compliance with the Family Educational Rights and Privacy Act* and VSC Policy 627: *VSC Information Sensitivity*.)

B. Procurement Standards

The VSC shall follow VSC Policy 429's *Standards and Procedures: Contracting for Purchases or Leases of Goods, Services and Equipment* for procuring goods and services, in accordance with federal requirements. Additionally, the VSC shall avoid conflicts of interest for employees engaged in selecting, awarding, and administering contracts.

C. Financial Management for Federal Awards

The VSC shall expend and account for federal awards in compliance with federal statutes, regulations, and the terms and conditions of the award. Financial management procedures shall ensure that the following requirements are met for monitoring federal funds, as outlined in 2 CFR 200.302(b):

1. Identification: The VSC financial management system will identify in its accounts all federal awards received and expended and the federal programs under which they were received. This includes the assistance listing title and number, the federal award identification number and year, name of the federal agency, and the name of the pass-through entity, if applicable.
2. Reporting: The financial management system will provide accurate, current, and complete disclosure of the financial results of each federal award.
3. Financial Records: The VSC shall maintain records that identify the source and application of funds for federally funded activities.

4. Accountability: The VSC shall provide effective control over, and accountability for, all federal funds, property, and other assets to ensure funds are used solely for authorized purposes. Accounting records shall be supported by documentation.
5. Budget Control: The VSC shall compare actual expenditures with budgeted amounts for each federal award.
6. Cash Management: The VSC shall follow a reimbursement method of payment for federal awards, unless specifically directed otherwise by the granting agency. Whenever advance payment procedures are required, the VSC shall minimize the time elapsing between the transfer of funds from the U.S. Treasury and disbursement. Cash advances shall be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the VSC in carrying out the purpose of the approved program or project. The timing and amount of advance payments shall be as close as administratively feasible to the actual disbursements by the VSC for direct program costs and the proportionate share of any allowable indirect costs.

7. Prohibition of Supplanting: Supplanting occurs when new funds are used to replace existing funds that were previously allocated for a specific purpose. Unless explicitly approved by prior written approval from the funder, funds are strictly prohibited from being used for general expenses not associated with the details or goals of the awarded funds. Federal funds must be used for their intended purpose, as detailed in the award notification letter or as regulated by federal, state and local policy. Grant budgets will be assigned specific GL accounts to avoid co-mingling of funds.

7.8.Mandatory Disclosures: The VSC shall maintain procedures to identify and disclose in writing, in a timely manner, to the federal awarding agency or pass-through agency any violations of federal criminal law involving fraud, bribery, or gratuity.

D. Determining Direct and Indirect (F & A) Costs for Federal Awards

Direct costs are costs that can be identified specifically with a particular cost objective for a sponsored project or that can be directly assigned to such activities with a high degree of accuracy. Indirect costs (also referred to as Facilities & Administrative costs or F&A) are costs that are incurred for common objectives and can't clearly be identified with a particular project or activity. Examples include rent, utilities, administrative support, and accounting services. Direct and indirect costs shall be determined in compliance with federal regulations, the terms and conditions of the award, and each VSC institution's federally negotiated indirect rate. Costs incurred for the same purpose in like circumstances shall be treated consistently as either direct or indirect.

Recovered indirect funds will, in general, be assumed to compensate the institution for facilities and administrative support, though each VSC Institution may develop its own procedures for allocating these funds internally.

E. Allowability of Costs for Federal Awards:

To ensure that expenses charged to federal awards are allowable, the VSC shall follow the standards outlined in 2 CFR 200, Subpart E.

1. Factors Affecting Allowability: To be considered allowable, costs that involve federal funding must:
  - a) Be necessary and reasonable for the performance of the federal award. This means the purchase must meet an important program objective and that sound business practices are followed in expending the funds. A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.
  - b) Be allocable to the federal award. A cost is allocable to the federal award if the goods or services involved are chargeable to the federal award in accordance with the relative benefits received.
  - c) Conform to any limitations or exclusions set forth as cost principles in CFR Part 200, Subpart E or in the terms and conditions of the award.
  - d) Be consistent with policies and procedures that apply uniformly to both federally financed and other funded activities.
  - e) Be accorded consistent treatment. A cost may not be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated as an indirect cost under another award.
  - f) Be determined in accordance with generally accepted accounting principles.
  - g) Not be included as a match or cost-share for other federally financed programs, unless the specific federal program authorizes federal costs to be treated as such.
  - h) Be adequately documented.
2. Allowability of Selected Items of Cost: 2 CFR Sections 200.421 through 200.475 establish principles to be applied in determining allowability. These principles are in addition to the other general allowability standards and apply whether or not a particular item of cost is properly treated as a direct or indirect cost. Principal

investigators are required to be familiar with these selected items of cost. (See *Appendix A: Allowability of Selected Items of Cost* at the end of this policy.)

The reasonableness and allocability of certain items of cost may be difficult to determine in some cases. To avoid subsequent disallowance or dispute based on unreasonableness or non-allocability, the VSC may require principal investigators to seek written approval from the federal awarding agency in advance of the incurrence of special or unusual costs. Prior written approval should include the time frame, justification of the costs or change in scope of the agreement.

F. Time and Effort Documentation

Employees paid with external funds shall document the time they spend working on sponsored activities, as required by 2 CFR 200.430(i). All salaries and wages charged to an award must be calculated using the employee's Institutional Base Salary. As defined by 2 CFR 200.430(h)(2), Institutional Base Salary means the annual compensation paid by an institution of higher education for an individual's appointment, whether that individual's time is spent on research, instruction, administration, or other activities. The Institutional Base Salary may not be increased as a result of replacing Institutional funds with sponsored projects funds.

Charges for salaries and wages shall be based on records that accurately reflect the work performed. The VSC maintains a system of internal control which provides reasonable after-the-fact assurance that personnel charges to an award are accurate, allowable, and properly allocated. Record of this is incorporated into the official records of the VSC system.

G. Subrecipient Management and Monitoring

When a VSC Institution passes federal funds through to another institution or organization, the Institution shall comply with 2 CFR 200.330 and make a case-by-case determination whether a party receiving pass-through funds is a subrecipient or a contractor, and whether the agreement is a sub-award or a procurement contract. The VSC will retain records to support decisions made about subrecipients and contractors.

VSC Institutions shall perform risk assessments of subrecipients and monitor subrecipients to ensure their compliance with federal, state, and local laws and VSC Board of Trustees' policies and procedures. Subrecipient agreements shall clearly identify the funding as a sub-award and include information required by the funder.

H. Contract Provisions



Contracts issued by the VSC that involve external funding will contain applicable provisions as described in Appendix II to Part 200 – Contract Provisions for Non-Federal Entity Contracts Under Federal Awards.

I. Record Retention

Records relating to federal awards shall be maintained for three years from the final expenditure report's submission date or according to other retention requirement(s) placed by the external sponsor. (See VSC Policy 209: *Records Retention*.)

J. Externally Funded Research

In addition to following the requirements of this policy, individuals conducting research with external funds are required to comply with VSC Policy 435: *Externally Funded Research*.

K. Externally Funded Equipment

Federal regulations (2 CFR 200.331) define equipment as tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established by the recipient or subrecipient for financial statement purposes, or of \$510,000-or more. Equipment funded by grants or other sponsored projects must be used and managed according to the requirements of the funder. The primary person associated with the implementation of the grant, such as the principal investigator or grant manager, shall manage the equipment. All equipment purchases must follow the established procurement procedures of the VSC as outlined in Policy 429 and its accompanying procedures.

Any hardware or software purchases must follow the approval process outlined in the VSC Hardware and Software Acquisition and Review Policy. If grant funds will be used to purchase technological equipment that is beyond the scope of what is typically supported by institutional Information Technology (IT) departments, the grant manager is required to discuss the supportability of the equipment with the institution's director of IT before purchasing the equipment. (See *Chancellor's Procedures for Implementing Policy 408: Externally Funded Equipment*.)

L. Compensation for Participants Funded by Sponsored Projects

When compensating participants in a sponsored activity, the VSC will ensure the following: it is an allowable cost within the scope of the award; IRS regulations on taxable income are followed; and confidentiality of the participants is maintained. This process is outlined in the accompanying procedures. (See *Chancellor's Procedures for Implementing Policy 408: Participant Compensation*.)

M. Eligibility to Receive Federal Awards

VSC Institutions will maintain their eligibility to receive federal awards by annually updating their registration in the federal System for Award Management (SAM).

N. Use of External Funds for Additional Compensation

If allowed by the funder, external funds may be used to compensate employees outside of their normal, contracted workload. Employee workload is defined by each bargaining unit's agreement, or, if applicable, by the non-bargaining unit personnel handbook. The VSC does not make contributions to the employee's retirement plan for any compensation resulting from additional work beyond the employee's main contract.

1. Extra Service Pay: Full-time faculty and staff may be compensated for additional assignments that fall outside their job description and usual workload if all the following conditions are met:

- a) Extra service pay is allowed by the sponsor.
- b) The supplemental amount is commensurate with the employee's Institutional Base Salary rate of pay and the amount of additional work performed.
- c) The additional tasks are reasonable; are performed outside the employee's regularly contracted hours; are clearly beyond the employee's job description; and won't interfere with the employee's regular duties.
- d) The additional work is documented and approved via each institution's established procedures for overload or stipend pay.

2. Summer Pay: Full-time faculty can perform work on sponsored programs outside of their academic year contract. Compensation must be calculated using a faculty member's Institutional Base Salary rate and must not exceed three months of effort, inclusive of all external funding sources. Compensation for work performed by part-time faculty members cannot exceed the regularly paid rate for part-time assignments.

3. Incidental Activities: Supplemental compensation for infrequent, irregular activities beyond an employee's contract are allowable if the activities are specifically provided for in the award, or with prior written approval by the awarding agency. An incidental activity is work that is not part of the employee's regularly compensated activities and is considered too small to warrant effort tracking. Examples include honorariums, eligible professional development, course development, and intra-institution consulting.

O. Sabbatical Leave Costs

Full-time faculty with approved sabbatical pay can receive supplemental pay from a sponsored program. The combination of institutionally-funded sabbatical pay and sponsored program funding can't exceed the employee's regular salary. For example, faculty receiving 75% of their salary as sabbatical pay may have no more than 25% of their salary supplemented by a sponsored program during the term of their approved sabbatical.

The Chancellor shall adopt and from time to time update procedures for the administration of grants. Such procedures shall accompany this policy and shall include the specific forms to be used.

Signed by:

### **Appendix A: Allowability of Selected Items of Cost for Federal Grants**

This chart lists selected items of cost contained in 2 CFR Part 200, Subpart E. Since many allowable costs have restrictions, VSC personnel responsible for charging expenses to federal grants should refer to the actual regulation for more guidance on whether a cost is allowable or not.

See <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E> for full descriptions of these categories.

CFR Citation	Item of Cost	Allowability
421	Advertising and public relations	Allowable with restrictions.
422	Advisory councils	Unallowable unless authorized by statute or the federal awarding agency.
423	Alcoholic beverages	Unallowable.
424	Alumni activities	Unallowable.
425	Audit services	Allowable with restrictions.
426	Bad debts	Unallowable.
427	Bonding costs	Allowable with restrictions.
428	Collection of improper payments	Allowable.
429	Commencement and convocation costs	Unallowable. However, may be charged as indirect costs as provided for in Appendix III paragraph (B) (9).
430	Compensation-personal services	Allowable with restrictions. Special conditions apply.
431	Compensation-fringe benefits	Allowable with restrictions. Special conditions apply.
432	Conferences	Allowable with restrictions.
433	Contingency provisions	Allowable only if contingency provisions are included in award budgets.

434	Contributions and donations	Unallowable. However, value of goods and services donated to a VSC institution may be included as part of cost sharing/matching.
435	Defense and prosecution	Allowable with restrictions.
436	Depreciation	Allowable with restrictions.
437	Employee health and welfare	Allowable with restrictions.
438	Entertainment	Unallowable unless cost has programmatic purpose and is approved by the federal awarding agency.
439	Equipment & other capital expenditures	Allowable <del>as a direct cost based on specific requirements. Prior with prior</del> written approval <del>for direct charge of general purpose equipment for items with a unit cost of over \$510,000 or more.</del>
440	Exchange rates	Allowable with restrictions. Prior approval of federal awarding agency required if change results in need for additional funding.
441	Fines, penalties, damages & other settlements	Unallowable except when incurred as a result of compliance with specific provisions of the award and with prior written approval.
442	Fund raising & investment management costs	Unallowable except for the purpose of meeting federal program objectives. Prior approval must be obtained.
443	Gains and losses on disposition of depreciable assets	Allowable with restrictions.
444	General costs of government	Not specifically addressed for institutions of higher education.
445	Goods or services for personal use	Unallowable, except for housing allowances and personal living expenses with prior approval of federal awarding agency.
446	Idle facilities and idle capacity	Allowable with restrictions.
447	Insurance and indemnification	Allowable with restrictions.
448	Intellectual property	Allowable with restrictions.
449	Interest	Allowable with restrictions.
450	Lobbying	Unallowable unless specifically provided for in the award or prior approval obtained.
451	Losses on other awards or contracts	Unallowable.
452	Maintenance and repair costs	Allowable with restrictions.
453	Materials and supplies cost, including computing devices	Allowable with restrictions.
454	Memberships, subscriptions, & professional activity costs	Allowable with restrictions. Unallowable for lobbying organizations and country club memberships.
455	Organization costs	Unallowable except with prior approval from the federal awarding agency.
456	Participant support costs	Allowable with prior approval from the federal awarding agency.
457	Plant and security costs	Allowable; capital expenditures subject to 200.439.
458	Pre-award costs	Allowable with prior approval from the federal awarding agency.
459	Professional service costs	Allowable with restrictions.
460	Proposal costs	Allowable only as indirect costs.
461	Publication and printing costs	Allowable with restrictions.
462	Rearrangement and reconversion costs	Allowable as indirect costs. If charging as direct, it requires prior approval from the federal awarding agency. Budget justification must explain how facility modifications benefit the project.
463	Recruiting costs	Allowable with restrictions.
464	Relocation costs of employees	Allowable with restrictions.
465	Rental costs of real property and equipment	Allowable with restrictions.
466	Scholarships and student aid costs	Allowable with restrictions.
467	Selling and marketing costs	Unallowable unless prior approval is obtained from the federal awarding agency.
468	Specialized service facilities	Allowable with restrictions.
469	Student activity costs	Unallowable unless specifically provided for in the federal award.
470	Taxes (including Value Added Tax)	Allowable with restrictions.

471	Termination costs	Allowable with restrictions.
472	Training and education costs	Allowable for employee development.
473	Transportation costs	Allowable with restrictions.
474	Travel costs	Allowable with restrictions. Prior approval required for certain types of travel costs.
475	Trustees	Allowable with restrictions.

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**ITEM 3: Policy 418 Driver Safety Policy and Procedures**

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## **DRIVER SAFETY POLICY**

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Policy 419, known as the Driver Safety Policy, was last updated in 2010. The revisions provided here elucidate the purposes of the policy and explicitly state that all individuals driving on behalf of the Vermont State Colleges, irrespective of vehicle ownership, must adhere to the policy standards and procedures.

While the modifications to the policy primarily provide clarification, the procedures have been comprehensively overhauled to enhance clarity and conciseness, addressing any inconsistencies found in the previous procedures.

Management hereby requests the Finance and Facilities Committee to review and provide recommendations on the revised Policy 419 to the Board of Trustees. The updated procedures are included for reference and will be implemented following approval of the policy by the full board at its June meeting.



## Manual of Policy and Procedures

Title	Number	Page
	419	1
Date <u>3/18/2010</u> <u>XX/XX/XXXX</u>		

### PURPOSE

The VSC Driver Safety Policy is designed to manage risk and seeks to help prevent avoidable motor vehicle accidents. The policy and related procedures are designed to minimize potential harm to students, faculty, and staff of the Vermont State Colleges. Through such prevention, employee and student injuries can be avoided and costs can be reduced with a resulting increase in the wellbeing of the VSC.

### STATEMENT OF POLICY

The Vermont State Colleges shall establish and update from time to time a driver safety program procedures that are is intended to ensure safety for all drivers and passengers of VSC vehicles by manage risk, minimize minimizing accidents and injuries, eliminating the operation of unsafe vehicles; providing training to all college Vermont State Colleges drivers; and defining clear lines of responsibility for fleet safety.

All individuals driving on behalf of the Vermont State Colleges must comply with the criteria set forth in the Vermont State Colleges Driver Safety Procedures. This rule is in force for all vehicles including but not limited to In order for individuals to drive Vermont State Colleges owned or leased vehicles, or drive personally owned vehicles driven on on Vermont State Colleges business, rental vehicles, and any other vehicle. it is their responsibility to comply fully with the criteria set forth in the VSC Driver Safety Program.

The Chancellor shall adopt and from time to time update written procedures relating to this policy.

Signed by: Timothy J. Donovan  
Elizabeth Mauch  
Chancellor



# **STANDARDS AND PROCEUDRES:**

## **Vermont State Colleges Driver Safety**

### **I. BACKGROUND & PURPOSE**

These standards and procedures are designed to minimize risk and maximize safety. When individuals are allowed to drive on behalf of the Vermont State Colleges they are entrusted not only with the operation and care of the vehicle, but also, the reputation and fiscal operation of Vermont State Colleges and its member institutions. Therefore, only drivers who meet the standards outlined in this document are allowed to drive a vehicle on behalf of the Vermont State Colleges. This includes all motor vehicles regardless of ownership status including but not limited to vehicles: owned or leased by the VSC, rented by the VSC from a commercial or private rental agency, or the use of a personally owned vehicle by an employee who is driving to a location other than their normal place of business.

### **II. DRIVER STANDARDS AGES 21 AND OVER**

#### **A. Vehicles of seven (7) seats or fewer:**

Each individual driving a vehicle with seven (7) or fewer seats on behalf of the Vermont State Colleges must independently meet all of the following criteria:

1. Valid driver's license that has not been suspended or revoked in the state of issue
2. No **major conviction** in last 3 years. Major convictions include:
  - a. passing a stopped school bus
  - b. driving under the influence
  - c. refusal to take a sobriety test
  - d. driving with suspended/revoked license
  - e. refusal to stop when requested
  - f. failure to report an accident
  - g. leaving the scene of an accident
  - h. failure to maintain car insurance
  - i. permitting an unlicensed person to drive
  - j. operating a vehicle without owner's consent
  - k. attempting to elude a police officer
  - l. reckless driving
  - m. using motor vehicle while committing a felony
  - n. negligent homicide or involvement in a fatal accident
  - o. assault with a motor vehicle
3. In the last 3 years, you may have no more than **two accidents**. You may have no more than **two minor traffic violations**. If you have both accidents and traffic violations on your record in the last three years, you may have no more of **three, combined**.  
Minor traffic violations include:
  - a. motor vehicle equipment violations including load or size violations,

- b. improper display of, or failure to display license plates,
  - c. failure to sign or display of registration when requested,
  - d. failure to have a driver's license in possession if a valid license exists
4. Acceptable driver matrix for seven seat or fewer vehicles.

Last 36 months	Number of Accidents			
Number Minor Traffic Violations	0	1	2	3+
0	Clean	Acceptable	Acceptable	Not Acceptable
1	Acceptable	Acceptable	Acceptable	Not Acceptable
2	Acceptable	Acceptable	Not Acceptable	Not Acceptable
3+	Not Acceptable	Not Acceptable	Not Acceptable	Not Acceptable

**any major conviction: NOT ELIGIBLE TO DRIVE**

**B. Vehicles of more than seven (7) seats:**

1. Meet the requirements of section II.A.1 and II.A.2
2. Have a clean motor vehicle record defined as **zero accidents** and **zero minor traffic** violations in the last three years.

**C. Commercial Vehicles requiring a commercial driver's license (CDL):**

1. Meet the requirements of section II.B
2. Hold a valid commercial driver's license that has not been suspended or revoked in the state of issue

**III. STUDENT DRIVERS**

Students ages 21 or more operating VSC vehicles are limited to an operating radius of **400 miles surrounding the respective campus**. The ability to drive additional mileage will be on an exception basis with written prior approval from the institution's Chief Business Officer or designee. Vehicle reservations for student drivers must be approved by the club or student advisor (staff or faculty member). Student drivers must comply with the same requirements placed on all operators as described in these procedures.

As a limited provision, the Vermont State Colleges may authorize up to one-hundred (100) individual drivers between the ages of 19 and 20. These drivers must meet all of the following criteria:

1. Meet the requirements of sections II.A.1 and II.A.2

2. Have a clean motor vehicle record defined as **zero accidents** and **zero minor traffic violations**.
3. Motor vehicles driven by those ages 19 and 20 must also meet the following criteria:
  - a. Have seven (7) seats or fewer
  - b. Vehicle must be wholly owned or leased by the Vermont State Colleges. It may not be rented from a commercial or private enterprise

#### **IV. DRIVER AUTHORIZATION PROCEDURE**

##### **A. Vermont State Colleges Owned or Leased Vehicles:**

Each individual driving a vehicle owned or leased by the Vermont State Colleges must be independently authorized to drive for the Vermont State Colleges using the following procedure:

1. The Vermont State Colleges shall maintain a formal approval process to receive and manage requests to drive. An intake form to commence this process shall be available on the Vermont State Colleges portal with links to the form from each institution.
2. **Intake Form.** The intake form will, at minimum, include the following:
  - a. A signed request to become authorized to drive on behalf of the Vermont State Colleges
  - b. Demographic information including such items as requester's name, date of birth, employment status (faculty, staff, student), and affiliated entity (CCV, VTSU, Office of the Chancellor, Shared Services)
  - c. A listing of all states where the requester has held a driver's license in the last thirty-six (36) months
  - d. Copies of the following documents:
    - i. Driver's license
    - ii. Commercial driver's license (if applicable)
  - e. Copies of motor vehicle records for states that do not exchange electronic records with the State of Vermont. These states shall be listed on the intake form along with instructions sharing such documents
3. **Motor Vehicle Records (MVR) Check.** Each entity shall assign responsibility to obtain, review, and evaluate the individual's MVR and shall do so within five (5) business days of request.
  - a. An MVR will be obtained from each state where the requester has held a driver's license in the last thirty-six (36) months
  - b. Each MVR will be scored according to the matrix found in section II
  - c. Requesters will be informed of the outcome of the MVR evaluation. The requester may seek a copy of the MVR in the event of the outcome is "not acceptable"

- d. Requesters will be informed of the type(s) and sizes of vehicle they can drive and any restrictions placed upon their driving abilities such as mileage restrictions
4. **Driver Training.** All drivers must successfully complete required driver safety training(s) before driving for the Vermont State Colleges.
  - a. Defensive driving must be successfully completed before driving for the first time and once every sixty (60) months thereafter. Defensive driving is offered electronically.
  - b. Drivers of vehicles with eight (8) or more seats must successfully complete an approved large passenger instruction course before driving a large vehicle and every thirty-six (36) months thereafter. Large passenger instruction is an in-person course that requires a hands-on driver's test.
5. **Annual Review of Motor Vehicle Record.** Vermont State Colleges will review all motor vehicle records once every calendar year and inform the requester if there have been any status change that results in an increase or reduction in their driving privileges. By requesting driving privileges, the driver acknowledges and consents to these annual reviews.
6. **Notification of Convictions or Change in Driving Status by Drivers.** All authorized drivers are obligated to inform the Vermont State Colleges immediately for any the following so that a reevaluation of driver status can be conducted:
  - a. Any suspension or revocation of one's driver's license or commercial driver's license
  - b. Major conviction as defined in section II.A.2
  - c. Any conviction of an accident
  - d. Any conviction of a minor traffic violation

Failure to notify the VSC of any of the above violations may result in disciplinary action and/or loss of driving privileges. Note that convictions or violations that occur in non-VSC situations are also subject to this reporting requirement.

#### **B. Heavy Equipment Vehicles:**

In addition to the requirements of IV.A, the driver must take an approved heavy equipment instruction course before driving and every thirty-six (36) months thereafter. This instruction is taught in-person and requires a hands-on driver's test.

#### **C. Personally Owned Vehicles:**

Employees may use their personally owned passenger vehicles, excluding motorcycles, motor homes, or any vehicle requiring a special license, to perform Vermont State Colleges business using the procedures noted below. The Vermont State Colleges shall maintain a

self-certification process for the use of personally owned vehicles when all of the conditions in this section are met. To receive mileage reimbursement, employees must self-certify they meet the criteria listed in this section..

:

1. **Student Drivers.** Students may not drive personally owned vehicles on behalf of the Vermont State Colleges under any circumstances.
2. **Supervisor Permission.** A supervisor may require advance permission for use of a personally owned vehicle. If required, the supervisor may deny the request and offer substitute arrangements.
3. **Driver Requirements.** Each driver must independently meet the following criteria at the time of travel:
  - a. No major convictions in last thirty-six (36) months as described in section II.A.2
  - b. Meets the “acceptable” or “clean” driving record standard as described in section II.A.3 and II.A.4
  - c. For the vehicle driven the following will be in force during the period of driving:
    - a. Motor vehicle insurance
    - b. Registration
    - c. Inspection
  - d. Driver’s insurance will be the primary insurance in the event of an accident. The Vermont State Colleges insurance will be considered secondary insurance
4. **Documents upon Request.** If requested, the driver shall provide copies of one or more of the following documents to the designated official. In the event the driver cannot produce the requested document(s) the matter will be referred to Human Resources for further action
  - i. Driver’s license
  - ii. Valid motor vehicle insurance
  - iii. Valid motor vehicle registration
  - iv. Proof of current inspection of the personally owned vehicle

#### **D. Rental Vehicles:**

When renting a vehicle on behalf of the Vermont State Colleges requirements vary depending on the type of driver, length of use of the vehicle, and number/type of passengers.

1. **Student Drivers Ages 19 and 20.** Students ages 19 and 20 may not rent vehicles on behalf of the Vermont State Colleges.
2. **Rental of Vehicles with Student Drivers or Passengers.** When one or more students will be a passenger or driver, the procedure for Vermont State Colleges Leased or Owned Vehicles, Section IV.A must be followed.

3. **Longer Term Rental of Vehicles.** For vehicles with long-term rentals (more than one (1) week) the procedure for Vermont State Colleges Leased or Owned Vehicles, section IV.A must be followed.
4. **Short Term Rental of Vehicles.** Vehicles with short-term rentals (rentals of one week or less) may use the procedure for personally owned vehicles found in Section IV.C.
5. **All Vehicle Rentals.** All vehicle rentals require the purchase of the insurance of the “waiver of physical damage to the car”. This coverage may be titled “damage waiver insurance” or similar and is necessary to cover any damage needs.
6. **Vehicle Size.** No vehicle shall be rented where the capacity is more than ten (10) people.

## **V. SAFE VEHICLE OPERATION**

1. No individual may operate a VSC-owned or controlled vehicle without a valid state operator’s license for the particular class of vehicle. Each Fleet Driver must produce at least annually or upon demand a valid state operator’s license
2. All VSC-authorized drivers and passengers shall wear seat belts at all times
3. Use of any hand-held communication devices including cell phones, walkie-talkies, or any other communication device are expressly prohibited while driving on behalf of the Vermont State Colleges. As a limited exception cell phones utilized with hands-free devices are permitted when driving a vehicle with seven or fewer seats
4. No driver may operate a VSC vehicle while under the influence of any alcohol or drugs.
5. No driver shall allow any other fleet driver to operate an assigned fleet vehicle without the Fleet Manager’s approval
6. The institutional Fleet Safety Manager or their designee will be responsible for determining if a vehicle is in safe operating condition. If a vehicle becomes unsafe during a trip, the driver will have the discretion to remove the vehicle from the road and contact his/her supervisor or the Fleet Manager. No driver may operate a fleet vehicle with identified unsafe vehicle conditions
7. Each driver must report every accident and property damage incident involving the fleet vehicle to local law enforcement and their public safety officer within one workday. Immediate notice is required in all cases involving bodily injury, regardless of severity
8. Each driver must obey the rules of the road. The Vermont State Colleges is not responsible for fines incurred by drivers due to failure to follow the rules of the road or any other avoidable monetary penalty (including but not limited to parking tickets) and will require the driver to pay the monetary fines/penalty.

9. Each driver is responsible for arranging for payment of tolls. Failure to pay a toll which results in a fine to the Vermont State Colleges may result in the revocation of all driving privileges by a driver. It is therefore imperative that each driver arrange for payment in advance, or notify the fleet manager and arrange for payment after-the-fact in the event a toll is missed.
10. Each driver must remove the ignition key and lock all doors on their assigned fleet vehicle whenever it is left unattended and unsupervised.
11. No employee shall refuel a fleet vehicle with the engine running, or smoke near any vehicle that is being refueled or serviced.
12. It is the responsibility of the driver to assure that vehicles do not exceed maximum passenger or weight limits. Roof racks or other cargo attachments are prohibited on vans and may be used on sedans only with the approval of the Fleet Manager.
13. No driver shall prematurely leave the scene of an accident involving the driver or vehicle being operated, except temporarily to summon police or medical assistance.
14. No employee shall cause physical damage to a fleet vehicle, or allow damage or loss to occur by their failure to act.
15. When only one authorized driver is driving more than four hours of total driving time, the driver is required to take a break every four hours. The driver is not to drive for more than a total of 10 hours during a 24-hour period. ***Drivers ages 19 and 20 may drive for a maximum of eight (8) hours in a 24-hour period.***
16. When traveling long distances, at least two individuals are required to be designated drivers. Drivers are required to rotate driving duties at least once every four hour period, and take a break every six hours for all drivers and occupants of the entire vehicle. Any one driver is not to drive for more than a total of 10 hours during a 24-hour period. ***Drivers ages 19 and 20 may drive for a maximum of eight (8) hours in a 24-hour period.***

## **VI. INCIDENT REPORTING**

Each fleet driver is required to report every incident occurring while driving on behalf of the Vermont State Colleges. An incident report form and instructions shall be kept in each fleet vehicle glove box along with instructions for the vehicle operator in the event of a crash. Individuals driving a personally owned vehicle shall notify the fleet manager as soon as practicable of an incident.

The vehicle operator needs to gather the following information in the event of a vehicle crash:

1. Name

2. Description of the incident location
3. Cross streets or local landmarks to help locate the scene
4. Brief description of the incident
5. Brief description of any injuries
6. Location from which you are calling

## **VII. VEHICLE INSPECTION**

Each campus will maintain its fleet of vehicles according to its fleet maintenance policy.

Each authorized driver when checking out a fleet vehicle must ensure that the safety equipment (lights, horn, wipers, brakes, seat belts, etc.) are properly functioning.

Equipment malfunctions must be reported to the Fleet Manager or their designee before leaving on a trip, or, if discovered while on a trip, immediately upon return (assuming the malfunction does not create a safety hazard while driving).

## **VIII. MILEAGE REIMBURSEMENT AND ENFORCEMENT**

Any person in violation of this policy will not be reimbursed for mileage and may have their driving privileges revoked. Note that some jobs require driving privileges, the loss of which may lead to other consequences up to and including termination of employment. Deliberately attempting to circumvent these procedures or providing false information may result in disciplinary action up to and including termination of employment.



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**ITEM 4: Tuition & Fees Increase Requests for AY2025-2026**

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## **TUITION INCREASE REQUESTS**

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Community College of Vermont and Vermont State University are proposing adjustments to their tuition and fee structures. CCV seeks a \$10 per credit increase, approximately 3.5%. This marks Community College's first rate adjustment in five years, essential for maintaining its high standard of academic support and services. Vermont State University proposes a 3.5% rise in tuition, fees, and room charges, alongside a 5% increase in board (meal) expenses. Sustained pressure on wages, benefits, and service costs related to meal provisions necessitates this adjustment.

The following pages outline each institution's request.

May 6, 2025

Elizabeth Mauch, Chancellor  
Vermont State Colleges System  
PO Box 7  
Montpelier, VT 05601

CCV's primary sources of revenue are the state appropriation and tuition and fees. Other revenues from grants and gifts do not have a material impact on the budget.

CCV proudly serves 57% of the students in the VSC. In FY26, CCV is expected to receive 25% of the appropriation amount that is distributed to the institutions, or \$10.2m, which represents 31% of our revenue. On average, community colleges across New England report state appropriations comprising 44% of their operating revenue<sup>1</sup>. Vermont's appropriation to its community college is the lowest level of state support for public two-year institutions in the region, thus putting increasing pressure on tuition as a major source of revenue for the college.

CCV has held its tuition flat for five years. This is no longer sustainable. Absorbing annual increases in compensation and benefits without a commensurate increase in the appropriation or tuition continues to place pressure on CCV's budget. As a key access point to the VSC system, we believe we should be taking all measures necessary to increase the affordability of Vermont's only community college. However, in the absence of increased state support to reduce the cost of tuition, the College is proposing a \$10/credit tuition increase.

State support for community college in Vermont has been historically very low compared to other states. As a result, we continue to navigate the challenge of finding the right balance of keeping our tuition as low as possible while still being able to deliver high quality educational experiences to students.

We look forward to the Board of Trustees approving this request as it is a critical piece of our revenue budget for the upcoming fiscal year.

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Joyce Judy  
President  
Community College of Vermont

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<sup>1</sup> IPEDS, State Appropriations as Percent of Core Revenues, Public, 2-Year Institutions in the New England Region, 2023.

IN-STATE UNDERGRADUATES								
	Tuition Type	/CRED	/SEM	AY 2024-25	/CRED	/SEM	AY 2025-26	Y/Y Variance \$ Y/Y Variance %
Standard Programs	General Tuition	280	3,360		290	3,480		3.57% 3.57%

OUT-OF-STATE UNDERGRADUATES								
	Tuition Type	/CRED	/SEM	AY 2024-25	/CRED	/SEM	AY 2025-26	Y/Y Variance \$ Y/Y Variance %
Standard Programs	General Tuition	560	6,720		580	6,960		3.57% 3.57%

NEBHE UNDERGRADUATES								
	Tuition Type	/CRED	/SEM	AY 2024-25	/CRED	/SEM	AY 2025-26	Y/Y Variance \$ Y/Y Variance %
Standard Programs	General Tuition	280	3,360		290	3,480		3.57%

INSTITUTION I/S RATES	TUITION	FEES	ROOM	BOARD	TOTAL	YEAR
<i>Community College of Vermont AS PROPOSED</i>	<i>3,480</i>	<i>100</i>	-	-	<i>3,580</i>	<i>FY26</i>
Columbia-Greene Community College	2,700	336			3,036	FY25
Clinton Community College	2,760	120			2,880	FY25
NASHUA Community Colleges	2,580	133			2,713	FY25

**TO: Chancellor Mauch, Vermont State Colleges**  
**FR: Sarah Truckle, VP Business Operations, Vermont State University**  
**CC: David Bergh, President, Vermont State University;**  
**Sharron Scott, CFO/COO, Vermont State Colleges**  
**RE: Tuition and Fees Proposal for 2026-2027**

Vermont State University (VTSU) requests the following increases related to tuition and fees for the upcoming academic year.

- 3.5% tuition increase
- 3.5% room rate increase
- 5% board increase
- \$50 increase for the international student fee

Vermont State University's proposal balances the need to recognize increased operational costs with student affordability and access, with consideration to the competitive marketplace.

The proposed annual rate increases—3.5% for tuition and room, and 5.0% for board—are conservative in light of national economic conditions, where inflation has remained persistently elevated across key sectors affecting university operations. These rates reflect the University's commitment to transparent, responsible budgeting that balances cost containment with the need to sustain high-quality academic and residential experiences.

Operating costs for higher education institutions continue to rise due to inflation in areas such as employee compensation, utilities, technology, facilities maintenance, and food services. These increases are outpacing revenue growth and require careful financial calibration to maintain institutional strength.

VTSU remains committed to access, quality, and affordability, these modest increases help ensure the University can maintain academic excellence, student services, and campus operations without compromising access or support for students. The increases are part of a broader effort to ensure financial sustainability, allowing the University to responsibly plan for future needs while preserving affordability over time.

VTSU has carefully considered its price point against peer institutions, with the proposed adjustments, the University's total cost of attendance remains competitive with peer institutions.

With respect to the increased international student fee, this increase is necessary to sustainably support critical services for incoming international students, including meals, transportation, and expanded orientation programming. Notably, this increase will support the costs associated with meals during orientation, enhanced orientation programming, and transportation support for international students getting to our VTSU campuses.

IN-STATE UNDERGRADUATES									
	Tuition Type	/CRED	/SEM	AY 2024-25	/CRED	/SEM	AY 2025-26	Y/Y Variance \$	Y/Y Variance %
Standard Programs	General Tuition	431	5,172	10,344	446	5,352	10,704	360	3.48%
Program Tuition									
Engineering & Tech	+Program Specific Tuition	177	2,124	4,248	183	2,196	4,392	144	3.39%
Nursing & Resp Therapy	+Program Specific Tuition	206	2,472	4,944	213	2,556	5,112	168	3.40%
Dental & Radiologic	+Program Specific Tuition	310	3,720	7,440	321	3,852	7,704	264	3.55%
Practical Nursing Certificate*	+Program Specific Tuition	206	2,472	4,944	213	2,556	5,112	168	3.40%
Paramedicine Certificate*	+Program Specific Tuition	310	3,720	7,440	321	3,852	7,704	264	3.55%
OUT-OF-STATE UNDERGRADUATES									
	Tuition Type	/CRED	/SEM	AY 2024-25	/CRED	/SEM	AY 2025-26	Y/Y Variance \$	Y/Y Variance %
Standard Programs	General Tuition	862		20,688	892	10,704	21,408	720	3.48%
Program Tuition									
Engineering & Tech	+Program Specific Tuition	221	2,652	5,304	229	2,748	5,496	192	3.62%
Nursing & Resp Therapy	+Program Specific Tuition	250	3,000	6,000	259	3,108	6,216	216	3.60%
Dental & Radiologic	+Program Specific Tuition	353	4,236	8,472	365	4,380	8,760	288	3.40%
Practical Nursing Certificate*	+Program Specific Tuition	250	3,000	6,000	259	3,108	6,216	216	3.60%
Paramedicine Certificate*	+Program Specific Tuition	353	4,236	8,472	365	4,380	8,760	288	3.40%
ONLINE-ONLY UNDERGRADUATE PROGRAMS									
	Tuition Type	/CRED	/SEM	AY 2024-25	/CRED	/SEM	AY 2025-26	Y/Y Variance \$	Y/Y Variance %
Online-Only Programs	General Tuition	375		9,000	388	4,656	9,312	312	3.47%
GRADUATE PROGRAMS									
	Tuition Type	AY 2024-25			AY 2025-26			Y/Y Variance \$	Y/Y Variance %
Standard Programs	In-State Tuition	661	661 Credit		684	684 Credit		23 Credit	3.48%
	Out-of-State Tuition*	850	850 Credit		880	880 Credit		30 Credit	3.53%
	MA Athletic Training MFA								
	MS School Pshychology								
	MA Education								
	MA Counseling								

GENERAL FEES				GENERAL FEES			
	Per Credit	Semester	AY 2024-25		AY 2025-26		Per Credit
Comprehensive Fee (Campus Based, F2F+)	67	804	1,608	Institutional Fee (F2F, F2F+)	1,656	Institutional Fee (F2F, F2F+)	2.99%
Institutional Fee (Online)	29			Institutional Fee (Online)		Institutional Fee (Online)	3.45%
International Student Fee		104	208	International Student Fee	300	International Student Fee	
Killington Trimester Fee			2,691	Killington Trimester Fee	2,785	Killington Trimester Fee	

OTHER FEES			AY 2024-25	GENERAL FEES		AY 2025-26	GENERAL FEES		Per Credit
Course Fees (per course)		varies	varies per course	Course Fees (per course)		varies per course	Course Fees (per course)		



ROOM PRICING	AY 2024-25	AY 2025-26	Y/Y Variance \$	Y/Y Variance %
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Standard Rooms

Double Room	8,104	8,388	284	3.50%
Single Room	10,228	10,586	358	3.50%
Triple Room	6,394	6,618	224	3.50%

Premium Rooms & Apartments

Rita Bole	11,190	11,582	392	3.50%
Rutland Apts	10,910	11,292	382	3.50%
Johnson College Apartment Multi	7,080	7,328	248	3.50%
Johnson College Apartment Single	10,228	10,586	358	3.50%
Killington Single	8,490	8,788	298	3.51%
Killington Double	7,336	7,592	256	3.49%

BOARD PRICING	AY 2024-25	AY 2025-26	Y/Y Variance \$	Y/Y Variance %
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Standard Dining

Unlimited Meal Plan	5,244	5,506	262	5.00%
12 Meal Plan	5,052	5,304	252	4.99%
8 Meal Plan	4,854	5,096	242	4.99%

Killington Dining	4,740	4,978	238	5.02%
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<b>INSTITUTION I/S RATES</b>	<b>TUITION</b>	<b>FEES</b>	<b>ROOM</b>	<b>BOARD</b>	<b>TOTAL</b>
<b><i>Vermont State University AS PROPOSED</i></b>	<b><i>10,704</i></b>	<b><i>1,656</i></b>	<b><i>8,388</i></b>	<b><i>5,506</i></b>	<b><i>26,254</i></b>
Keene State College	11,754	3,030	10,000	4,432	29,216
Plymouth State University	14,626	-	12,708	-	27,334
Framingham State University	11,920	-	10,600	4,710	27,230
Eastern Connecticut State University	6,998	6,930	9,120	6,866	29,914
SUNY Plattsburgh	7,070	1,965	17,300	-	26,335

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**ITEM 5: FY26 System-Wide Operating Budget**

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## **FY26 THIRD PASS BUDGET**

### Overview and Context

As discussed at the February 10, 2025, Finance and Facilities meeting the FY26 budget target is to keep the deficit under \$5 million for all Vermont State Colleges entities. Since FY21, the VSC has made considerable progress in addressing its structural deficit. The transformative activities, including the merger of three colleges and universities into Vermont State University, the revamping of student services, restructuring of academic offerings, and modernization of operations, have been comprehensive and successful. Despite persistent demographic challenges in the Northeast, the small population of Vermont, and a highly competitive market, both Community College of Vermont and Vermont State University are maintaining their positions.

We continue to experience expense pressures in the form of wages, benefits, supplies, and services continue to exert substantial pressure on the system. Under the direction of Chancellor Mauch and in collaboration with our collective bargaining units, the VSC has undertaken an effort to adjust its compensation structure to competitive wages and sustainable benefits. This work will continue over the next several years as we review and align our compensation packages to meet current and future market demands. We will engage in continuous dialogue with our employees, collective bargaining units, and stakeholders to ensure that adjustments are fair and beneficial. Additionally, we plan to engage in an effort to modernize our benefit options to enhance job satisfaction and retention in light of today's workforce needs and benefit environment. Our strategic approach involves regular assessments and feedback loops to refine compensation practices, ensuring they remain dynamic and responsive to changes in the higher education sector.

We anticipate that these changes will enhance the attractiveness of the Vermont State Colleges as an employer and provide our colleagues with greater choice and opportunity. By continuously enhancing our compensation packages and introducing innovative benefits, we aim to foster a more satisfied and productive workforce. Our goal is to improve employee retention rates, reduced turnover costs, and increased institutional knowledge as experienced staff choose to stay longer at our institutions. Additionally, these improvements should make Vermont State Colleges more attractive to prospective high-caliber candidates seeking stable and rewarding career opportunities in higher education.

Furthermore, by implementing these changes thoughtfully, we can ensure that our financial stability remains intact while still making meaningful progress towards becoming a leading employer in the region

Revenue pressures, primarily resulting from demographic trends in Vermont and the Northeast, persist. The traditional college-age demographic (ages 18 to 24) is decreasing in Vermont and the Northeast, with enrollment patterns at Vermont State Colleges reflecting this trend. The average age of students at these institutions is now 27, indicating a shift from traditional student populations. Both the Community College of Vermont and Vermont State University have embraced this challenge by creating certificates and credentials that allow learners to engage in higher education flexibly. Providing in-person, synchronous online, and asynchronous online options is essential, as is developing programs that address the needs of Vermont and its residents.

### Budget Process

The Vermont State Colleges provide three progressively detailed budgets from January to June each year. The first pass of the budget, provided to Finance & Facilities at its February 10 meeting, reflected a \$6.7 million budget deficit. The second pass of the budget presented April 14 to Finance & Facilities, reflected a \$4.7 million budget deficit. The third and final version of the budget is being presented at the Committee's May 12, 2025, meeting. Barring substantive changes in the base appropriation or bridge funding, the third pass budget will be the budget brought to the full board on June 16.

### 3rd Pass Budget

The budget target for FY26 is a deficit under \$5 million, this third pass of the budget reflects a \$4.9 million deficit, which is currently favorable to the system's target. Even though the bottom line has decremented by \$0.2 million since the second pass, all entities made substantial improvements to their budgets to mostly absorb \$1.5 million removed from VTSU's State Appropriation based on recent activities occurring within the Vermont State legislature.

	FY2025 Budget	FY2025 Forecast	FY2026 Budget 1.0	FY2026 Budget 2.0	FY2026 Budget 3.0
<b>TOTAL REVENUES</b>	167,227	180,063	174,224	175,021	176,194
<b>TOTAL EXPENSES</b>	177,578	175,449	180,628	179,754	181,127
	-	-	-	-	
<b>NET REVENUES/(DEFICIT)</b>	(10,351)	4,613	(6,404)	(4,733)	(4,932)

No doubt the Committee is aware of the many significant changes implemented by the President and his team that may have an impact to higher education. As of the writing of this document, these changes have minimal impact on the Vermont State Colleges finances. However, changes are happening rapidly, and it is difficult to predict what impact further changes will have on our students and institutions. Therefore, the budgets proposed here do not take into consideration further federal changes such as the proposed changes related to the elimination of Trio Grants, Supplemental Educational Opportunity Grants, or the elimination of the Graduate PLUS loan program. In the event changes happen that negatively affect the VSC, the Committee will be informed.

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#### FY26 THIRD PASS REVENUE

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Revenue improvements included modest adjustments to tuition and fees, conservative estimates for investment income, and modest improvements in sales and services.

The system is budgeting conservatively for Room and Board, reflecting VTSU's greater trend toward online and part-time students. As mentioned in the opening of this section, today's students are typically older with obligations that extend beyond college attendance. This has limited the number of students considering part-year residential living as these students require year-round housing. As such, the University is reflecting downward pressure on Room and Board.

	FY2025 Budget	FY2025 Forecast	FY2026 Budget 1.0	FY2026 Budget 2.0	FY2026 Budget 3.0
<b>EVENUES</b>					
Tuition and Fees	90,971	89,251	93,128	93,542	95,423
State Appropriation	51,232	62,730	55,745	55,756	54,256
Room and Board	19,011	17,882	18,889	18,379	18,813
Sales and Services	4,238	5,726	4,589	5,125	5,479
Gifts	1,177	774	1,262	1,140	1,140
Other Revenue	598	3,699	611	1,079	1,084
<b>OTAL REVENUES</b>	167,227	180,063	174,224	175,021	176,194

Third, pass revenue is forecasted at \$176 million or approximately 5.4% higher than the current fiscal budget and approximately \$3.9 million less than the current year forecast.

Vermont State University expects an 8% increase in student revenue due to high enrollment forecasts and a proposed 3.5% tuition increase. This rise is largely due to improved enrollment following the institution's merger. CCV anticipates

flat tuition and fee revenue for FY25, with a \$10 per credit hour increase. Both institutions will present their tuition requests at the May 12 Finance & Facilities Committee meeting.

Investment income, a category not normally budgeted, has been budgeted at extremely conservative levels based on the laddered investment strategy the system is using to capitalize on the bond market for the next few years.

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### FY26 SECOND PASS EXPENSES

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System-wide expenses are budgeted at approximately \$2.2 million higher than the current year budget and \$5.3 million higher than the second quarter forecast.

	FY2025 Budget	FY2025 Forecast	FY2026 Budget 1.0	FY2026 Budget 2.0	FY2026 Budget 3.0
<b>EXPENSES</b>					
Salaries and Benefits	103,363	101,636	106,889	106,257	105,964
Retiree Medical Expenses	7,250	6,490	7,250	6,825	6,825
Services, Supplies, Travel	40,477	41,700	40,338	40,645	42,108
Scholarships	9,501	8,815	9,895	9,436	9,436
Utilities	8,056	7,366	8,190	7,754	7,748
Other Expenses	3,608	3,608	3,387	3,387	3,387
Debt Service	8,446	8,445	7,777	7,777	7,727
Shared Services	-	(8)	-	0	0
Other Transfers	(5,083)	(4,562)	(5,120)	(4,350)	(4,091)
Strategic Initiatives (3%)	980	980	1,011	1,011	1,011
Economic Stabilization (2%)	980	980	1,011	1,011	1,011
<b>TOTAL EXPENSES</b>	<b>177,578</b>	<b>175,449</b>	<b>180,628</b>	<b>179,754</b>	<b>181,127</b>

Since the first pass budget, the VSC has made downward adjustments in several categories. The most significant changes were in the categories of Salaries, Benefits and Retiree Medical Expenses. Reflecting the Chancellor's drive for competitive salaries and sustainable benefits, this budget reflects adjustments related to a switchover to 80/20 insurance for all non-represented staff (staff not part of a bargaining unit) as well as adjustments to personnel lines at VTSU, CCV, and Shared Services.

Additionally, VTSU is predicting scholarships lower than the first pass budget, reflecting the graduation of individuals with aid packages related to the former tuition model.

## **FY26 Third Pass Budget**

	Vermont State Colleges System			Community College of Vermont			Vermont State University			Shared Services			Chancellor's Office		
	FY2025 Budget	FY2025 Forecast	FY2026 Budget 3.0	FY2025 Budget	FY2025 Forecast	FY2026 Budget 3.0	FY2025 Budget	FY2025 Forecast	FY2026 Budget 3.0	FY2025 Budget	FY2025 Forecast	FY2026 Budget 3.0	FY2025 Budget	FY2025 Forecast	FY2026 Budget 3.0
<b>REVENUES</b>															
Tuition and Fees	90,971	89,251	95,423	21,899	21,899	22,187	69,072	67,351	73,236	-	-	-	-	1	-
State Appropriation	51,232	62,730	54,256	9,769	9,769	10,191	31,104	31,104	33,921	7,250	7,251	6,825	3,109	14,607	3,319
Room and Board	19,011	17,882	18,813	-	-	-	19,011	17,882	18,813	-	-	-	-	-	-
Sales and Services	4,238	5,726	5,479	1	1	3	4,237	5,725	5,476	-	-	-	-	-	-
Gifts	1,177	774	1,140	80	80	80	1,097	694	1,060	-	-	-	-	-	-
Other Revenue	598	3,699	1,084	199	700	430	399	716	654	-	-	-	-	2,283	-
<b>TOTAL REVENUES</b>	<b>167,227</b>	<b>180,063</b>	<b>176,194</b>	<b>31,948</b>	<b>32,449</b>	<b>32,890</b>	<b>124,920</b>	<b>123,472</b>	<b>133,160</b>	<b>7,250</b>	<b>7,251</b>	<b>6,825</b>	<b>3,109</b>	<b>16,891</b>	<b>3,319</b>
<b>EXPENSES</b>															
Salaries and Benefits	103,363	101,636	105,964	22,282	22,282	22,863	73,492	71,765	75,252	6,796	6,796	6,932	793	793	917
Retiree Medical Expenses	7,250	6,490	6,825	-	-	-	-	-	-	7,250	6,490	6,825	-	-	-
Services, Supplies, Travel	40,477	41,700	42,108	5,085	5,085	5,000	27,709	27,139	29,182	7,328	7,328	7,548	355	2,148	378
Scholarships	9,501	8,815	9,436	130	130	192	9,371	8,685	9,244	-	-	-	-	-	-
Utilities	8,056	7,366	7,748	321	323	364	7,723	7,032	7,372	10	10	10	2	1	2
Other Expenses	3,608	3,608	3,387	-	-	-	-	-	-	-	-	-	3,608	3,608	3,387
Debt Service	8,446	8,445	7,727	1,694	1,694	1,663	6,752	6,752	6,064	-	-	-	-	-	-
Shared Services	-	(8)	0	4,192	4,192	4,297	9,942	9,942	10,193	(14,134)	(14,141)	(14,490)	-	-	-
Other Transfers	(5,083)	(4,562)	(4,091)	(1,406)	(1,556)	(1,489)	(69)	903	785	-	-	-	(3,608)	(3,909)	(3,387)
Strategic Initiatives (3%)	980	980	1,011	-	-	-	-	-	-	-	-	-	980	980	1,011
Economic Stabilization (2%)	980	980	1,011	-	-	-	-	-	-	-	-	-	980	980	1,011
<b>TOTAL EXPENSES</b>	<b>177,578</b>	<b>175,449</b>	<b>181,127</b>	<b>32,298</b>	<b>32,149</b>	<b>32,890</b>	<b>134,920</b>	<b>132,217</b>	<b>138,092</b>	<b>7,250</b>	<b>6,483</b>	<b>6,825</b>	<b>3,110</b>	<b>4,601</b>	<b>3,319</b>
<b>NET REVENUES/(DEFICIT)</b>	<b>(10,351)</b>	<b>4,613</b>	<b>(4,932)</b>	<b>(350)</b>	<b>300</b>	<b>0</b>	<b>(10,000)</b>	<b>(8,744)</b>	<b>(4,932)</b>	<b>-</b>	<b>768</b>	<b>-</b>	<b>(1)</b>	<b>12,290</b>	<b>(0)</b>

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## COMMUNITY COLLEGE OF VERMONT

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How does this budget support the VSCS' strategic priorities?

Our budget is responsive to the five pillars listed in the CCV Strategic Plan and to the VSC's strategic priorities of universal access and lifelong learning for every Vermonter, and workforce alignment and economic development. CCV is continuously working towards keeping tuition affordable while meeting ever increasing expenses. CCV is committed to creating opportunities that include philanthropic partners, and securing grants that support our strategic plan initiatives. We are focused on keeping our offerings current and responsive to the changing demands in the workplace by strengthening existing and developing new programs, certificates, and credentials.

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### INVESTMENTS & COST CONTAINMENT

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- What initiatives is your institution investing in during FY26?

FY26 will see continued growth in our efforts to serve underserved populations that struggle to access higher education. CDS (Congressionally Directed Spending) funding allowed us to launch the Corrections Post-Secondary Education Initiative (CPSEI), which provides free college courses for Department of Corrections staff and Vermonters who are incarcerated. CCV has received approval to use Pell grants to support these courses, which is a significant step forward for the overall sustainability of the program.

CCV is also focusing our efforts on improving programming for multilingual learners. Vermont faces a significant demographic challenge with a rapidly aging workforce and a shrinking pool of young talent. Immigrant and refugee learners represent an untapped resource that can help mitigate this shortage by filling essential roles across various sectors. Thanks to philanthropic funding and a grant from the Chancellor's Innovation Fund, CCV is investing in programs tailored to ensure their unique needs are met through curriculum design, assessment, and community building.

CCV has established a Coordinator of Multilingual Teaching and Learning position, which will work with curriculum committees and others to develop and implement curriculum and enhance programmatic support within the College for multilingual learners. The individual in this position will also collaborate with internal and external stakeholders to ensure that multilingual learners have access to the breadth of CCV's education and workforce opportunities. CCV has also established a Multilingual Learner Working Group with cross-functional, cross-college representation to ensure this position has support from and impact on all aspects of the work we do.

FY26 will also see the continuation of a grant-funded initiative that was launched last year. The Career Pathways Entry Program (CPEP) is a training and employment program designed to support both career seekers and our business community by creating accessible on-ramps to high growth industries including healthcare, human services, and manufacturing. It starts with a 6-week, no-cost exploration of these career paths, combining college credit, industry-recognized credentials, and hands-on job shadowing. Participants work directly with a career coach who provides continuous support including resume development, interviewing skills, and employer referrals. After completing the pre-employment component, participants identify their long-term career goals and target employer, at which they are hired into entry-level positions and continue learning on the job through registered apprenticeship or earn-and-learn agreements that stack into degrees which align with their long-term career goals.

Finally, thanks to generous philanthropic support the College will be continuing the Early Childhood Education Portfolio scholarship. This scholarship covers the full cost of tuition and fees for a portfolio course and is



intended for early childhood educators with at least one year of experience in the field who are pursuing the CCV associate of arts in Early Childhood Education. Upon successful completion of the portfolio course, scholarship recipients are eligible for additional scholarship funding for three academic years, or 6 semesters. Of the 45 students who started cohorts (not counting two for the current semester), 35 have completed a credit award, receiving 670 credits. That translates to \$187,600 of tuition savings for those students just from their prior learning portfolio.

- What initiatives is your institution *considering* for cost containment in during FY25?

CCV continuously calibrates its staffing and facility footprint to respond to changes in student enrollment. CCV's course cancellation policy uses a transparent process for adding and cancelling course sections before a semester starts. This carefully managed process allows the college to maintain a class-size average consistent with our budget projections. Decisions to run or cancel classes are based on several factors, including enrollment in the course section, core course and program requirements for students, alternatives available to students, and the college's overall enrollment. This process allows CCV to manage costs as enrollment fluctuates.

CCV has 12 strategically located centers throughout the state. The College owns 3 centers and rents 9 other locations. In recent years, CCV has shifted from long-term to shorter leases to evaluate and adjust our physical footprint across all 12 centers more regularly. As stewards of student tuition dollars, we need to ensure we are spending those dollars in support of students and not unused buildings. Between 2019 and 2024, CCV reduced its physical footprint by 23,000 square feet by adjusting our leases in Morrisville, St. Johnsbury, Bennington and Middlebury.

No significant footprint changes are anticipated for FY26 due to the timing of our leases. CCV has rented space in the Winooski Center to Vermont Adult Learning, a partnership that has generated modest revenue for the College and provided opportunities for deeper collaboration between the two organizations in how to better serve multilingual learners. We also welcomed Vermont Public as a tenant in our Upper Valley Center this year. We are continuing to explore opportunities to share space with organizations that are aligned with the College's mission.

CCV will continue to engage with the Chancellor's Office and Shared Services to achieve efficiencies in a variety of cost centers while also maintaining CCV's ability to be nimble and responsive to evolving educational needs and enrollment fluctuations.

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## REVENUE FORECAST

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CCV's primary sources of revenue are the state appropriation and tuition and fees. Other revenues from grants and gifts do not have a material impact on the budget.

CCV proudly serves 57% of the students in the VSC. In FY26, CCV is expected to receive 25% of the appropriation amount that is distributed to the institutions, or \$10.2m, which represents 31% of our revenue. On average, community colleges across New England report state appropriations comprising 44% of their operating revenue<sup>1</sup>. Vermont's appropriation to its community college is the lowest level of state support for public two-year institutions in the region, thus putting increasing pressure on tuition as a major source of revenue for the college.

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<sup>1</sup> IPEDS, State Appropriations as Percent of Core Revenues, Public, 2-Year Institutions in the New England Region, 2023.

CCV has held its tuition flat for five years. This is no longer sustainable. Absorbing annual increases in compensation and benefits without a commensurate increase in the appropriation or tuition continues to place pressure on CCV's budget. As a key access point to the VSC system, we believe we should be taking all measures necessary to increase the affordability of Vermont's only community college. However, in the absence of increased state support to reduce the cost of tuition, the College is proposing a \$10/credit tuition increase.

With Vermont's changing demographic projections as well as a 22% decline in enrollment in K-12 in the last ten years, CCV continues to be mindful of these trends as we developed our enrollment projections for the FY 2026 budget. Given Vermont's current population trends, CCV's FY26 budget reflects a 5% decline in enrollment over four years of actuals and one year of budget.

- Pressures / Challenges related to achieving these targets:

Last year we reported a growing trend of unpaid student tuition bills at CCV. This is a trend seen across the country and coincides with the cessation of COVID funds that provided tuition assistance and debt forgiveness. To respond to this concerning trend, CCV implemented a comprehensive, college-wide response during the current academic year by modifying our add/drop policy, instituting procedures to administratively withdraw students who do not attend courses and providing direction and guidance to advisors and financial aid counselors to help students establish payment plans.

The results of our efforts so far are positive. In the Fall 2024 semester, we saw a 54% decrease in the amount of unpaid bills from the previous fall semester, and a 78% decrease between FA24 and FA22. While tuition revenue declined by 11% as the College initiated these procedures, the actual net revenue (tuition & fees less unpaid bills at end of term) collected by CCV was down less than 1 percent between FA24 and FA22. This illustrates the importance of not only registering students in courses, but in implementing strategies to support students in paying their bills or withdrawing from courses they do not plan to attend.

The percentage of students enrolled in payment plans increased from 4% of unpaid bills enrolled in payment plans in FA22 to 22% enrolled in payment plans in FA24. We will be continuing to monitor the implementation of these strategies over the coming fiscal year to see whether the trend continues in the right direction. It is unclear what impact a tuition increase will have on the effectiveness of these strategies moving forward.

- Opportunities

CCV is committed to creating opportunities that include philanthropic partners, and securing grants that support our strategic plan initiatives. We are focused on keeping our offerings responsive to the changing demands in the workplace by strengthening existing and developing new programs, certificates, and credentials.

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## EXPENSE FORECAST

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- Descriptions of the key expense drivers including:

Faculty and staff represent approximately 70% of CCV's annual expenses. CCV does not have a significant number of vacancies at the time of budget preparation, so the budget reflects actual staffing levels. CCV is a very lean organization. During the current fiscal year, the College's student-to-full time staff ratio is 58:1<sup>2</sup>. Like all employers, CCV is under pressure to offer a competitive wage and benefit package in order to attract and retain highly qualified personnel.

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<sup>2</sup> VSC Fact Sheet 2024

This budget reflects a VSCS decision to recalibrate total compensation (wages and benefits) for benefits-eligible staff. In anticipation of transitioning from the current sliding scale premium contribution to a standard 80/20 share of medical and dental insurance premiums, many staff received an increase in their take-home pay. These pay adjustments took effect in FY25 and increased the base salaries that will see an across-the-board cost-of-living raise of 4% in the FY26 budget.

Despite these adjustments to employee premium contributions, health care costs are still escalating, which adds pressure to the budget. Inflationary pressures have added to the cost of services, supplies and travel as well.

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### **FY2027 – FY2029 OUTLOOK**

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CCV expects the trend of declining enrollment impacting educational institutions statewide to continue to persist. As discussed in the cost containment section, CCV has several tools at its disposal to adapt to declines in enrollment (course cancellation policy, expandable/contractable enrollment/budget model, e.g.), but if the distribution of the state appropriation remains at current levels, these tools alone will not be sufficient to respond to continued declines in enrollment.

We are hopeful that Shared Services will result in more efficiencies and lower costs for CCV, while delivering high quality services to the institutions. We anticipate the need to absorb increases in staff compensation to remain competitive in the marketplace, we expect more challenging budget years for the FY27-29 period.

State support for community colleges in Vermont has been historically very low compared to other states. As a result, we continue to navigate the challenge of finding the right balance of keeping our tuition as low as possible while still being able to deliver high quality educational experiences to students.

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## VERMONT STATE UNIVERSITY

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### FY2026 OUTLOOK

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The University's budget proposal requests authority to draw a \$4.9M deficit during FY2026. This deficit will be funded through current year and prior year state-provided bridge funding, and follows VTSU's multi-year plan to financial sustainability, which began with the FY2023 budgetary deficit of \$22.7M and most recently included a \$10.0M budgetary deficit in FY2025. If implemented, the plan aims for a balanced budget (deficit target of \$0) by FY2027.

The two largest variables in this budget—as in any VTSU (Vermont State University) budget—are Net Student Revenue and Salary and Wages, which comprise 67% of our unrestricted revenue and 58% of our unrestricted expense, respectively. In FY2026, as in past years, tuition rate increases have failed to keep up with anticipated wage and health care increases, representing the single most consistent challenge to achieving long-term balance & sustainability. In other words, under the pressure of out-of-sync inflationary factors, significant budgetary action is required each year to avoid losing ground. Nonetheless, great strides have been made in this area towards the goal of sustainability, with FY2026 aggregate salary increases capped at 4%. This represents a significant step towards balance.

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### ALIGNMENT TO BOARD STRATEGIC PRIORITIES

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How does this budget support the Board of Trustees' strategic priorities of affordability, accessibility, quality, relevance?

The FY2026 budget proposal is based on a modest 3.5% tuition rate increase, as requested by the University. Despite rising costs and inflationary rates that outpace tuition rate growth, VTSU has tried to prioritize student affordability, favoring cost containment to close budgetary gaps over passing cost along to students.

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### REVENUE

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VTSU's budget proposal projects an 8% increase in net student revenue based on a significant rebound in new student enrollment, following post pandemic and transformation lows, along with the resumption of a 3<sup>rd</sup> party contract of a significant magnitude.

Incoming Class & Retention. With early funnel reports indicating strong enrollment signals, we have modeled our AY25-26 enrollment with the assumption of a 12% increase in Standard Undergraduate incoming class, and a 25% increase in VTSU Online incoming class. Incoming classes at other price points are projected to remain consistent with the prior years' experience, and retention has been modeled according to recent year average experience. Combining these factors, we anticipate an aggregate expected enrollment increase of 2.994% for the coming year. With the 3.5% tuition rate the University has requested, we anticipate a 6.6% increase in net student revenue. We plan to monitor the admissions funnel closely throughout the rest of the recruitment cycle,

recalculating our enrollment projections bi-weekly between now and fall add-drop period, and reacting to new information accordingly.

Kingdom County Productions. The VTSU budget includes \$1.7M in revenue (this will be entirely balanced by an equivalent expense on the “Supplies & Services” line) through our partnership with Kingdom County Production. This contract was last active during FY2024.

Other Revenue. Base appropriation is budgeted at \$33.5M as calculated according to the VSCS Allocation Formula. This represents a significant (9.2%) funding increase over prior year.

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## EXPENSE

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Salary, Wage, & Benefits. Salary, wages, and benefits represent 58% of VTSU’s annual unrestricted expense. Workforce levels are set position-by-position based on anticipated FY2026 staffing needs. The University enters FY2026 with a considerable number of positions under recruitment and anticipates a modest amount of turnover in the coming year.

Non-personnel expenses. At the aggregate level, operational budgets—supplies, services, travel—have been level-funded to FY2025 amounts. Within that framework, the finance team has worked with budget managers to review all individual expenditure lines, looking for efficiencies where possible, and moving funds between lines according to need. VTSU’s budget proposal includes the result: an aggregation of thousands of individual lines of budgetary detail, each scrutinized, reviewed, discussed, and reconsidered by the Finance team and our dozens of budget managers over the past two months. Utility expense budgets assume a 5% rate of inflation with consumption levels consistent with FY2025.

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## **SHARED SERVICES**

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The FY2026 budget is the third Shared Services budget for the Vermont State Colleges. Created in accordance with the recommendations of the Select Committee on the Future of Public Higher Education in Vermont and many strategic conversations with the Board of Trustees, the Shared Services model is intended to provide high-quality, cost-effective services that meet the needs of the institutions of the Vermont State Colleges. Shared Services oversee legal and regulatory compliance, finance, information technology services and security of the system, and offer equitable services across the institutions and locations.

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## **REVENUE FORECAST**

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The Shared Services budget is not a revenue generating division. However, because it manages retiree healthcare costs, the corresponding state appropriation is assigned to this unit. For FY2026, the estimated cost of retiree healthcare is \$6.8M.

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## **EXPENSE FORECAST**

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The Shared Services budget holds the expense for all retiree healthcare. The remainder of the budget is comprised of Finance, Legal, and Information Technology. The total budget for Shared Services is \$14.5M, approximately \$0.3M higher than in FY2025.

The largest overall category of spending is wages and benefits, followed by supplies and services, then equipment, and consulting. It is no surprise that wages and benefits are the largest component of spending in Shared Services as higher education is a people-intensive business. The chief driver of the wages and benefits category is the number of full-time, benefits eligible, staff within each unit. Information Technology is the largest unit within Shared Services and therefore has the highest overall cost.

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## **FY2027 – FY2028 OUTLOOK**

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The Shared Services budget, exclusive of retiree healthcare, is budgeted at \$14.5M or 8.0% of the total budgeted unrestricted expenses for the Vermont State Colleges. As noted earlier, the Shared Services Division will continue to seek creative means to contain costs while maintaining high quality services. These ideas will be presented to the Institutions for their consideration, and implemented where practicable and feasible.

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## **CHANCELLOR'S OFFICE BUDGET NARRATIVE**

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For the third year, the FY2026 budget for the Chancellor's Office is comprised solely of Corporate Functions, debt service support, and line items for strategic initiatives and economic stabilization. The purpose of the Chancellor's Office is to lead corporate functions of the Vermont State Colleges. These include the chief executive of the corporation, external affairs, board support, and academic affairs. The Chancellor's Office charges are expensed directly against the State Appropriation before allocation.

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### **REVENUE FORECAST**

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As with Shared Services, the Chancellor's Office is not a revenue generating organization. However, as the Chief Executive for the System, this budget holds the funded reserves for strategic initiatives and economic stabilization. Therefore, an amount of \$2.022M is allocated from the state appropriation to cover these charges. In addition, \$1.297M is set aside from the state appropriation to cover the charges related to corporate functions.

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### **EXPENSE FORECAST**

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The Chancellor's Office budget is comprised of four key service areas: Board Support, Chancellor, External Affairs, and Facilities.

The Board Support category includes all support for the Board of Trustees including administrative and logistical support, travel, membership in the Association of Governing Boards and related activities. The Chancellor's budget includes the Chancellor and administrative support, as well as academic affairs, the funding for subscriptions and memberships that serve the Vermont State Colleges, and a small amount of funding for consulting and ad hoc projects. External Affairs includes the government affairs and external relations staff along with the travel and consulting necessary to support their work. The facilities budget includes the annual lease for 575 Stone Cutter's Way and associated utilities.

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### **FY2027 – FY2028 OUTLOOK**

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A well-functioning executive branch of the Vermont State Colleges is vital to its success. However, the Chancellor recognizes the need for the office to be as cost-effective and as efficient as possible and continues to explore ways to trim staffing where practicable and effective without jeopardizing the work of the system.

VERMONT STATE COLLEGES SYSTEM

BOARD OF TRUSTEES

RESOLUTION 2025-004

FY2025 VERMONT STATE COLLEGES SYSTEM ANNUAL OPERATING BUDGET

- WHEREAS, The Finance and Facilities Committee of the Board of Trustees has reviewed the FY2026 budget information presented for the Vermont State Colleges System; and,
- WHEREAS, The Committee has discussed individual aspects of the proposals with the Chancellor, Chief Financial Officer, and Presidents of the individual institutions; and,
- WHEREAS, The Finance and Facility Committee endorses approval of the Chancellor's recommendation by the full board; therefore be it
- RESOLVED, That the Board of Trustees of the Vermont State Colleges System hereby approves the System Annual Operating Budget of \$181.127 million, including the projected operating deficit of \$4.932 million, consistent with the attached materials.

Approved:

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Eileen "Lynn" Dickinson, Chair of the Board of Trustees



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**ITEM 6: Annual Banking & Investment Resolution 2025-006**

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## ANNUAL BANKING AND INVESTMENT RESOLUTION

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The Vermont State Colleges System's *Banking and Investment Resolution* is reviewed and approved annually by the Board of Trustees. As the fiduciary for the corporation that is the Vermont State Colleges, the Board must periodically document the financial authorities they have delegated and to whom. This resolution is provided to banks and other financial institutions to support the banking and investment transactions of the corporation.

The *Banking and Investment Resolution* on the following page documents the authorities the board as delegated.

While the resolution wording is in necessary legal language, it provides for the following:

1. Empowers the Chancellor and/or Chief Financial Officer to take the following actions:
  - a. Establish and administer bank or other accounts for System operations;
  - b. Perform System cash management and investment activities;
  - c. Secure financing consistent with applicable Board or legislative authority;
  - d. Pledge collateral as may be necessary for certain financing;
  - e. Handle virtually all other aspects relevant to financial matters of the System; and
2. Empowers Institution Presidents and/or Institution Chief Business Officers, however so named, to take the following actions:
  - a. Administer bank or other accounts for Institutional operations; and,
  - b. Perform Institution cash management activities.

VERMONT STATE COLLEGES SYSTEM

BOARD OF TRUSTEES

RESOLUTION 2025-006

Banking and Investment

- WHEREAS, The conduct of the business affairs of the Vermont State Colleges System and each of its constituent member Institutions requires the establishment of banking relations and investment of funds; and
- WHEREAS, Selected officials of the System should be empowered to conduct banking and investment affairs in keeping with the organization of System; and
- WHEREAS, The term “bank” throughout this resolution also refers to credit unions and other depository or lending institutions that are licensed by the state of Vermont or the federal government; therefore, be it
- RESOLVED, That the Chancellor and/or Chief Financial Officer are authorized to do the following:
1. Establish accounts with banks and authorized brokers/dealers (safekeeping, trust, checking, savings, money market, time or demand deposit) through which to transact the cash management and investment business of the System, and delegate authority for initiation of related wire transfers;
  2. Borrow money and obtain credit from banks, authorized brokers/dealers, or other lending agencies in conformity with Board of Trustees approved budgets: and execute and deliver notes, draft acceptances, instruments of guaranty, and any other legal obligations of System, therefore, in form satisfactory to the lending agency;
  3. Pledge or assign and deliver, as security for money borrowed or credit obtained, stocks, bonds, bills receivable, accounts, mortgages, merchandise, bills of lading or other shipping documents, warehouse receipts, insurance policies, certificates and any other property held by, or belonging to, this corporation, with full authority to endorse, assign, transfer or guarantee the same in the name of this corporation, except as restricted by Vermont Statute;

4. Discount any bills receivable or any paper held by this corporation, with full authority to endorse the same in the name of this corporation;
5. Withdraw from banks or authorized brokers/dealers and give receipt for, or authorize banks or authorized brokers/dealers to deliver to bearer or to one or more designated persons, all or any documents and securities or other property held by it, whether held as collateral security or for safekeeping or for any other purpose;
6. Invest funds of System in legal investments as established by Board of Trustees policy;
7. Sell or authorize and request banks, or authorized brokers/dealers to purchase or sell, for the account of this corporation, foreign exchange, stocks, bonds, and other securities;
8. Apply for and receive letters of credit, and execute and deliver all necessary or proper documents for that purpose;
9. Execute and deliver all instruments and documents required in connection with any of the foregoing matters, and to affix the seal of this corporation; and, be it further

RESOLVED,

That the President and/or Chief Business Officer, howsoever named (e.g. Vice President of Business Operations, Dean of Administration of each Institution of the System are authorized to do the following:

1. Administer bank or accounts (safekeeping, trust, checking, savings, money market, time or demand deposit) through which to transact the banking business of the Institution in which they are officers.

Approved: \_\_\_\_\_

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

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**ITEM 7: 3rd Quarter Financial Results**

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### THIRD QUARTER FINANCIAL RESULTS

	Projected FY25	Budget FY25	Proj vs. Bud Fav / (Unfav)
<b>TOTAL REVENUES</b>	180,063	167,227	12,836
<b>TOTAL EXPENSES</b>	175,449	177,578	2,129
<b>NET REVENUES/(DEFICIT)</b>	4,613	(10,351)	14,964

Third-quarter results continue to be promising for Vermont State Colleges, with revenues projected at \$12.8 million above budget due to unbudgeted bridge funding, and expenses \$2.1 million below budget, resulting in a net improvement of \$14.9 million.

Vermont State University			
	Projected FY25	Budget FY25	Proj vs. Bud Fav / (Unfav)
<b>TOTAL REVENUES</b>	123,472	124,920	(1,448)
<b>TOTAL EXPENSES</b>	132,217	134,920	2,703
<b>NET REVENUES/(DEFICIT)</b>	(8,744)	(10,000)	1,256

At Vermont State University, revenues are forecasted at \$1.4 million below budget, with expenses \$2.7 million lower, yielding a net improvement of \$1.3 million despite a 1.3% decrease in FPE enrollment and a 7.7% reduction in residential occupancy.

Community College of Vermont			
	Projected FY25	Budget FY25	Proj vs. Bud Fav / (Unfav)
<b>TOTAL REVENUES</b>	32,449	31,948	501
<b>TOTAL EXPENSES</b>	32,149	32,298	149
<b>NET REVENUES/(DEFICIT)</b>	300	(350)	650

Community College of Vermont's overall enrollment aligns with budget expectations. The Summer semester exceeded budget, while the Fall was below, influenced by reduced Tuition Advantage Program funding, increased unpaid student balances, and delayed FAFSA processing. However, the Spring semester projects a 3.3% increase. Performance has been positively influenced by investment income as well as this stronger enrollment. A one-time transfer, between CCV's unrestricted and capital funds occurred on July 1, 2024. This transfer, delayed from FY24 due to miscommunication, does not affect overall system performance as it is internal between CCV's unrestricted and capital funds.

	Shared Services			Chancellor's Office		
	Projected FY25	Budget FY25	Proj vs. Bud Fav / (Unfav)	Projected FY25	Budget FY25	Proj vs. Bud Fav / (Unfav)
<b>TOTAL REVENUES</b>	7,251	7,250	1	16,891	3,109	13,782
<b>TOTAL EXPENSES</b>	6,483	7,250	767	4,601	3,110	(1,491)
<b>NET REVENUES/(DEFICIT)</b>	768	-	768	12,290	(1)	12,291

The Chancellor's Office did not initially account for the \$10 million in Bridge Funding funded by the State of Vermont or interest earnings causing a favorable variance in total revenues. Modestly lower than budgeted retiree medical expenses has contributed to shared services overall predicted improved performance.

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## SECOND QUARTER METRICS

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The FY2025 budget is based on essential values concerning enrollment, room occupancy, and employee wages. As part of the FY2025 budgeting process, each institution within the Vermont State Colleges provided the Finance and Facilities Committee with the core metrics upon which their budgets were constructed, allowing the Committee to assess current year budget performance.

As previously mentioned, CCV's full-paying equivalent enrollment for the fall term was below budget expectations. However, both CCV's summer and spring enrollments surpassed budget forecasts, with summer being 8.3% above budget and spring estimated at 3.3% above budget.

Vermont State University's net student tuition revenue is currently projected to be \$1.4 million (2.1%) less than budgeted, closely aligning with its full-paying equivalent decrease of 1.3% for the year. Additionally, a reduction in institutional aid of \$702 thousand and a \$1.1 million (5.9%) shortfall in residential occupancy result in a \$1.8 million deficit in the institution's net student revenue. These shortfalls are positively offset by lower than budgeted wages and benefits, as well as improvements in other revenues such as interest income.

**Vermont State Colleges System By Entity**  
**Unrestricted Revenues and Expenses**  
**FY25 Q3 Projections**  
(Amounts rounded to \$1,000)

	Vermont State Colleges System			Community College of Vermont			Vermont State University			Shared Services			Chancellor's Office		
	Projected FY25	Budget FY25	Proj vs. Bud Fav / (Unfav)	Projected FY25	Budget FY25	Proj vs. Bud Fav / (Unfav)	Projected FY25	Budget FY25	Proj vs. Bud Fav / (Unfav)	Projected FY25	Budget FY25	Proj vs. Bud Fav / (Unfav)	Projected FY25	Budget FY25	Proj vs. Bud Fav / (Unfav)
<b>REVENUES</b>															
Tuition and Fees	89,251	90,971	(1,720)	21,899	21,899	-	67,351	69,072	(1,721)	-	-	-	1	-	1
State Appropriation	62,730	51,232	11,498	9,769	9,769	0	31,104	31,104	0	7,251	7,250	1	14,607	3,109	11,498
Room and Board	17,882	19,011	(1,129)	-	-	-	17,882	19,011	(1,129)	-	-	-	-	-	-
Sales and Services	5,726	4,238	1,488	1	1	0	5,725	4,237	1,488	-	-	-	-	-	-
Gifts	774	1,177	(403)	80	80	(0)	694	1,097	(403)	-	-	-	-	-	-
Other Revenue	3,699	598	3,101	700	199	501	716	399	317	-	-	-	2,283	-	2,283
<i>Other Revenue-one time</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	180,063	167,227	12,836	32,449	31,948	501	123,472	124,920	(1,448)	7,251	7,250	1	16,891	3,109	13,782
<b>EXPENSES</b>															
Salaries and Benefits	101,636	103,363	1,727	22,282	22,282	-	71,765	73,492	1,727	6,796	6,796	-	793	793	-
Retiree Medical Expenses	6,490	7,250	760	-	-	-	-	-	-	6,490	7,250	760	-	-	-
Services, Supplies, Travel	41,700	40,477	(1,223)	5,085	5,085	-	27,139	27,709	570	7,328	7,328	-	2,148	355	(1,793)
Scholarships	8,815	9,501	686	130	130	-	8,685	9,371	686	-	-	-	-	-	-
Utilities	7,366	8,056	690	323	321	(2)	7,032	7,723	691	10	10	-	1	2	1
Other Expenses	3,608	3,608	-	-	-	-	-	-	-	-	-	-	3,608	3,608	-
Debt Service	8,445	8,446	1	1,694	1,694	0	6,752	6,752	0	-	-	-	-	-	-
Shared Services	(8)	-	8	4,192	4,192	0	9,942	9,942	(0)	(14,141)	(14,134)	7	-	-	-
Chancellor's Office	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Transfers	(4,562)	(5,083)	(521)	(1,556)	(1,406)	150	903	(69)	(972)	-	-	-	(3,909)	(3,608)	301
<i>Other Transfers-one time</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Strategic Initiatives (3%)	980	980	-	-	-	-	-	-	-	-	-	-	980	980	-
Economic Stabilization (2%)	980	980	-	-	-	-	-	-	-	-	-	-	980	980	-
<b>TOTAL EXPENSES</b>	175,449	177,578	2,129	32,149	32,298	149	132,217	134,920	2,703	6,483	7,250	767	4,601	3,110	(1,491)
<b>NET REVENUES/(DEFICIT)</b>	4,613	(10,351)	14,964	300	(350)	650	(8,744)	(10,000)	1,256	768	-	768	12,290	(1)	12,291



## System-wide metrics: Third Quarter FY2025

		Community College of Vermont				Vermont State University				Vermont State Colleges			
		FY25 Budget	FY25Q3 FCST	Var \$	Var %	FY25 Budget	FY25Q3 FCST	Var \$	Var %	FY25 Budget	FY25Q3 FCST	Var \$	Var %
<b>Student Revenue &amp; Wages (\$millions)</b>													
Net Student Revenue		\$ 21,769	\$ 21,798	\$ 30	0.1%	\$ 76,669	\$ 74,841	\$ (1,828)	-2.4%	\$ 98,438	\$ 96,639	\$ (1,799)	-1.8%
Annual Employee Wages		\$ 15,894	\$ 15,894	\$ -	0.0%	\$ 47,309	\$ 46,973	\$ (336)	-0.7%	\$ 63,203	\$ 62,867	\$ (336)	-0.5%
<b>Full Paying Equivalent Enrollment</b>													
<b>Annual FPE</b>		2,926	2,953	28	0.9%	4,259	4,204	(55)	-1.3%	7,184	7,157	(27)	-0.4%
<b>FPE by Term</b>													
Fall		2,540	2,431	(108)	-4.3%	4,481	4,288	(193)	-4.3%	7,020	6,719	(301)	-4.3%
Spring		2,209	2,282	73	3.3%	4,116	4,120	4	0.1%	6,325	6,402	77	1.2%
Other		1,102	1,193	91	8.3%			-	0.0%	1,102	1,193	91	8.3%
<b>FPE by Value Stream</b>													
Vermonters		2,756	2,807	51	1.9%	1,741	1,705	(36)	-2.1%	4,497	4,512	15	0.3%
Out-of-State		126	107	(20)	-15.5%	883	865	(18)	-2.0%	1,009	972	(38)	-3.7%
NEBHE & Good Neighbor		43	39	(4)	-9.2%	206	202	(4)	-1.9%	249	241	(8)	-3.2%
Nursing & Allied Health		n/a				560	548	(12)	-2.1%	560	548	(12)	-2.1%
Online		n/a				299	293	(6)	-2.0%	299	293	(6)	-2.0%
<b>Graduate</b>													
Vermonters		n/a				213	209	(4)	-1.9%	213	209	(4)	-1.9%
Out-of-State		n/a				62	61	(1)	-1.6%	62	61	(1)	-1.6%
<b>Room Occupancy</b>													
Annual Occupancy		n/a				1,492	1,377	(115)	-7.7%	1,492	1,377	(115)	-7.7%
<b>Occupancy by Term</b>													
Fall		n/a				1,583	1,455	(128)	-8.1%	1,583	1,455	(128)	-8.1%
Spring		n/a				1,402	1,298	(104)	-7.4%	1,402	1,298	(104)	-7.4%
Other		n/a				0		-	0.0%	-	-	-	0

### **Community College of Vermont**

CCV's FY25 Fall semester tuition and fees came in under budget. Spring enrollment has largely rebounded, coming in at 3% over budget. Summer semester enrollment is projected to come in slightly under budget. We are therefore projecting tuition and fee revenue that is closely aligned with our original budget. We are also projecting a \$500k increase in investment income over budget.

With expenses expected to come in line with the budget we are forecasting a surplus of \$300k as opposed to the \$350k deficit we budgeted.

#### **Revenues:**

**Tuition and Fees:** Overall total tuition and fees are projected to align with BOT approved budget.

**Sales & Services/Gifts/Other Revenues:** Investment income is projected to come in \$501k higher than budget.

#### **Expenses:**

**Salaries & Benefits:** No change.

**Service, Supplies & Travel:** No change

**Scholarships & Fellowships:** No change.

**Other Transfers:** \$150k less than budget due to a drop in cross-college enrollment revenue

## **Vermont State University**

VTSU's bottom-line projection, at Q3, is favorable to budget. Having budgeted for a \$10.0M deficit, the University now projects an \$8.7M deficit, with aggregate revenue and aggregate expense both trending lower than budgeted.

### **Revenue.**

Net student revenue (tuition, fees, room & board, net of scholarship expense). Projected less than budgeted (projected at \$74.8M, budgeted at \$76.7M: -2.5%)

- Tuition & fees.
  - Enrollment. Fall enrollment was approximately level to prior year (4,288 Fall '24, +/- 0.0% from 4,291 Fall '23), while spring enrollment has declined year-over-year (4,120 Spring '25, - 2.5% from 4,227 Spring '24). Budgeting up 4% in enrollment, the enrollment decline has been mitigated by two factors: first VTSU "held back" \$1.0M in budgetary contingency in case enrollment did not meet expectations; and, secondly, a shift in "mix" due to strong enrollment in Nursing.
  - 1:1 Device fee revenue. VTSU budgeted for \$2.6M in fee revenue related to the 1:1 device initiative; with student uptake of the program much lower than anticipated, current fee revenue is projected at \$0.3M. (This will be approximately bottom line neutral, as related expense lines have also decline proportionally.)
- Room & Board.
  - Residential enrollment (budgeted approx. level) has declined. (Down 7.3% in fall and 6.5% in spring, both compared to prior year.) Room & board revenue is projected at \$17.9M, compared to a \$19.0M budget.
- Scholarships.
  - VTSU has "graduated out" students with larger scholarship packages, and is projecting a decline in scholarship expense. Scholarship expense is projected at \$8.7M, compared to a budget of \$9.3M.

Other revenue. Sales & Service revenue is improved from budget, driven by strong performance in conference & events. Appropriation, investment income & gifts, and other University revenue lines are currently projected approximately level to budget.

### **Expense.**

Salary and benefits. Projected down from budget at \$68.4M (-2.3%, compared to \$70.0M budgeted). This is attributable to high vacancy rate; many positions at VTSU remain open.

Other operational expenses (not including scholarships, addressed above).

- 1:1 Device expense. VTSU budgeted for \$2.8M in equipment expense related to the 1:1 device initiative.
  - With AY24-25 uptake much lower than anticipated, current expense for AY24-25 students is projected at \$0.4M. (This will be bottom line neutral, as related fee revenue lines will also decline proportionally, as discussed above.)
  - In response to developments in global trade, VTSU has advance ordered laptops for AY25-26 students. These laptops will add an additional \$0.4M to our FY25 expense line.
- Utilities are currently projected at 9% below budget, due to lower consumption patterns and favorable rate lock-ins.
- Other operational expenses, including supplies, services, and travel are projected on or near to budget.
- Transfers are projected higher than budgeted. The most significant causal factor is a 790k transfer from VTSU to the C/O: the buyback of a legacy VTC debt held by the C/O. (This will result in lower operating costs in subsequent years.)

**OFFICE OF THE CHANCELLOR & SHARED SERVICES**

**REVENUES**

- State Appropriations:** For FY25, the State of Vermont appropriated \$10 million in Bridge Funding to support the System as it completes its five year transformation. These funds were not budgeted as part of the annual process.
- Other Revenue:** Unanticipated investment income associated with the Vermont State Colleges' longer term investments was stronger than budgeted.
- Retiree Medical Expenses:** Retiree medical expenses for the first half of FY25 were lower than projected. Rate increases, effective January 1, 2025, are expected to align the expense with the budget for the second half. However, a slight pick-up to budget is anticipated due to the first half's performance.