

## MEMORANDUM

**TO:**            **Committee Members**  
David Silverman, Chair  
Marc Mihaly, Vice Chair  
Coleen Bruyette  
Lynn Dickinson  
David Durfee  
Bob Flint  
Sue Zeller

**Committee Liaisons**  
Rick Arend, CCV Faculty  
Ryan Dulude, CCV Staff  
Marybeth Lennox-Levins, VTSU Faculty

**FROM:**        Sharron Scott, Chief Financial & Operating Officer

**DATE:**        February 12, 2026

**RE:**            VSC Joint Committee Meeting F&F and EPSL February 16, 2026  
                  \* Finance & Facilities Materials

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The VSC Board of Trustees Finance & Facilities Committee (F&F) is scheduled to hold a joint meeting with the Education, Personnel, & Student Life Committee (EPSL) on Monday, February 16, 2026 at 10:30am virtually at [vsc.edu/botzoom](https://vsc.edu/botzoom).

The meeting will open with a public comment period, followed by EPSL agenda items. Immediately following the EPSL Committee's action and review items, there will be a joint committee executive session, followed by the agenda items related to the F&F Committee.

During the Finance and Facilities portion of the meeting, the Committee will review and consider two items for recommendation to the full Board. The first item is the establishment of three new endowments, one at the Community College of Vermont and two at Vermont State University, as well as three proposed endowment modifications at Vermont State University. The second item is a proposed procurement and purchasing policy developed in support of the Workday implementation, which consolidates guidance for purchasing equipment, goods, services, travel, and hospitality into a single policy.

Following these items, the Committee will review second-quarter FY2026 operating results and discuss the preliminary system-wide operating budget for FY2027. The agenda will conclude with an update from President Bergh on Vermont State University's winter safety protocols.

Please contact the board assistant, Kayla Dewey, with any questions. She may be reached at 802.224.3021.

Cc:    CCV & VTSU Presidents  
      Business Affairs Council  
      Vermont Department of Libraries

**Vermont State Colleges Board of Trustees**  
**Joint Meeting of Education, Personnel, & Student Life Committee and**  
**Finance & Facilities Committee**  
**Zoom Meeting<sup>1</sup>/YouTube Stream<sup>2</sup>**  
**Monday, February 16, 2026 at 10:30 a.m.**

**AGENDA**

1. Call to Order
2. Public Comment<sup>3</sup>
3. Education, Personnel, & Student Life Committee Agenda Action and Review Items
  - a. Approval of October 27, 2025 minutes
  - b. Policy 109 Timeline Update
  - c. Policy 109 Reports and Recommendations
  - d. VTSU Program Updates
4. Other Business
5. Joint Committee Executive Session (to discuss public employees, real property, and records exempt from the Public Records Act)
6. Finance & Facilities Committee Agenda Action & Review Items
  - a. Approval of November 3, 2025 minutes
  - b. Review & Recommend Endowments
    - i. New Endowments
      1. Presidential Endowment for Student Success at Community College of Vermont
      2. David Muther Lacy Fund at Vermont State University
      3. Tom Rutkowski Spartan Way Scholarship at Vermont State University
    - ii. Endowment Modifications
      1. Susan Cornelius Gallagher Scholarship in Psychology
      2. Churchill Family Fund Endowment
      3. Cola H. Hudson Scholarship Fund
  - c. Review & Recommend Procurement Policy
    - i. Draft Policy
    - ii. Existing Policies (for reference only)
  - d. Review Second Quarter System-wide Operating Performance
  - e. FY2027 First Pass Budget
  - f. Review and Discuss VTSU winter safety protocols
7. Adjourn

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[vsc.edu/botzoom](https://vsc.edu/botzoom)

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

<sup>3</sup> Sign up to make a public comment at [vsc.edu/signup](https://vsc.edu/signup). You must be present or logged in to the live session at [vsc.edu/botzoom](https://vsc.edu/botzoom) to make a comment.

## MATERIALS

1. October 27, 2025 minutes, Education, Personnel, & Student Life (EPSL)
2. Policy 109 draft revision with timeline update
3. Policy 109 reports
  - a. CCV report and data
  - b. VTSU report and data
4. Draft resolution 2026-001 Accepting Policy 109 Reports and Chancellor's Recommendations
5. November 3, 2025 minutes, Finance & Facilities (F&F)
6. New Endowment Documents
  - a. Presidential Endowment for Student Success at CCV
  - b. David Muther Lacy Fund at Vermont State University
  - c. Tom Rutkowski Spartan Way Scholarship at Vermont State University
7. Endowment Amendment Documents
  - a. Susan Cornelius Gallagher Scholarship in Psychology
  - b. Churchill Family Fund Endowment
  - c. Cola H. Hudson Scholarship Fund
8. *Draft* Policy on Purchasing of Equipment, Goods, Services, Travel and Hospitality
9. Existing Procurement Policies (424: Travel, 425: Hospitality, 429: Contracting Goods & Services)
10. FY2026 Second Quarter System-Wide Operating Performance
11. FY2027 First Pass Budget

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**November 3, 2025 Minutes**

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**Minutes of the VSC Board of Trustees' Finance & Facilities Committee meeting held Monday, November 3, 2025 at 9:00 a.m. at Woodstock Inn & Resort – UNAPPROVED**

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

The VSC Board of Trustees Finance & Facilities Committee met on Monday, November 3, 2025 at 9:00 a.m. at the Woodstock Inn & Resort, Woodstock, Vermont.

**Attendance**

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

Other Trustees: Megan Cluver, Shirley Jefferson, Jim Masland, Amelia Vlahogiannis

Absent: Coleen Bruyette

Liaisons: Rick Arend (CCV faculty, online)

Chancellor: Elizabeth Mauch

Presidents: David Bergh, VTSU  
Joyce Judy, CCV

Other Attendees: Nolan Atkins, VTSU Provost  
Kelley Beckwith, VTSU VP of Student Success  
Jamia Danzy, VTSU Dean of Students  
Kayla Dewey, Executive Assistant, Board of Trustees  
Ernie Fernandez, VTSU Dir. of Inst. Advancement (9:26 a.m.)  
Lisa Hayward, VTSU Assoc. VP Online Prog. Admin. (online)  
Jason Kaiser, Learning Spaces Technology Specialist (online)  
Nicole Mace, CCV Dean of Administration  
Maurice Ouimet, VTSU VP for Admissions and Enroll. Services  
Hannah Reid, Assoc. VP of Comms., Alum., and External Affairs  
Kathryn Santiago, Assoc. General Counsel  
Sharron Scott, Chief Financial & Operating Officer  
Ashley Stackowitz, VTSU University Counselor (online)  
Toby Stewart, Controller  
Patty Turley, General Counsel  
Meg Walz, Deputy Chief Information Officer

1. Call to Order

Chair Silverman called the meeting to order at 9:00 a.m.

2. Public Comment

There was no public comment.

3. Approval of Approval of minutes August 25, 2025

**Trustee Zeller moved and Trustee Dickinson seconded the motion to approve the August 23, 2025 meeting minutes. The motion was approved unanimously.**

4. Review and recommend: AY 2026-2027 Tuition and Fees Proposals

Chair Silverman invited both CCV and VTSU Presidents to bring forward their tuition proposals for Academic Year 2026-2027. President Joyce Judy presented CCV's request of an up to \$10 per credit increase with flexibility to increase tuition to a lesser amount depending on uncertain external factors like federal and state legislative activities. President David Bergh presented VTSU's request which was a 3.5% increase in tuition and room fees, and a 5% increase on meal plans. VTSU's goal was to maintain affordability while increasing student services and long-term sustainability.

**At 9:32 a.m. Trustee Durfee moved and Trustee Mihaly seconded the motion to recommend approval of the CCV and VTSU Tuition proposals for Academic Year 26-27 to the full board. The motion passed unanimously.**

5. Review: Composite Financial Index for FY2025

Chair Silverman invited Chief Financial and Operating Officer Sharron Scott to review the Composite Financial Index (CFI.) CFOO Scott presented that the CFI is a national standard in higher education for summarizing an institution's financial health. CFOO Scott provided an overview of the tool and shared that the VSC is in an overall positive position with scores that suggest that the institution should focus resources on projects that will help VSC compete in the future.

6. Review: FY2026 First Quarter Financial Forecast

Chair Silverman invited CFOO Scott to provide a summary. CFOO Scott reported that the forecast for Q1 represents a \$1.1 million favorable variance to budget despite some lower enrollment numbers. President Bergh discussed ways that VTSU is addressing this through vacancy savings and reducing operational expenses.

7. Review: Draft Purchasing Policy

Chair Silverman invited CFOO Scott to review the draft purchasing policy. The policy aims to improve central controls over expenditures including utilization of Purchase Orders and will provide added clarity and organization for department budget managers. The new policy will replace several existing policies to centralize this information and is expected to be in place when the Finance module of Workday is implemented in June of 2026. This is an early look at the draft policy, and the committee will examine it more closely in the February, 2026 meeting.

8. Other Business

There was no other business.

9. Adjourn

Chair Silverman adjourned the meeting at 10:06 a.m.

UNAPPROVED

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New Endowment Requests

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PO BOX 489  
MONTPELIER, VT 05601-0489  
T 802-828-2800 F 802-828-2805  
www.ccv.edu

February 5, 2026

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

Dear Chancellor Mauch,

It is my privilege to present our request to establish a new endowment at the Community College of Vermont dedicated to supporting student success. This endowment would be established with \$1.5 million in audited surplus funds from the prior fiscal year.

By purpose and design, the concept of the *Presidential Endowment to Support Student Success* is broad in scope and expansive in vision as current unmet needs are identified, and new ones become apparent. This endowment is intended to provide a stable and sustainable funding source for initiatives the College has identified as necessary to support student success.

We seek approval from the Vermont State Colleges Board of Trustees to establish the *Presidential Endowment to Support Student Success*.

Most sincerely,

A handwritten signature in blue ink that reads 'Joyce Judy'.

Joyce Judy  
President

enc: VSC Policy 412 Form C

- NEW FUNDING SOURCE DOCUMENT - ENDOWMENTS ONLY

Community College of Vermont

(College Name)

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

1) Name of endowment: (type in all CAP'S)

PRESIDENT'S ENDOWMENT FOR STUDENT SUCCESS

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

Use of FY25 surplus funds

3) Purpose of endowment: (Attach supporting Documentation)

See attached letter from President Judy

4) Proper accounting fund:

Regular Endowment

Term Endowment

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

6a) Date Endowment Reach Endowment Status:

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

8a) Funding amount:

\$1.5 million

8b)  One-time - OR

Ongoing funding (indicate timeframe:)

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

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

10) If investment proceeds generated, indicate intended disposition:

Per Board Approved Spending Procedure

Fully expend for program as prescribed

Increase principal for inflation and expend remainder

All Investment earnings added for  years before expending for endowment purposes begins

Other (describe:)

11) President:

*Joyce Judy*

12) Date to Ch's Ofc:

13) Date Board Approved:

January 29, 2026

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

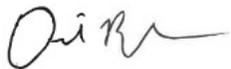
Dear Chancellor Mauch,

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

The David Muther Lacy Fund, in the amount of \$31,522.76, has been established by David's family to honor his memory. The fund will support the activities of the Anthropology, Archaeology, and Geography Program at Vermont State University, including initiatives such as archaeological research, conference participation, educational travel, internships, and scholarships. Distributions from the fund will be made at the discretion of the program's Senior Archaeologist or their successor.

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

Sincerely,



David Bergh, Ed.D.  
President

DECEMBER 2025 GIFT AGREEMENT ESTABLISHING THE DAVID MUTHER LACY FUND



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FUND TERMS AND GIFT AGREEMENT FOR THE

**DAVID MUTHER LACY FUND**

ESTABLISHED BY THE FAMILY OF DAVID MUTHER LACY (BARBARA GRIFFIN LACY, VIRGINIA L. LACY, ROGER W. LACY, JAMESON GRIFFIN LACY, AND MACKENZIE GRIFFIN LACY) WITH VERMONT STATE COLLEGES ON BEHALF OF VERMONT STATE UNIVERSITY (VTSU).

**Vermont State University (VTSU)** agrees to the following terms (“the Terms”) establishing the David Muther Lacy Fund (“the Fund”) in memory of David Muther Lacy in support of the Anthropology, Archaeology, and Geography Program at Vermont State University.

1. **FUND HISTORY:** David Muther Lacy spent 30 years as the US Forest Service Archaeologist for the Green Mountain and Finger Lakes National Forests from 1984-2014. He was dedicated to preserving and documenting the cultural resources of the Forests from prehistory through the recent past. Throughout his career, David consistently involved his Forest Service colleagues as well as those in the greater archaeological community in his work. He believed strongly in developing connections with indigenous people, adult volunteers, college students, community organizations, and school groups. Sparking interest in the field of archaeology was one of his greatest joys.

In retirement, David continued his own path of discovery by volunteering at archaeological digs outside of the United States. He enjoyed learning about the techniques, approaches, and methods utilized in other cultures while also establishing friendships in other parts of the world.

At home in Vermont, David was passionate about volunteering with the faculty and students at VTSU Castleton. Through their eyes he saw the new possibilities awaiting the field of archaeology. He asked them thoughtful questions and encouraged them to challenge him with their own questions and concepts.

For all of these reasons, David’s family established this fund to honor his memory. With preference given to in-person experiences, it is their desire that The David Muther Lacy Fund benefit undergraduate Archaeology students within the VTSU system in areas such as archaeological research, conference participation, educational travel, internships, and scholarships.

DECEMBER 2025 GIFT AGREEMENT ESTABLISHING THE DAVID MUTHER LACY FUND



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2. **FUND TERMS OF USE:** The Fund shall support the activities of the Anthropology, Archaeology, and Geography Program at Vermont State University in areas such as archaeological research, conference participation, educational travel, internships, and scholarships, at the discretion of the program's Senior Archaeologist or their successor. The Senior Archaeologist shall also endeavor to provide reasonable visibility online and through other appropriate media and shall provide an annual report of use to the Founding Donors or future representatives.
3. **GIFT FUNDING:** The Donors agree to secure funding in the amount of \$25,000 with cash or cash equivalents by January 31, 2026, to establish the fund. The Donors acknowledge that the terms of this Agreement shall not take effect until the establishing gift has been received by VTSU. Additional contributions to the Fund by the Donors, their estate, or third parties may be added to the principal and/or income of the Fund at the discretion of the administration.
4. **ADMINISTRATION AND USE OF THE FUND:** The Fund will be managed by VTSU in accordance with university policies, in accordance with applicable state and federal laws, and with respect to the Terms outlined herein. The principal shall be preserved in perpetuity and only the income generated from the investment of the Fund shall be expended in accordance with this agreement. If the principal of the Fund remains below the \$25,000 threshold for the establishment of new endowed funds within one year of its first gift, all principal and income may be expended for the purposes expressed here, at the discretion of university administration and in consultation with the Donors.
5. **ACADEMIC INTEGRITY:** All decisions regarding activities supported by the Fund will be made solely at the discretion of VTSU, following its established policies and procedures. Faculty and students involved in activities supported by the fund shall not be obligated to communicate with, work for, or provide services to the Donors. The Donors' access to VTSU personnel will be non-exclusive and limited, with no claim to proprietary rights over any physical or intellectual property that may be acquired or created.
6. **OBSOLESCENCE:** If, in the future, the intended purposes of the Fund become impracticable or impossible for any reason, VTSU will consult with the Donors or their representatives to identify an alternative use aligned with the original intent of the Fund. If this consultation is not possible, the

DECEMBER 2025 GIFT AGREEMENT ESTABLISHING THE DAVID MUTHER LACY FUND



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Fund may be reallocated to provide financial aid to students in disciplines related to the original purposes of the Fund.

7. **ENTIRE AGREEMENT AND PRIOR UNDERSTANDINGS:** This Agreement constitutes the entire understanding between the Donors and Vermont State Colleges on behalf of Vermont State University with respect to the establishment and administration of the Fund. It supersedes and replaces any prior or contemporaneous agreements, understandings, resolutions, or other written instruments—whether formal or informal—relating to the same subject matter. Any other documents or expressions of intent, including those made separately by the Donors or the University, shall be interpreted in a manner consistent with this Agreement, and shall remain in effect only to the extent that they do not conflict with or are not expressly modified by the terms herein. The Donors authorize any one of their members to represent the Donors in any matter related to this Agreement.

*Barbara Griffin Lacy*

12/17/2025 09:22PM UTC

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Barbara Griffin Lacy

Date

*Authorized Signatory, Family of David Muther Lacy*

*Ernie Fernandez*

12/17/2025 08:45PM UTC

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Ernesto Fernández

Date

*Director of Institutional Advancement, Vermont State University*

*Matthew Moriarty*

12/17/2025 08:43PM UTC

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Matthew D. Moriarty

Date

*Director of Archaeology*

- NEW FUNDING SOURCE DOCUMENT - ENDOWMENTS ONLY

**Vermont State University**

(College Name)

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

1) Name of endowment: (type in all CAP'S)  
**DAVID MUTHER LACY FUND**

2) Granting agency/donor/other funding source: (Attach supporting Documentation)  
**Gifts from the family of David Muther Lacy**

3) Purpose of endowment: (Attach supporting Documentation)

**The fund shall support the activities of the Anthropology, Archaeology, and Geography Program at Vermont State University in areas such as archaeological research, conference participation, educational travel, internships, and scholarships, at the discretion of the program's Senior Archaeologist or their successor.**

4) a. Proper accounting fund:  
 Regular Endowment  
 Term Endowment

b. Why was this fund selected?  
**To support Anthropology, Archaeology, and Geography at Vermont State University per the terms attached.**

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

6) a. Beginning date: **February 2026**      b. Ending date: **None**      c. Duration: **In perpetuity**

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

8a) <u>Funding amount:</u> <b>\$31,522.76</b>	8b) <input checked="" type="checkbox"/> <u>One-time</u> - OR <input type="checkbox"/> <u>Ongoing funding</u> (indicate timeframe :)
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9a) <u>Is principal use allowed:</u> (w/Board OK?) <b>No</b>	9b) <u>If yes, is replenishment of principal allowed or required:</u>
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10) If investment proceeds generated, indicate intended disposition:  
 Per Board Approved Spending Procedure  
 Fully expend for program as prescribed  
 Increase principal for inflation and expend remainder  
 All Investment earnings added for \_\_\_ years before expending for endowment purposes begins  
 Other (describe:)

11) <u>President:</u>	12) <u>Date to Ch's Ofc:</u>	13) <u>Date Board Approved:</u>
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January 29, 2026

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

Dear Chancellor Mauch,

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

The Tom Rutkowski Spartan Way Scholarship, in the amount of \$24,000, has been established by Castleton Business Professor Thomas Rutkowski and his wife, Marybeth Rutkowski, to support students who contribute meaningfully to the Castleton community and embody the Castleton Spartan Way through active participation in campus life.

The scholarship will be awarded to Castleton students in their junior and/or senior years who are majoring in Business Administration and who have demonstrated a strong commitment to the campus community. Preference will be given to students with financial need. Scholarship recipients will be selected by faculty in the Castleton Business Department.

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

Sincerely,



David Bergh, Ed.D.  
President

DECEMBER 2025 GIFT AGREEMENT ESTABLISHING THE TOM RUTKOWSKI SPARTAN WAY SCHOLARSHIP ENDOWMENT



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GIFT AGREEMENT TO ESTABLISH THE **TOM RUTKOWSKI SPARTAN WAY SCHOLARSHIP ENDOWMENT**  
ESTABLISHED BY THE **RUTKOWSKI FAMILY** AND VERMONT STATE COLLEGES ON BEHALF OF **VERMONT STATE UNIVERSITY**  
**(VTSU).**

Through this document, the Thomas and Marybeth Rutkowski (“the Donor(s)”) and VTSU agree to establish the **TOM RUTKOWSKI SPARTAN WAY SCHOLARSHIP ENDOWMENT** (“the Fund”) in the month of December 2025.

The following terms shall govern the use of the Fund:

1. **FUND HISTORY:** **TOM RUTKOWSKI SPARTAN WAY SCHOLARSHIP ENDOWMENT** was established by Castleton Business Professor Thomas Rutkowski and his wife Marybeth Rutkowski to support students that contribute meaningfully to the Castleton community and embody the Castleton Spartan Way through active participation in campus activities.
2. **FUND TERMS OF USE:** Income from the Fund will be used to provide scholarships to Business Administration students at the VTSU Castleton campus. Recipients should demonstrate qualities of caring for others, volunteerism, support for their campus community, and respect for all.
3. **AWARD ELIGIBILITY:** Recipients shall be enrolled full-time as business majors on the VTSU Castleton campus, be in their junior or senior year of study, and have a cumulative GPA of 2.75 or higher. International students are eligible for this scholarship. Selection will be made by the Castleton Business Department faculty.
4. **AWARD PREFERENCES:** Returning seniors who received the award in their previous year shall have priority. Preference will also be given to students with financial need, as determined by the Financial Aid office.
5. **PRINCIPAL AND INCOME USE:** Contributions to the Fund—whether made by the Donors, their estate, or third parties—shall be added to the principal of the Fund. The principal of the Fund shall be preserved in perpetuity in accordance with university policies and only income generated from the investment of the Fund shall be expended in accordance with the terms outlined herein. In the case that the principal of the Fund sits below \$24,000 within one year of receiving its first gift, the principal may be fully expended in accordance with the terms outlined herein at the discretion of the administration.



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6. **ADMINISTRATION OF THE FUND:** The investment, administration, and distribution of the fund will be managed by VTSU in accordance with applicable state and federal laws as well as university policies, which may be amended from time to time.
7. **ACADEMIC INTEGRITY:** All decisions regarding research or activities supported by the **TOM RUTKOWSKI SPARTAN WAY SCHOLARSHIP ENDOWMENT** will be made solely at the discretion of VTSU, following its established policies and procedures. Faculty and students involved in research or activities supported by the fund shall not be obligated to communicate with, work for, or provide services to the donors. The donors' access to VTSU personnel will be non-exclusive and limited, with no claim to proprietary rights over any physical or intellectual property that may be acquired or created.
8. **ADDITIONAL FUND CONTRIBUTIONS:** The Donor acknowledges and affirms that any future gifts, including distributions from their estate and/or gifts by third parties made in their honor or memory, may be added to the corpus and/or income of the Fund at the discretion of the university.
9. **OBSOLESCENCE:** If, in the future, the designation of the fund becomes no longer viable, VTSU, in consultation with the donors, may redesignate the fund to a new purpose. If such consultation cannot occur, VTSU may, at its discretion, redesignate the fund to the viable purpose that it determines most closely aligns with the donors' intent. If no suitable designation is available, VTSU may assign the fund or its income to another Vermont-based public or charitable entity whose mission is consistent with the donors' intent.
10. **ENTIRE AGREEMENT AND PRIOR UNDERSTANDINGS:** This Agreement constitutes the entire understanding between the Donor and Vermont State Colleges on behalf of Vermont State University with respect to the establishment and administration of the Fund. It supersedes and replaces any prior or contemporaneous agreements, understandings, resolutions, or other written instruments—whether formal or informal—relating to the same subject matter. Any other documents or expressions of intent, including those made separately by the Donor or the University, shall be interpreted in a manner consistent with this Agreement, and shall remain in effect only to the extent that they do not conflict with or are not expressly modified by the terms herein.

DECEMBER 2025 GIFT AGREEMENT ESTABLISHING THE TOM RUTKOWSKI SPARTAN WAY SCHOLARSHIP ENDOWMENT



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*Thomas Rutkowski*

01/04/2026 05:30PM UTC

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Thomas Rutkowski  
*Donor*

Date

*Marybeth Rutkowski*

01/29/2026 01:30PM UTC

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Marybeth Rutkowski  
*Donor*

Date

*Ernie Fernandez*

01/01/2026 11:20PM UTC

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Ernesto Fernández  
*Director of Institutional Advancement, Vermont State University*

Date

- NEW FUNDING SOURCE DOCUMENT - ENDOWMENTS ONLY

**Vermont State University**

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

1) Name of endowment: (type in all CAP'S)  
**TOM RUTKOWSKI SPARTAN WAY SCHOLARSHIP**

2) Granting agency/donor/other funding source: (Attach supporting Documentation)  
**The Rutkowski Family – Thomas Rutkowski and Marybeth Rutkowski**

3) Purpose of endowment: (Attach supporting Documentation)  
**The Fund will be used to provide scholarships to Business Administration students at the VTSU Castleton campus. Recipients should demonstrate qualities of caring for others, volunteerism, support for their campus community, and respect for all.**

**Recipients shall be enrolled full-time as business majors on the VTSU Castleton campus, be in their junior or senior year of study, and have a cumulative GPA of 2.75 or higher. International students are eligible for this scholarship. Selection will be made by the Castleton Business Department faculty.**

**Returning seniors who received the award in their previous year shall have priority. Preference will also be given to students with financial need, as determined by the Financial Aid office.**

4) a. Proper accounting fund:  
 Regular Endowment                      \_\_\_ Term Endowment

b. Why was this fund selected?  
**To provide scholarship support as defined by the above criteria.**

5) General Ledger Activity Code(s): (as proposed or assigned): **86024**

6) a. Beginning date: **February 2026**                      b. Ending date: **None**                      c. Duration: **In perpetuity**

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

8a) <u>Funding amount:</u> <b>\$24,000</b>	8b) <input checked="" type="checkbox"/> <u>One-time</u> - OR ___ <u>Ongoing funding</u> (indicate timeframe :)
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9a) <u>Is principal use allowed:</u> (w/Board OK?) <b>No</b>	9b) <u>If yes, is replenishment of principal allowed or required:</u> <b>Not Applicable</b>
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10) If investment proceeds generated, indicate intended disposition:  
 Per Board Approved Spending Procedure  
 \_\_\_ Fully expend for program as prescribed  
 \_\_\_ Increase principal for inflation and expend remainder  
 \_\_\_ All Investment earnings added for \_\_\_ years before expending for endowment purposes begins  
 \_\_\_ Other (describe:)

11) <u>President:</u>	12) <u>Date to Ch's Ofc:</u>	13) <u>Date Board Approved:</u>
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Endowment Modification/Amendment Requests

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January 29, 2026

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

Dear Chancellor Mauch,

I am pleased to share the amended terms for the Churchill Family Fund Endowment, also known as the Robert & Margaret Churchill Memorial Scholarship, at Vermont State University.

The Churchill Family Fund was originally established in November 2004 in memory of Robert and Margaret Churchill, honoring their dedication to the family farm. Robert was a 1936 graduate of the Vermont School of Agriculture, and the fund was created to provide scholarships for students pursuing agricultural studies.

With the creation of Vermont State University and the discontinuation of the agriculture program, VTSU has been unable to award this scholarship as originally intended. To ensure the fund continues to support students in meaningful ways, we worked closely with the Churchill family to revise the scholarship's terms and expand eligibility.

The family has approved broadening the fund's purpose to include students enrolled in the fields of dairy farming, agribusiness, veterinary medicine, and nursing. This amendment will allow VTSU to honor the Churchills' legacy while extending support to a wider range of students whose studies align with the family's values and commitment to service.

We are pleased to present this amendment to the VSC Board of Trustees for their approval.

Sincerely,



David Bergh, Ed.D.  
President

NOVEMBER 2025 AMENDMENT TO TERMS FOR THE  
CHURCHILL FAMILY ENDOWMENT FUND



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AMENDMENT TO FUND TERMS FOR THE CHURCHILL FAMILY ENDOWMENT FUND BETWEEN ALLAN AND NANCY  
CHURCHILL, MARY AND RAY DOYLE, ALICE AND RICHARD KEMPE, AND RAY AND LORA CHURCHILL AND VERMONT STATE  
COLLEGES ON BEHALF OF VERMONT STATE UNIVERSITY (VTSU).

**November 2025 Amendment to the Terms of the Churchill Family Endowment Fund:**

Through this document, Roy Churchill and Alice Kempe (“the Donor(s)”), and VTSU agree to amend the terms of the Churchill Family Fund (“the Fund”), originally established in November 2004 in support of Vermont Technical College.

The following terms shall supersede any previous terms or agreements governing the Fund:

1. **FUND HISTORY:** In loving memory of Robert and Margaret Churchill, their children establish this endowment to honor their dedication to the family farm. The Churchills’ children are Allan and Nancy Churchill, Mary and Ray Doyle, Alice and Richard Kempe, and Ray and Lora Churchill.

Robert Churchill graduated from the Vermont School of Agriculture in 1936 and stayed on as herdsman until 1943. His son, Allan, graduated from the Vermont Agricultural and Technical Institute in 1961. Allan’s daughter, Pamela, graduated from Vermont Technical College in 1990.

Robert’s son, Ray, graduated in 1968 from Vermont Technical College, before purchasing a farm just one mile from the family farm in Brookfield, VT. Ray’s daughter, Brenda, graduated from Vermont Technical College in 1997. The Churchill family is aware of the need to support agriculture education as a way to preserve the rich farming heritage of Vermont. The Churchills’ believe that Vermont Tech is the best place for the education of farmers, and their intention with this new agriculture scholarship at Vermont Tech is to help more Vermonters enter and continue working in agriculture.

Robert and Margaret bought Happy Hill Farm in Brookfield, VT in 1943 and milked jerseys there for over 60 years. Mr. Churchill served as a Town Lister for Brookfield for 34 years. He was a delegate and on the sire committee for Eastern AI (now Genex), member and past president of the Central VT DHIA,

NOVEMBER 2025 AMENDMENT TO TERMS FOR THE  
CHURCHILL FAMILY ENDOWMENT FUND



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director and member of Windsor County Feeds, Agway committeeman, past member of the Brookfield Masons, past committeeman and member of the county committee for ACP (now Farm Service Agency), member of the Orange County Sugarmakers, and member of the American Jersey Cattle Association. Mr. Churchill was also a life member and past president of the New England Jersey Breeders and the Vermont Jersey Breeders.

2. **FUND TERMS OF USE:** To fund awards of financial aid to students enrolled at VTSU Randolph or VTSU Williston under the styling of the **ROB AND MARGARET CHURCHILL MEMORIAL SCHOLARSHIP** ("Awards").
3. **AWARD ELIGIBILITY:** Students enrolled in programs in the fields of dairy farming, agribusiness, veterinary medicine, and nursing shall be eligible for awards.
4. **AWARDEE PREFERENCES:** First preference shall be given to students enrolled in programs in the field of dairy farming or agribusiness. Preference shall also be given to the children of Vermont farmers.
5. **ADMINISTRATION OF THE FUND:** The investment, administration, and distribution of the fund will be managed by VTSU in accordance with applicable state and federal laws as well as university policies, which may be amended from time to time.
6. **ACADEMIC INTEGRITY:** All decisions regarding research or activities supported by the **ROB AND MARGARET CHURCHILL MEMORIAL SCHOLARSHIP** will be made solely at the discretion of VTSU, following its established policies and procedures. Faculty and students involved in research or activities supported by the fund shall not be obligated to communicate with, work for, or provide services to the donors. The donors' access to VTSU personnel will be non-exclusive and limited, with no claim to proprietary rights over any physical or intellectual property that may be acquired or created.
7. **ADDITIONAL FUND CONTRIBUTIONS:** The Donor acknowledges and affirms that any future gifts, including distributions from their estate and/or gifts by third parties made in their honor or memory, may be added to the corpus and/or income of the Fund at the discretion of the university.
8. **OBSOLESCENCE:** If, in the future, the designation of the fund becomes no longer viable, VTSU, in consultation with the donors, may redesignate the fund to a new purpose. If such consultation cannot occur, VTSU may, at its discretion, redesignate the fund to the viable purpose that it determines most closely aligns with the donors' intent. If no suitable designation is available, VTSU may assign the fund or

NOVEMBER 2025 AMENDMENT TO TERMS FOR THE  
CHURCHILL FAMILY ENDOWMENT FUND



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its income to another Vermont-based public or charitable entity whose mission is consistent with the donors' intent.

9. **ENTIRE AGREEMENT AND PRIOR UNDERSTANDINGS:** This Agreement constitutes the entire understanding between the Donor and Vermont State Colleges on behalf of Vermont State University with respect to the establishment and administration of the Fund. It supersedes and replaces any prior or contemporaneous agreements, understandings, resolutions, or other written instruments—whether formal or informal—relating to the same subject matter. Any other documents or expressions of intent, including those made separately by the Donor or the University, shall be interpreted in a manner consistent with this Agreement, and shall remain in effect only to the extent that they do not conflict with or are not expressly modified by the terms herein.

The addition of this November 2025 amendment does not otherwise alter the substance or effect of the original November 2004 document.

*Alice Kempe*

01/27/2026 10:11PM UTC

Alice Kempe  
Donor

Date

*Ray Churchill*

11/3/25

Ray Churchill  
Donor

Date

*Ernie Fernandez*

01/27/2026 09:50PM UTC

Ernesto Fernández  
Director of Institutional Advancement  
Vermont State University

Date

January 29, 2026

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

Dear Chancellor Mauch,

I am pleased to share the amended terms for the Susan Cornelius Gallagher Scholarship in Psychology at Vermont State University.

The Susan Cornelius Gallagher Scholarship was originally established in February 2005 by the family and friends of Susan Cornelius Gallagher, Professor Emerita of Psychology and former President of Lyndon State College. The fund was created to provide scholarship support to students pursuing studies in the field of psychology.

The original terms specified that the scholarship would support students entering the psychology field. In light of program changes at Vermont State University, faculty and donors felt it was important to update the fund's language to more accurately reflect the current program structure, which now includes human services. Accordingly, the amended terms expand the eligibility criteria to include students entering the applied psychology and human services field.

We are pleased to present this amendment to the VSC Board of Trustees for their approval.

Sincerely,



David Bergh, Ed.D.  
President

JUNE 2025 AMENDMENT TO TERMS FOR THE  
SUSAN CORNELIUS GALLAGHER SCHOLARSHIP IN PSYCHOLOGY



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AMENDMENT TO FUND TERMS FOR THE **SUSAN CORNELIUS GALLAGHER SCHOLARSHIP IN PSYCHOLOGY**

ESTABLISHED BY VERMONT STATE COLLEGES ON BEHALF OF **VERMONT STATE UNIVERSITY (VTSU)**.

June 2025 Amendment to the Terms of the **SUSAN CORNELIUS GALLAGHER SCHOLARSHIP IN PSYCHOLOGY**.

Through this document, **VTSU** resolves to amend the terms of the **SUSAN CORNELIUS GALLAGHER SCHOLARSHIP IN PSYCHOLOGY** ("the Fund"), originally established in **February 2005** in support of Lyndon State College.

The following terms shall supersede any previous terms or agreements governing the Fund:

1. **FUND HISTORY:** In 2005, family and friends of Professor Emerita of Psychology and former Lyndon State President, Susan Cornelius Gallagher, raised funds to create a scholarship in her name for students studying the field of psychology.
2. **AWARD ELIGIBILITY:** Students entering the applied psychology and human services field determined to have academic merit shall be considered eligible for this award.
3. **FUND TERMS OF USE:** Faculty in the fields of applied psychology and human services may recommend a qualified recipient for the award to the Office of Financial Aid. The Office of Financial Aid will endeavor to find an appropriate faculty member to make the recommendation.
4. **ADMINISTRATION OF THE FUND:** The fund will be managed by VTSU in accordance with university policies. The investment, administration, and distribution of the fund will follow university policies governing endowment and institutional funds, which may be amended from time to time. Under current policies, a portion of the annual expendable funds may be used to defray direct and indirect facilities and administrative costs necessary to fulfill the fund's terms.
5. **ACADEMIC INTEGRITY:** All decisions regarding research or activities supported by the **SUSAN CORNELIUS GALLAGHER SCHOLARSHIP IN PSYCHOLOGY** will be made solely at the discretion of VTSU, following its established policies and procedures. Faculty and students involved in research or activities supported by the fund shall not be obligated to communicate with, work for, or provide services to the donors. The donors' access to VTSU personnel will be non-exclusive and limited, with no

JUNE 2025 AMENDMENT TO TERMS FOR THE  
SUSAN CORNELIUS GALLAGHER SCHOLARSHIP IN PSYCHOLOGY



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claim to proprietary rights over any physical or intellectual property that may be acquired or created.

6. **ADDITIONAL FUND CONTRIBUTIONS:** The Donor acknowledges and affirms that any future gifts, including distributions from their estate and/or gifts by third parties made in their honor or memory, may be added to the corpus and/or income of the Fund at the discretion of the university.
7. **OBSOLESCENCE:** If, in the future, the designation of the fund becomes no longer viable, VTSU, in consultation with the donors, may redesignate the fund to a new purpose. If such consultation cannot occur, VTSU may, at its discretion, redesignate the fund to the viable purpose that it determines most closely aligns with the donors' intent. If no suitable designation is available, VTSU may assign the fund or its income to another Vermont-based public or charitable entity whose mission is consistent with the donors' intent.

The addition of this June 2025 amendment does not otherwise alter the substance or effect of the original February 2005 document.

*Ernie Fernandez*

07/17/2025 07:38PM UTC

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Ernesto Fernández

Date

*Director of Institutional Advancement  
Vermont State University*

January 29, 2026

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

Dear Chancellor Mauch,

I am pleased to share the amended terms for the Cola H. Hudson Scholarship Fund at Vermont State University.

The Cola H. Hudson Scholarship Fund was originally established in March 2008 by the Lyndon Institute Alumni Association in memory of Representative Cola H. Hudson. The fund was created to provide scholarship support to Lyndon Institute graduates attending Lyndon State College.

The original terms limited eligibility to Lyndon Institute graduates from Burke, Sutton, or Lyndon who were enrolled at Lyndon State College. With the creation of Vermont State University and the resulting changes to campus and program structures, VTSU has been unable to award this scholarship as originally intended. To ensure the fund continues to support students in meaningful and sustainable ways, we worked closely with the Lyndon Institute Alumni Office to revise the scholarship's terms and expand access.

Lyndon Institute has approved an amendment removing the requirement that recipients must attend the Lyndon campus. Preference will continue to be given to students who meet the established criteria and are enrolled at the Lyndon campus. If no such students are available, the scholarship may be awarded to eligible students attending another Vermont State University campus.

We are pleased to present this amendment to the VSC Board of Trustees for their approval.

Sincerely,



David Bergh, Ed.D.  
President

SEPTEMBER 2025 AMENDMENT TO TERMS FOR THE  
COLA H. HUDSON SCHOLARSHIP FUND



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AMENDMENT TO FUND TERMS FOR THE COLA H. HUDSON SCHOLARSHIP FUND BETWEEN LYNDON INSTITUTE ALUMNI ASSOCIATION AND VERMONT STATE COLLEGES ON BEHALF OF VERMONT STATE UNIVERSITY (VTSU).

July 2025 Amendment to the Terms of the **Cola H. Hudson Scholarship Fund**

Through this document, Lyndon Institute Alumni Association (“the Donor(s)”), and **VTSU** agree to amend the terms of the **Cola H. Hudson Scholarship Fund** (“the Fund”), originally established in **March 2008** in support of Lyndon State College.

The following terms shall supersede any previous terms or agreements governing the Fund:

1. **FUND HISTORY:** Established in 2008 by the Lyndon Institute Alumni Association, to honor the life and work of Representative Cola H. Hudson for the purpose of providing scholarship support to Lyndon Institute graduates attending Lyndon State. To be eligible, the students must reside in Burke, Sutton, or Lyndon, Vermont, maintain a 2.5 GPA, and qualify for financial aid. Renewable for four years as long as the recipients remain eligible.
2. **AWARD ELIGIBILITY:** Students must have graduated from Lyndon Institute, reside in Burke, Sutton, or Lyndon, Vermont, have a minimum GPA of 2.5, and qualify for financial aid.
3. **AWARDEE PREFERENCES:** Preference is given to Lyndon Institute graduates attending the VTSU Lyndon campus.
4. **FUND TERMS OF USE:** The selection of Cola H. Hudson Scholars will be recommended annually by representatives from the Lyndon Institute. VTSU shall endeavor to afford representatives of the Lyndon Institute the opportunity to review potential Cola H. Hudson Scholars and/or renew previous years’ scholarships to existing scholars.
5. **ADMINISTRATION OF THE FUND:** The fund will be managed by VTSU in accordance with university policies. The investment, administration, and distribution of the fund will follow university policies governing endowment and institutional funds, which may be amended from time to time. Under current policies, a portion of the annual expendable funds may be used to defray direct and indirect facilities and administrative costs necessary to fulfill the fund's terms.

SEPTEMBER 2025 AMENDMENT TO TERMS FOR THE  
COLA H. HUDSON SCHOLARSHIP FUND



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6. **ACADEMIC INTEGRITY:** All decisions regarding research or activities supported by the Cola H. Hudson Scholarship Fund will be made solely at the discretion of VTSU, following its established policies and procedures. Faculty and students involved in research or activities supported by the fund shall not be obligated to communicate with, work for, or provide services to the donors. The donors' access to VTSU personnel will be non-exclusive and limited, with no claim to proprietary rights over any physical or intellectual property that may be acquired or created.
7. **ADDITIONAL FUND CONTRIBUTIONS:** The Donor acknowledges and affirms that any future gifts, including distributions from their estate and/or gifts by third parties made in their honor or memory, may be added to the corpus and/or income of the Fund at the discretion of the university.
8. **OBSOLESCENCE:** If, in the future, the designation of the fund becomes no longer viable, VTSU, in consultation with the donors, may redesignate the fund to a new purpose. If such consultation cannot occur, VTSU may, at its discretion, redesignate the fund to the viable purpose that it determines most closely aligns with the donors' intent. If no suitable designation is available, VTSU may assign the fund or its income to another Vermont-based public or charitable entity whose mission is consistent with the donors' intent.

The addition of this September 2025 does not otherwise alter the substance or effect of the original March 2008 document.

*Heather Wheeler*

10/24/2025 04:31PM UTC

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Heather Wheeler for Lyndon Institute Alumni Association  
*Donor(s)*

Date

*Ernie Fernandez*

10/24/2025 04:41PM UTC

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Ernesto Fernández  
*Director of Institutional Advancement  
Vermont State University*

Date

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Draft Policy on Purchasing of Equipment, Goods, Services, Travel & Hospitality

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## DRAFT PURCHASING POLICY

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In conjunction with the implementation of the Workday financial system, the Vermont State Colleges system is undertaking a comprehensive update of its purchasing policies and procedures. The objectives of this update are to strengthen internal controls, enhance fiscal oversight, and support consistent and compliant purchasing practices across the system.

A foundational element of the revised framework is the expanded use of purchase orders. Purchase orders will provide advance verification of available funds, automatically encumber funds upon approval, reduce reliance on purchasing cards, and improve transparency and accountability for departmental expenditures. These changes are intended to enhance budgetary discipline while streamlining approval and reconciliation processes.

This policy establishes the updated purchasing framework and incorporates several related policy revisions. Key provisions include the consolidation of travel and hospitality requirements into a single purchasing policy; clarification of standards governing gifts, awards, and gift cards; and the establishment of requirements applicable to hardware, software, and other information technology related purchases. The policy further defines the authority to enter into contractual obligations on behalf of an institution or the system and specifies the conditions under which such authority may be exercised.

Upon adoption, this policy is intended to take effect concurrent with the implementation of the Workday Finance Module, anticipated on July 1, 2026. At that time, the following policies will be repealed and superseded:

- Policy 424: Travel Policy
- Policy 425: Hospitality Policy
- Policy 427: Leasing and Sale of Educational Broadband Spectrum Services

Until the effective date of this policy, all purchasing activities shall continue to be governed by existing policies for transactions occurring through June 30, 2026.

Procedures implementing this policy are under development and are being aligned with the requirements of the Workday financial system. Upon completion, the procedures will be formally communicated to budget managers and authorized purchasers and will serve as the basis for required training in advance of Workday implementation.



# Manual of Policy and Procedures

## Policy 429: Purchasing of Equipment, Goods, Services, Travel and Hospitality and Related Items

**Effective Date:** for all purchases FY2027 or later<sup>1</sup>

### 1. Purpose

To establish a standardized, transparent, and accountable procurement process across the Vermont State Colleges System (VSC), leveraging Workday to ensure compliance, fiscal responsibility, and operational efficiency.

### 2. Scope

This policy applies to all VSC departments, faculty, and staff involved in the procurement of goods and services, regardless of funding source and extends to all purchases of goods, services, travel, and hospitality regardless of the source of funding, or method of procurement (purchase or lease). Special circumstances regarding real estate transactions (Policy 426), capital construction (Policy 428) and legal counsel (Policy 409) are addressed via separate policies, though the general standards of competitive bidding, requisitions, purchase orders and compliance apply universally to all purchasing types.

<sup>1</sup> The nominal effective date of this policy is July 1, 2026. However, the previous policies remain in effect for all purchases made for FY2026 or earlier. All purchases for FY2027 are expected to adhere to this policy. In the event a purchase is planned in advance of July 1, 2026, the purchaser is expected to follow the policy and record the necessary documents when the Workday system becomes available.

### 3. Competitive Bidding Requirements

To ensure fair and open competition, the following thresholds and procedures apply:

Purchase Amount	Requirement
<\$25,000	Informal quotes encouraged but not required
\$25,000– \$100,000	Minimum of three written quotes required
>\$100,000	Formal competitive bidding process required (RFP or RFQ)

- Sole-source purchases must be justified in Workday and approved by the Chief Business Officer or designee.
- All bids and proposals must be evaluated based on price, quality, service, and alignment with VSC values.
- “Purchase Amount” is the total value of the transaction, not limited to each year.

### 4. Contracts

- The System Office and each Institution shall, in writing, specify which officials are authorized to enter into contracts. All those with such authority on behalf of an Institution or the VSC shall exercise their authority in full compliance with Policies 428 and 429 and these standards and procedures.
- Contracts, once awarded, may be renewed beyond the original term, including any renewals contained therein, once without resorting to a new solicitation or Request for Proposals process provided however the renewed term does not exceed the original term and in no event may the renewal period exceed three years.

### 5. Purchase Requisitions in Workday

- All purchases (except those listed in Section 7) must begin with a **purchase requisition** submitted through **Workday**.
- Requisitions must include:
  - Description of goods/services
  - Estimated cost
  - Funding source (Workday cost center or grant)
  - Justification for purchase
  - Required approvals via Workday workflow

### **Budget Check Requirement:**

- Workday will automatically perform a budget availability check during requisition submission.
- Requisitions will not route for approval if the associated cost center or grant lacks sufficient funds.
- Users must resolve budget issues before proceeding, either by adjusting the requisition or reallocating funds.

### **6. Purchase Orders in Workday**

- Upon approval of the requisition, Workday will generate a purchase order (PO).
- Suppliers must receive a valid Workday PO before fulfilling any order.
- POs serve as the official authorization and contractual agreement between VSC and the supplier.
- Suppliers must include the PO number on any invoice submitted for payment.

### **7. Exceptions: Travel and Hospitality Expenses**

Travel and hospitality expenses are exempt from the purchase requisition and purchase order requirements outlined in Sections 4 and 5. However, these expenses must be managed and documented through Workday's Spend Authorization form.

#### **Requirements:**

- All travel and hospitality expenses must be:
  - Pre-approved using the Spend Authorization process in Workday
  - Submitted with appropriate itemized receipts and documentation
  - Directly related to, or associated with, the conduct of official VSC business.
- Reimbursement Standards:
  - While traveling, reimbursements for lodging, meals, and incidental expenses will follow the IRS General Services Administration (GSA) per diem rates applicable to the travel location and date and will reimburse the actual amount of the expense, up to the maximum of these rates.
  - Hospitality (non-travel) Meals: unless pre-authorized, food and beverage for non-travel events must adhere to the IRS General Services Administration (GSA) per diem rates applicable to the location and date of the event on a per person basis. The purpose of the hospitality, number of guests, and roster must be supplied.
  - Unless pre-authorized by the president of the institution or the chancellor of the system, alcohol purchases shall not be reimbursed.

- Mileage reimbursement will be based on the IRS standard mileage rate in effect at the time of travel and one's standard commuting miles (from domicile to home campus, academic center, or work location) shall be deducted for all standard workdays, in conformance with VSC Driver Safety Program (Policy 419).
- Travelers are responsible for ensuring that expenses do not exceed allowable limits unless prior written approval is obtained.
- By submitting for reimbursement, the employee is attesting that expenses are in compliance with VSC policies and procedures.
- Expense documentation must be submitted promptly after travel concludes against the expense report authorized by the Spend Authorization form. Reimbursement will not be processed until receipts are attached to an expense report and will be reviewed for compliance with VSC policies and procedures.

## **8. Software, Hardware and Related Computing Purchases**

All purchases of computing hardware, software, computing applications, and related computing applications require the approval of Information Technology and must comply with all cyber-security standards.

## **9. Purchasing Against Grants in Workday**

Procurement using grant funds must comply with VSC policies, procedures, specific terms of the grant award, and uniform guidance.

- All grant-funded purchases must be:
  - Directly related to the scope of the grant project
  - Approved by the Principal Investigator (PI) or Grant Manager in Workday
  - Supported by documentation demonstrating allowability and allocability under the grant
- Federal grants must follow Uniform Guidance (2 CFR Part 200) procurement standards. See Chancellor's Procedures for Federal Grant Purchases.
- Requisitions must clearly identify the grant as the funding source in Workday and include any required sponsor approvals.
- The institution's grant officer will review and approve all grant-related requisitions prior to PO issuance.

## 10. Use of Company Purchasing Cards (P-Cards)

The VSC issues Company Purchasing Cards (P-Cards) to designated employees for the purpose of streamlining payment for approved travel-related expenses.

### Authorized Use:

- P-Cards are intended for **official travel and hospitality expenses only**, including:
  - Airfare
  - Lodging
  - Ground transportation (e.g., rental cars, taxis, shuttles)
  - Conference registration and webinar fees
  - Business-related meals during travel
  - Meals for in-house events
- P-Cards may not be used for:
  - Personal purchases
  - Equipment, supplies, or services that require a purchase order
  - Cash advances or gift cards

### Cardholder Responsibilities:

- Cardholders must retain and upload itemized receipts for all transactions into Workday's Expense module.
- All P-Card documentation must be submitted to Workday within the month of the transaction date.
- Misuse of the P-Card including but not limited to purchase of personal items, items requiring a purchase order, cash advances, gift cards, failing to provide adequate and timely reconciliation of the card's transactions, or uses which violate VSC policies and procedures may result in revocation of privileges and/or disciplinary action.

### Personal Credit Cards:

- Employees who have not been issued a p-card may use their personal credit card for their own incidental travel expenses not covered by the P-Card (e.g., tips, snacks, minor supplies, meals, and lodging that has not been prepaid).
- These expenses are eligible for reimbursement through Workday's Expense module, subject to documentation and adherence to IRS GSA per diem and mileage rates and in compliance with VSC policies and procedures.
- Personal credit cards may not be used for any academic field trips or other course related travel or for any purchase requiring a purchase order.

## 11. Gifts and Awards

To ensure compliance with IRS regulations and institutional standards, VSC establishes the following guidelines for the purchase and distribution of gifts and awards to employees and students.

### 11.1 General Principles

- All gifts and awards must be:
  - Related to official VSC business or recognition
  - Approved in advance by the appropriate supervisor or administrator
  - Documented and processed through Workday's Expense module
- Gifts and awards must not be used as a substitute for compensation or to circumvent purchasing procedures.

### 11.2 Taxability Guidelines

- **Cash and Cash Equivalents:** Cash, gift cards, and gift certificates are considered taxable income under IRS rules and must be reported to Payroll or Human Resources. These items are not considered de minimis and are never excluded from taxation.
- **Tangible Gifts and Awards:** Non-cash items (e.g., plaques, books, branded merchandise) may be considered de minimis and non-taxable if:
  - The value does not exceed \$100
  - They are given infrequently
  - They are administratively impractical to track
- **Length-of-Service Awards:**
  - Non-taxable up to \$500 if the employee has at least five years of service and has not received a similar award in the past four years
  - Awards to employees with less than five years of service or repeat awards within four years are fully taxable
- **Student Awards and Prizes:**
  - Awards for academic achievement or competition (e.g., scholarships, contests) are taxable unless applied directly to tuition, fees, books, or required equipment
  - Prizes and awards not meeting scholarship criteria must be reported and may be subject to IRS Form 1099-MISC reporting

### ***11.3 Purchasing and Documentation***

- All gifts and awards must be:
  - Purchased using approved VSC funds and processes
  - Accompanied by itemized receipts and justification
  - Submitted with a Taxable Gift/Award Form when applicable
- Gift cards and certificates may not be reimbursed or purchased with VSC funds unless explicitly authorized and documented for research subject payments or other approved exceptions.

### ***11.4 Restrictions***

- Alcohol, cash advances, and personal gifts are prohibited unless pre-authorized by the president of the institution or the chancellor of the system.
- Gifts and awards must not be given to employees or students in exchange for services or performance outside of formal compensation structures

## **12. Full-Time Faculty Professional Expenses**

- Faculty professional expenses as described in Article 31 of the Full-Time Faculty Agreement, must be consistent with the terms of the article.
- Annually, each eligible faculty member shall be required to acknowledge their understanding of the use of the professional expenses fund, the process for use of the declining balance purchasing card, and all other aspects of Article 31.
- At the beginning of each academic year, or fraction thereof if starting midyear, each eligible faculty member shall be issued a declining balance purchasing card upon which they must make their professional expenses.
- Faculty members must retain receipts documenting purchases for a minimum of two years from date of purchase and make them available for inspection upon request. Failure to provide access to receipts when requested may result in revocation of the declining balance purchasing card. Should this occur, faculty members will be required to use their personal funds and request reimbursement using the Spend Authorization Form.

## **13. Compliance and Oversight**

- Non-compliance may result in delayed payments, audit findings, or disciplinary action.
- The Business Office will conduct periodic reviews using Workday reporting tools to ensure adherence.

- The Chancellor shall adopt standards and procedures governing contracts for purchase and lease of goods, services and equipment and from time to time modify them as necessary.
- In accordance with the applicable VSC Board of Trustees policies on conflict of interest, kickbacks, gifts and other favors from vendors are strictly prohibited.

#### **14. Policy Review**

This policy shall be reviewed annually by the Business Affairs Council of the VSC and updated as necessary to reflect changes in regulations, institutional priorities, or Workday functionality.

**Board Approval Date:** \_\_\_\_\_

DRAFT

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Existing Procurement Policies for Reference Only

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## Manual Of Policies And Procedures

Title	Number 424	Page 1 of 5
<b>TRAVEL POLICY</b>	Date 6/20/2019	

### PURPOSE

The Vermont State Colleges System Travel Policy is designed to ensure the effective and efficient management of VSCS resources, fair and equitable payment for business travel and related expense, and compliance with all applicable laws and regulations.

### STATEMENT OF POLICY

This policy applies to all official VSCS travel, regardless of the funding source. If the travel policies and procedures for federal grants and contracts are more restrictive than this VSCS Policy, they will supersede this policy. If the terms imposed for grants and contracts are less restrictive than the VSCS policy, VSCS policy applies.

Travel expenses paid by the VSCS must be properly authorized, appropriately documented with a clear business purpose, and otherwise comply with this policy. The VSCS does not compensate travelers for personal expenses incurred during travel.

Employee travel may be authorized when the travel is related to VSCS business and is pre-approved by the appropriate supervisor. Employees shall travel in an efficient and cost effective manner allowing for the purpose of the trip to be accomplished.

Travelers may not authorize their own travel nor approve the reimbursement of their own travel expenses. The traveler’s immediate supervisor or his/her designee must authorize the travel expense reimbursement.

Nothing herein requires the VSCS to, or prohibits the VSCS from, paying for costs of an employee’s travel in advance. Such advance payment is a matter of discretion for the VSCS. Regardless of whether such payments are made by the VSCS, the provisions of this policy on authorization of travel, cost allowance, and cost restrictions apply.

I. GENERAL TRAVEL POLICY PROVISIONS

- A. Purchasing cards (p-cards) are the preferable method of payment for all travel expenses. Cardholders are required to use their p-cards. Others may request a travel advance and submit receipts based on the procedures set herein.
- B. A request for reimbursement of mileage and travel expenses must be submitted on a monthly basis within 10 business days after the close of the month in which the travel occurred (or concluded, if the period of travel extended beyond the last day of the month). Any reimbursements submitted after 60 days from the date of travel will be taxable to the employee and paid through the VSCS payroll system for inclusion in the employee's paycheck.
- C. With permission from the traveler's supervisor, and at the supervisor's sole discretion, a travel advance may be authorized. Advances will be issued via direct deposit no earlier than one week prior to the traveler's departure date. Advances will be deducted from the traveler's next submitted expense report. The reconciliation of the travel advance shall follow the same time line as travel reimbursement submission from Section I(B) of this policy.
- D. The supervisor approving the traveler's reimbursement form is responsible for reviewing the adequacy and accuracy of the receipts and other supporting documentation, and the reasonableness and appropriateness of all expenditures.
- E. Reimbursement of any added expense due to a spouse/guest joining the employee while traveling is strictly prohibited.
- F. Reimbursement for alcoholic beverages is strictly prohibited.
- G. Receipts are required for all transactions for which the traveler is seeking reimbursement except for the following: daily amounts under \$5 that are for tolls, hotel tips, etc.
- F. Electronic receipts are acceptable provided that the necessary detail they contain is equivalent to that required in an acceptable paper record.
- G. Employee use of private aircraft, boats and other non-traditional modes of travel in carrying out the performance of official college duties must first receive written authorization in advance from the Chancellor.

II. TRANSPORTATION EXPENSES

- A. Transportation expenses shall be reimbursed based on an economical mode of transportation and a commonly traveled route consistent with the authorized purpose of the trip.
- B. Transportation tickets should be procured in advance in order to obtain the best price offered by the carrier or negotiated by the VSCS.
- C. Driving for the VSCS is only permitted in accordance with the VSCS Fleet Safety Program.

D. Personal Automobiles

1. The VSCS will pay the standard rate per mile as set forth in subparagraph (D)(2), below, for official travel by private automobile for:
  - a. the difference between miles ordinarily traveled for daily commutation and miles traveled on college business unless traveling from campus; or
  - b. if the employee is traveling from his or her campus, the miles traveled on college business from the campus to another location and for return to the campus or home location, whichever is less.
2. Use of personal automobiles will be reimbursed on a per mile basis according to the current IRS reimbursement rate. This takes into account all actual automobile expenses such as fuel, insurance, normal wear on the vehicle, etc.
3. In addition to the standard mileage allowance, necessary and reasonable charges for the following automobile-related expenses are allowed: tolls, ferries, parking, bridges and tunnels for which receipts are required for daily amounts over \$5.
4. The owner of the vehicle is responsible for complying with state insurance requirements. The VSCS's insurance does not apply to privately owned vehicles.
5. Mileage between an employee's residence and place of work is not reimbursed.
6. Traffic ticket, parking ticket and any moving violation (e.g., speeding tickets) expenses will not be reimbursed.

E. Rental Cars

1. An employee may rent a vehicle when advantageous to the VSCS and approved in advance.
2. The traveler is responsible for obtaining the best available rate commensurate with the requirements of the trip.
3. The VSCS's insurance policy provides liability protection for a rental vehicle; however, the collision damage waiver shall be purchased unless otherwise directed by the Dean of Administration, or designee.
4. Renters must abide by the terms and conditions of the rental agency contract or rental agreement.
5. In the event an employee's use of a rental vehicle incurs costs or expenses not covered by the collision damage waiver or VSCS's insurance policy, the employee will be responsible for any and all such costs or expenses.

F. Airfare. Coach airfare only is allowable. Business and first class are not allowable expenses.

G. Ground Transportation. Travelers should select the most reasonable means of

ground transportation, whether shuttle, taxi, rail or bus, as needed to travel between business locations.

III. LODGING EXPENSES

- A. The VSCS reimburses travelers for the single occupancy cost of a standard room. Travelers should select a hotel that is appropriate for their business purposes and is as economical as possible.
- B. Employees should always ask for corporate or educational discount rates before renting a room.
- C. No paid TV or other personal entertainment items will be paid for or reimbursed.
- D. Travelers will be reimbursed for telephone, fax and computer connection costs that are reasonable and necessary for conducting VSCS business.

IV. MEALS AND INCIDENTAL EXPENSES

- A. Actual meals and incidental expenses will be allowed up to the GSA rate for Vermont. With prior authorization by the Dean of Administration or designee, an employee may operate under another state or country GSA rate – approval documentation required with reconciliation submission. Receipts are required for all meal expenditures.
- B. Meals will be reimbursed only when a clear VSCS business need is demonstrated and the employee has supervisor approval
- C. If meals are covered in the cost of a conference or otherwise, additional meal charges will not be allowed. Employees attending conferences must submit conference agenda and applicable conference materials regarding meals provided.

Signed by:  
  
Jeb Spaulding Chancellor

Date	Version	Revision	Approved By
1/28/2010	1.0	Adopted	VSCS Board of Trustees
6/20/2019	2.0	Update of policy and elimination of per diems	VSCS Board of Trustees



## Manual of Policy and Procedures

Title  <b>HOSPITALITY POLICY</b>	Number  425	Page  1
	Date  <b>5/26/16</b>	

### PURPOSE

There are occasions in which social functions and hospitality are an important part of conducting official business and in the interest of the work of the Vermont State Colleges. To that end, clear and thoughtful guidelines are helpful.

### STATEMENT OF POLICY

Expenses for hospitality must be directly related to, or associated with, the conduct of official VSC business.

Receipts are required for all VSC hospitality expenses wherever possible and always when expenditures involve transactions with a restaurant, hotel or like venue. Where possible, available resources such as campus or college facilities should be first considered.

The executive officers of the VSC have discretion to purchase, or authorize other VSC staff to purchase, alcoholic beverages appropriate to social purposes. Examples of such occasions are hosting donors or prospective employees, holding receptions and celebrations. The chancellor or college president must approve expense reports when alcoholic beverages are purchased.

The executive officers of the VSC have discretion to purchase, or authorize VSC staff, to purchase meals for guests on an occasional basis, in the course of conducting college and/or system business. These meal expenses shall be reimbursed according to the actual and reasonable costs and shall be documented as to number of diners in attendance, names, and purpose of the gathering.

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*, in addition to the provisions above.

Signed by: \_\_\_\_\_  
Jeb Spaulding, Chancellor



## Manual of Policy and Procedures

<p>Title</p> <p style="text-align: center;"><b>POLICY ON CONTRACTING FOR GOODS AND SERVICES</b></p>	<p>Number</p> <p style="text-align: center;"><b>429</b></p>	<p>Page</p> <p style="text-align: center;"><b>1 of 2</b></p>
	<p>Date</p> <p style="text-align: center;"><b>5/26/16</b></p>	

### PURPOSE

The VSC Policy on Contracting for Goods and Services is designed to allow colleges and other constituent units of the VSC to purchase or lease goods, services and equipment on an open and competitive basis, without preference to any vendor, in order to further the VSC mission of efficient use of financial resources. Contracting decisions will consider not only price but also, among other factors, quality, timing and delivery. The VSC will utilize consolidated purchasing when it would benefit the colleges or the system. In addition, the VSC will endeavor to uphold environmentally responsible and socially conscious purchasing practices.

### STATEMENT OF POLICY

This policy includes all contracts for purchases and leases of goods, services and equipment except for real estate transactions already covered in Policy 426, broad-band services spectrum covered in Policy 427 capital construction covered in Policy 428, and retention of legal counsel under Policy 409.

Before a College may enter into a lease or purchase between \$25,000 and \$100,000 per total transaction it must first solicit, and document 3 or more bids from responsible suppliers. For the purposes of this policy, “solicit” means to request bids through public advertisement or vendor-specific invitation. The Colleges and the Chancellor’s Office shall maintain records of any such solicitation for the period specified in the VSC Records Retention Policy. The Chancellor or President may approve in writing a waiver of this requirement where three or more suppliers are not reasonably available or emergency circumstances are present and documented. Purchases or leases exceeding \$100,000 per total transaction require competitive bidding in the form of a Request for Proposals process. Where system-wide contracts for purchase of goods, services or equipment are entered into, the colleges and other constituent units of the VSC shall use that vendor only for items covered under the contract unless an exception is specifically approved by the President or Chancellor or their designees.

Upon approval of the President or designee, or the Chancellor, use of a sole source contract for purchases or leases otherwise subject to solicitation or bid under this policy may be acceptable under very limited circumstances such as where the item to be purchased is available from a single provider, where significant value is added by virtue of a long-term relationship with the provider, or other factors as may be approved by the President. Each sole source contract must be supported by a Non-Competitive Bid Statement completed on a form developed by the Chancellor.

At each institution, subject to presidential oversight, the Dean of Administration, or designee, is responsible for contracts for purchases and leases under this Policy. Subject to the Chancellor's oversight, the VSC VP of Finance and Administration, or designee, is responsible for purchasing insurances, leases, real estate and system-wide contracts, banking, and financing. Subject to the Chancellor's oversight, the Chief Information Officer, or designee, is responsible for system-wide information technology purchases.

#### RENEWAL OF CONTRACTS

Contracts may be renewed beyond the original term, including any renewals contained therein, once without resorting to a new solicitation or Request for Proposals process provided however the renewed term does not exceed the original term and in no event may the renewal period exceed three years.

#### CONFLICT OF INTEREST

In accordance with the applicable VSC Board of Trustees policies on conflict of interest, kickbacks, gifts and other favors from vendors are strictly prohibited.

#### PROCEDURES

The Chancellor shall adopt standards and procedures governing contracts for purchase and lease of goods, services and equipment and from time to time modify them as necessary.

#### AUTHORITY

The Chancellor's Office and each College shall, in writing, specify which officials are authorized to enter into contracts for the purchase or lease of goods, services or equipment. All those with such authority on behalf of a College or the VSC shall exercise their authority in full compliance with Policies 428 and 429 and these standards and procedures. 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*, in addition to the provisions above.



Signed by: \_\_\_\_\_

Jeb Spaulding, Chancellor

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**Second Quarter System-Wide Operating Performance**

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## SECOND QUARTER FINANCIAL RESULTS

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For the second quarter, Vermont State Colleges projects a positive net variance of \$1.1 million relative to the fiscal year budget. Revenues are expected to align with budget, largely due to unbudgeted bridge funding that offsets Vermont State University's shortfall in gross student revenue. As a result, the net improvement is attributable to expenses coming in \$1.1 million below budget.

At Vermont State University, lower-than-anticipated enrollment and residential participation have resulted in a projected revenue shortfall which is being fully offset through a combination of operational savings and one-time measures. These include personnel savings, reduced scholarship expenditures, targeted operational expense reductions, improvements in net transfer expenses, and the use of the VTSU Tuition Restructuring Set-Aside. Overall, revenues are projected to be \$7.1 million below budget, with a corresponding \$7.1 million reduction in expenses. Enrollment is projected to decline 2.8% year over year, with residential occupancy down 8%. Mitigation strategies have been implemented to fully address the revenue impact, as detailed in the first-quarter budget narrative.

The Community College of Vermont anticipates total annual enrollment revenue to exceed budget by approximately \$0.2 million. While summer enrollment outperformed expectations and fall enrollment fell short, spring enrollment is projected to exceed budget. These gains are partially offset by higher contracted service costs.

The Chancellor's Office projects a favorable variance of \$0.8 million, driven primarily by items not included in the original budget, including \$5 million in bridge funding and unbudgeted interest earnings. These gains are partially offset by ERP implementation costs and a one-time transfer from the system office to VTSU related to the above-mentioned tuition set-aside.

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## SECOND QUARTER METRICS

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The FY2026 budget is predicated on key values related to enrollment, room occupancy, and employee wages. As part of the FY2026 budgeting process, each institution within the Vermont State Colleges supplied the Finance and Facilities Committee with the foundational metrics upon which their budgets were built as a means for the Committee to gauge current year budget performance.

As noted above, CCV's summer tuition and fee revenue was higher than budgeted, while fall enrollment was 5.3% lower than budget. However, fall instructional costs were better than budget due to strong class size averages. Tuition and fee revenue projections for spring are stronger than budget due to a positive 8.3% FPE variance to budget.

Vermont State University's net student tuition revenue is currently estimated at 7.4% lower than budget as compared to a full-paying equivalent decrease of approximately 2.8%. Combined with a decrease in institutional aid of \$1.1 million and a 7.6% shortfall in residential occupancy, results in a 7.2% shortfall for net student revenue. Vermont State University's salaries and benefits line improvements are projected at \$2.1 million.

**Vermont State Colleges System By Entity**  
**Unrestricted Revenues and Expenses**  
**FY26 Q2 Projections**  
 (Amounts rounded to \$1,000)

	Vermont State Colleges System			Community College of Vermont			Vermont State University			Shared Services			Chancellor's Office		
	Projected FY26	Budget FY26	Proj vs. Bud Fav / (Unfav)	Projected FY26	Budget FY26	Proj vs. Bud Fav / (Unfav)	Projected FY26	Budget FY26	Proj vs. Bud Fav / (Unfav)	Projected FY26	Budget FY26	Proj vs. Bud Fav / (Unfav)	Projected FY26	Budget FY26	Proj vs. Bud Fav / (Unfav)
<b>REVENUES</b>															
Tuition and Fees	90,871	95,423	(4,552)	22,789	22,187	602	68,082	73,236	(5,154)	-	-	-	-	-	-
State Appropriation	59,252	54,256	4,996	10,191	10,191	(0)	33,921	33,921	(0)	6,826	6,825	1	8,314	3,319	4,995
Room and Board	17,131	18,813	(1,682)	-	-	-	17,131	18,813	(1,682)	-	-	-	-	-	-
Sales and Services	5,446	5,479	(32)	2	3	(0)	5,444	5,476	(32)	-	-	-	-	-	-
Gifts	1,006	1,140	(134)	80	80	0	926	1,060	(134)	-	-	-	-	-	-
Other Revenue	2,472	1,084	1,388	430	430	0	550	654	(104)	-	-	-	1,492	-	1,492
<i>Other Revenue-one time</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>176,178</b>	<b>176,194</b>	<b>(17)</b>	<b>33,493</b>	<b>32,890</b>	<b>602</b>	<b>126,053</b>	<b>133,160</b>	<b>(7,107)</b>	<b>6,826</b>	<b>6,825</b>	<b>1</b>	<b>9,806</b>	<b>3,319</b>	<b>6,487</b>
<b>EXPENSES</b>															
Salaries and Benefits	103,736	105,964	2,228	22,762	22,863	101	73,289	75,252	1,963	6,768	6,932	164	917	917	-
Retiree Medical Expenses	6,825	6,825	-	-	-	-	-	-	-	6,825	6,825	-	-	-	-
Services, Supplies, Travel	45,164	42,108	(3,056)	5,350	5,000	(350)	28,117	29,182	1,065	7,548	7,548	-	4,149	378	(3,771)
Scholarships	8,293	9,438	1,145	192	192	0	8,101	9,244	1,143	-	-	-	-	2	2
Utilities	7,476	7,746	270	364	364	(0)	7,102	7,372	270	10	10	-	-	-	-
Other Expenses	3,387	3,387	-	-	-	-	-	-	-	-	-	-	3,387	3,387	-
Debt Service	7,727	7,727	(0)	1,663	1,663	(0)	6,064	6,064	0	-	-	-	-	-	-
Shared Services	102	(0)	(102)	4,297	4,297	(0)	10,193	10,193	-	(14,388)	(14,490)	(102)	-	-	-
Chancellor's Office	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Transfers	(4,746)	(4,091)	654	(1,389)	(1,489)	(100)	31	785	754	-	-	-	(3,387)	(3,387)	-
<i>Other Transfers-one time</i>	-	-	-	-	-	-	(1,900)	-	1,900	-	-	-	1,900	-	(1,900)
Strategic Initiatives (3%)	1,011	1,011	1	-	-	-	-	-	-	-	-	-	1,011	1,011	1
Economic Stabilization (2%)	1,011	1,011	1	-	-	-	-	-	-	-	-	-	1,011	1,011	1
<b>TOTAL EXPENSES</b>	<b>179,986</b>	<b>181,126</b>	<b>1,140</b>	<b>33,239</b>	<b>32,890</b>	<b>(349)</b>	<b>130,996</b>	<b>138,092</b>	<b>7,096</b>	<b>6,763</b>	<b>6,825</b>	<b>62</b>	<b>8,987</b>	<b>3,319</b>	<b>(5,668)</b>
<b>NET REVENUES/(DEFICIT)</b>	<b>(3,808)</b>	<b>(4,932)</b>	<b>1,124</b>	<b>253</b>	<b>0</b>	<b>253</b>	<b>(4,943)</b>	<b>(4,932)</b>	<b>(11)</b>	<b>63</b>	<b>-</b>	<b>63</b>	<b>819</b>	<b>-</b>	<b>819</b>

**System-wide metrics: second quarter FY2026**

	Community College of Vermont				Vermont State University				Vermont State Colleges			
	FY26 Budget	FY26Q2 FCST	Var \$	Var %	FY26 Budget	FY26Q2 FCST	Var \$	Var %	FY26 Budget	FY26Q2 FCST	Var \$	Var %
<b>Student Revenue &amp; Wages (\$millions)</b>												
Net Student Revenue	\$ 21,995	\$ 22,597	\$ 602	2.7%	\$ 80,940	\$ 75,117	\$ (5,823)	-7.2%	\$ 102,935	\$ 97,713	\$ (5,221)	-5.1%
Annual Employee Wages	\$ 16,347	\$ 16,247	\$ (100)	-0.6%	\$ 48,969	\$ 47,649	\$ (1,320)	-2.7%	\$ 65,316	\$ 63,896	\$ (1,420)	-2.2%
<b>Full Paying Equivalent Enrollment</b>												
Annual FPE	2,894	2,979	85	2.9%	4,325	4,005	(320)	-7.4%	7,219	6,984	(235)	-3.3%
<b>FPE by Term</b>												
Fall	2,507	2,374	(132)	-5.3%	4,411	4,238	(173)	-3.9%	6,918	6,612	(306)	-4.4%
Spring	2,214	2,397	183	8.3%	4,239	3,925	(314)	-7.4%	6,453	6,321	(131)	-2.0%
Other	1,068	1,187	119	11.1%			-	0.0%	1,068	1,187	119	11.1%
<b>FPE by Value Stream</b>												
Vermonters	2,732	2,838	106	3.9%	3,206	2,969	(237)	-7.4%	5,938	5,807	(132)	-2.2%
Out-of-State	121	108	(13)	-10.7%	658	609	(49)	-7.4%	779	717	(62)	-7.9%
NEBHE & Good Neighbor	41	33	(8)	-19.1%	73	68	(5)	-7.4%	114	101	(13)	-11.6%
Nursing & Allied Health	n/a						-	0.0%	-	-	-	0.0%
Online	n/a						-	0.0%	-	-	-	0.0%
<b>Graduate</b>												
Vermonters	n/a				389	360	(29)	-7.4%	389	360	(29)	-7.4%
Out-of-State	n/a				85	79	(6)	-7.4%	85	79	(6)	-7.4%
<b>Room Occupancy</b>												
Annual Occupancy	n/a				1,404	1,298	(106)	-7.6%	1,404	1,298	(106)	-7.6%
<b>Occupancy by Term</b>												
Fall	n/a				1,484	1,334	(150)	-10.1%	1,484	1,334	(150)	-10.1%
Spring	n/a				1,324	1,206	(118)	-8.9%	1,324	1,206	(118)	-8.9%
Other	n/a				0		-	0.0%	-	-	-	0

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**COMMUNITY COLLEGE OF VERMONT**

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FY26 Second Quarter Budget Narrative

CCV's FY26 Summer semester enrollment revenue was higher than anticipated while Fall semester tuition and fees came in under budget. Preliminary Spring enrollment looks to be higher than budgeted; we are therefore projecting \$600k more in tuition and fee revenue compared to budget. Specifically, CCV's contract with ReUp, which we are in the process of phasing out. We also project \$100k less in cross-college revenue due to lower VTSU enrollment in CCV courses.

With other expenses expected to come in line with the budget we are forecasting a small surplus of \$253k for FY26.

**Revenues:**

**Tuition and Fees:** Overall total tuition and fees \$602k better than BOT approved budget.

**Sales & Services/Gifts/Other Revenues:** Projected to come in line with budget.

**Expenses:**

**Salaries & Benefits:** Lower instructional costs due to strong class size average in the Fall and Spring.

**Service, Supplies & Travel:** Projected to come in \$350k over budget.

**Scholarships & Fellowships:** No change.

**Other Transfers:** Projected to come in \$100k worse than budget due to cross-college enrollment revenue being down.

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**SHARED SERVICES**

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**Expenses:**

**Retiree Medical Expenses:** Early projections indicate that expenses will be in line with budget and this will continue to be monitored for trends throughout the year.

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**CHANCELLOR'S OFFICE REVENUES:**

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**Revenues:**

**State Appropriations:** The FY26 Bridge Funding was not budgeted.

**Other Revenue:** Interest earnings were not budgeted.

**Expenses:**

**Supplies & Services:** ERP implementations were not budgeted.

**Other Transfers – one-time:** VTSU Tuition Restructuring Set-Aside, established by the Board in 2022.

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## VERMONT STATE UNIVERSITY

### FY2026 Q2 FINANCIAL REPORT

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#### **Introduction**

Vermont State University (VTSU) entered FY2026 in the midst of a multi-year financial stabilization effort, with the goal of achieving structural balance by FY2027. As part of our scheduled progress, the FY2026 budget was designed with a planned deficit of \$4.9 million—down from \$9.6 million in FY2025—and was built on specific enrollment and revenue assumptions that, unfortunately, did not materialize as projected, leaving a substantial revenue shortfall. VTSU has mitigated this shortfall, and projects being able to close FY26 within its budgeted deficit target.

This report outlines the variance from budget expectations, the financial implications of those changes, and the actions we are undertaking to stabilize FY2026 while positioning the University for long-term fiscal health.

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#### **FY2026 Budget Assumptions**

The approved FY2026 budget incorporated the following revenue-related assumptions:

- **8% increase in net student revenue**, driven by:
  - A projected 12% increase in incoming standard undergraduate enrollment
  - A projected 25% increase in incoming online enrollment
  - Stable retention and consistent returning student numbers
  - A 3.5% tuition rate increase (approved by the Board in Spring 2025)
  - Resumption of \$1.7M in third-party revenue
- **\$33.5M in base state appropriation**, representing a 9% increase over FY2025

These assumptions supported a reduced operating deficit and signaled continued momentum toward a balanced FY2027 budget.

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#### **FY2026 Q2 Results: Revenue Variance**

Enrollment fell significantly short of projections:

- **Overall Fall FTE enrollment** declined by 2.8%
- **Spring snapshot numbers** are not available yet, but appear to be similar
- **Fall residential enrollment** declined by 8%, spring appears to be similar

This deviation resulted in a projected **\$6.7 million shortfall** in tuition, fee, and room & board revenue for FY2026.

The shortfall reflects multiple compounding factors, including:

- Ongoing **demographic contraction** in the Northeast and rural regions
- A **softening in international student demand**, particularly at regional public institutions
- Heightened **price sensitivity and volatility in student decision-making**
- Broader sector-wide pressures on residential enrollment across the country

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#### **This FY26 Shortfall has been Mitigated**

The University implemented a multi-part mitigation plan aligned with the following priorities:

- Preserve stability and continuity of core operations
- Avoid unnecessary disruption to academic programs and student services
- Enable clear focus on FY2027 planning and long-term sustainability

### **Key Mitigation Elements:**

1. **Personnel Adjustments – \$2.1M**
  - While not achieving our Q1 target of 2.8M in savings, VTSU is currently trending 2.1M better than budget on Salaries & Benefits. This is the result of significant health insurance efficiencies and modest vacancy savings.
2. **Scholarship Expense Reductions – \$1.1M**
  - Reductions tied to lower-than-expected enrollment and the phased sunset of legacy institutional discounting models
3. **Operational Expense Rollbacks – \$1.1M**
  - Targeted reductions in non-instructional spending, including: Supplies, Travel, Hospitality, and Consulting
  - Slight anticipated improvement in utilities spend
  - Elimination of equipment spend related to the unutilized 1:1 Devices initiative
4. **Improvement in net transfer expenses – \$0.8M**
  - Favorable experience on grant IDC lines
  - Discontinuation of planned capital equipment funding
  - Lower than anticipated cross-enrollment expense
5. **Use of One-Time Funds – \$1.9M**
  - Return of funds from the **VTSU Tuition Restructuring Set-Aside**, established by the Board in 2022
  - The board has authorized use of up to 2.2M of these one-time funds
  - Aligns with the original intent of the reserve and addresses the residual shortfall without increasing structural obligations
  - VTSU currently anticipates utilizing 1.9M

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### **Looking Ahead: FY2027 and Beyond**

While the mitigation plan closes the FY2026 gap, the structural challenges it addresses are not one-time issues. Many of the pressures affecting our enrollment and revenue outlook will carry forward into FY2027, including:

- A compressed traditional student pipeline
- Competition for price-sensitive learners
- Uncertainty in domestic and international markets
- Demand for expanded online and flexible learning options

The Finance team has already begun scenario planning for FY2027, but we must be clear: achieving a balanced budget next year will require continued discipline, operational alignment, and strategic prioritization across the institution.

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### **Conclusion**

We are grateful for the Board's continued oversight and partnership during this period of critical transition. With your support, VTSU remains committed to its long-term strategic goals and to building a sustainable foundation for future generations of students.

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First Pass FY2027 Budget

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## FY2027 FIRST PASS SYSTEM-WIDE OPERATING BUDGET

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As with prior years, the first-pass budget represents an **early, conservative view of the upcoming fiscal year**, intended to frame the financial environment, identify key risks and pressures, and establish a range of potential outcomes that will be refined through subsequent budget passes.

At this stage, the FY2027 first-pass budget reflects **continued progress in system transformation**, but also underscores that the Vermont State Colleges are operating within a higher-education environment characterized by **persistent structural pressures and heightened uncertainty**. Based on current assumptions, the system is projecting **a range of potential operating outcomes, from a deficit of approximately \$3.0 million to as much as \$8.7 million, with a central tendency of approximately \$5.0 million** at this time.

This range is not unexpected in a first-pass budget. Rather, it reflects the interaction of multiple variables, many outside the direct control of the institution, that will be tested, refined, and narrowed as enrollment data, state fiscal decisions, and cost assumptions become clearer over the coming months.

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### National Higher Education Context

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The financial pressures reflected in the FY2027 first-pass budget are not unique to Vermont. **Public higher education nationally is experiencing sustained margin compression**, driven by several converging factors:

- **Demographic change**, particularly the long-anticipated decline in the number of traditional college-age students beginning in the mid-2020s.
- **Rising operating costs**, including compensation, benefits, utilities, insurance, technology, and regulatory compliance.
- **Flat or constrained public funding**, which in many states fails to keep pace with inflation, effectively reducing purchasing power.
- **Increased competition for students**, both from other institutions and from non-degree or alternative credential pathways.

Credit rating agencies, national policy organizations, and governing board associations have consistently noted that these conditions are placing stress on public institutions, particularly **regional and rural universities and community colleges** with limited pricing power and high service expectations. Even where overall enrollment stabilizes, **changes in student mix, attendance patterns, and financial aid needs** can materially affect net tuition revenue.

This national environment provides important context for understanding why FY2027 planning continues to require caution, scenario modeling, and a disciplined approach to balancing affordability with long-term sustainability.

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## Regional and Vermont-Specific Pressures

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These national trends are **amplified in New England and in Vermont**. The Northeast is projected to experience **deeper and more sustained demographic declines** than many other regions of the country. Over the past decade, New England has also seen a **disproportionate number of college closures, mergers, and restructurings**, reflecting the cumulative impact of long-term enrollment decline, aging infrastructure, and constrained revenue models.

Within Vermont, these pressures are further shaped by:

- An **aging population** and a limited pipeline of traditional-age students.
- A strong public expectation that the state colleges will serve as an **access point for learners of all ages**, including adult, part-time, and place-bound students.
- Ongoing emphasis on **affordability and workforce alignment**, which appropriately constrains tuition growth but limits the system's ability to offset rising costs through pricing alone.
- A rural service footprint that requires maintaining **multiple locations and modalities** to meet statewide needs.

The Vermont State Colleges have made substantial progress through system unification, shared services, and academic and administrative restructuring. However, these regional realities mean that **financial equilibrium remains sensitive to relatively small changes in assumptions**.

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## System-Wide Financial Drivers in the FY2027 First Pass

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The FY2027 first-pass budget reflects several core system-wide drivers:

### 1. Transition from One-Time Funding

Recent fiscal years have included **one-time or temporary resources** that supported transformation, stabilization, and targeted investments. As these resources phase out, the system must absorb their absence within the ongoing operating base. The first-pass budget explicitly reflects this transition, which contributes to the projected deficit range.

### 2. Inflation and Compensation Pressures

Like peer institutions, VSC continues to experience **cost growth driven by inflation and labor markets**, particularly in areas critical to mission delivery such as instruction, student support, IT, and compliance. Even modest annual increases compound over time and place pressure on a revenue base that does not grow at the same rate.

### 3. Enrollment and Net Revenue Sensitivity

While overall enrollment trends have shown areas of stabilization and growth, particularly in high-demand programs and online modalities, the budget remains **highly sensitive to enrollment mix**, including full-time versus part-time status, residency, and program selection. These factors directly affect net tuition revenue and explain a significant portion of the range between the low and high deficit scenarios.

#### 4. Shared Services Investments and Cost Allocation

Shared Services remains central to the system's efficiency strategy, supporting both VTSU and CCV through consolidated IT, finance, HR, compliance, and other core functions. Continued investment is required to maintain secure, modern, and reliable systems. While Shared Services has generated meaningful efficiencies, these savings are increasingly offset by **necessary reinvestment in technology, cybersecurity, and system resilience**.

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### Institution-Specific Considerations

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#### Vermont State University (VTSU)

VTSU enters FY2027 with improving stability relative to its early post-unification years, but with ongoing exposure to enrollment mix and cost structure challenges. Growth in online programs and workforce-aligned offerings has been encouraging, while fluctuations in out-of-state enrollment and part-time participation continue to affect revenue predictability. The FY2027 first-pass budget assumes continued discipline in staffing, space utilization, and program alignment, but recognizes that **small changes in enrollment outcomes can materially affect the bottom line**.

#### Community College of Vermont (CCV)

CCV continues to fulfill a critical access and workforce mission, serving the majority of VSC students across the state. At the same time, CCV operates within a **revenue model that is constrained**, with state appropriations covering a smaller share of operating costs than is typical for community colleges in the region. After multiple years of flat tuition, CCV faces increasing pressure from compensation and operating costs, making FY2027 especially sensitive to state funding decisions and enrollment patterns. While the Board has approved a \$10 per credit hour increase in tuition for CCV, the first pass of the budget does not include this increase, recognizing the many pressures on CCV students.

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### Range of Outcomes and Central Tendency

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Taken together, these factors result in a **projected FY2027 operating deficit range of approximately \$3.0 million to \$8.7 million**, with a **current central estimate of approximately \$5.0 million**.

- The **lower end of the range** assumes stronger enrollment performance, favorable mix, and successful cost containment.
- The **upper end of the range** reflects more conservative assumptions around enrollment, continued cost escalation, and limited offsetting revenue growth.
- The **central tendency** represents management's best current estimate based on available information, recognizing that several key variables will not be known until later in the budget cycle.

This range will be revisited and refined through the second and third-pass budget reviews, consistent with the Board-approved budgeting process.

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## Looking Ahead

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The FY2027 first-pass budget reinforces several themes that will guide ongoing discussion with the Board:

- The importance of **scenario planning and disciplined decision-making** in an uncertain environment.
- The need to continue balancing **affordability, access, and quality** with financial sustainability.
- The value of the system's transformation work, while recognizing that **structural pressures in higher education remain real and persistent**.
- The role of the Board in providing strategic oversight as management evaluates trade-offs, mitigates risk, and refines the budget over the coming months.

Subsequent budget passes will incorporate updated enrollment data, refined cost assumptions, and additional clarity on state and external funding, allowing the Board to assess progress toward a sustainable FY2027 operating plan.

**Vermont State Colleges System**

	FY2026 Budget	FY2026 Forecast	FY2027 Budget 1.0
<b>REVENUES</b>			
Tuition and Fees	95,423	90,871	90,093
State Appropriation	54,256	59,251	55,846
Room and Board	18,813	17,131	17,021
Sales and Services	5,479	5,446	5,619
Gifts	1,140	1,006	1,034
Other Revenue	1,084	2,472	1,013
<b>TOTAL REVENUES</b>	<b>176,195</b>	<b>176,177</b>	<b>170,626</b>
<b>EXPENSES</b>			
Salaries and Benefits	105,964	103,736	106,539
Retiree Medical Expenses	6,825	6,825	7,071
Services, Supplies, Travel	42,108	45,164	41,155
Scholarships	9,438	8,293	8,348
Utilities	7,746	7,476	7,701
Other Expenses	3,387	3,387	3,162
Debt Service	7,727	7,727	7,772
Shared Services	-	102	(1)
Other Transfers	(4,091)	(4,745)	(4,533)
<i>Other Transfers-one time</i>	-	-	-
Strategic Initiatives (3%)	1,011	1,011	1,041
Economic Stabilization (2%)	1,011	1,011	1,041
<b>TOTAL EXPENSES</b>	<b>181,126</b>	<b>179,987</b>	<b>179,295</b>
	-	-	-
<b>NET REVENUES/(DEFICIT)</b>	<b>(4,931)</b>	<b>(3,810)</b>	<b>(8,670)</b>