

## MEMORANDUM

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

**FROM:**        Sharron Scott, Chief Financial & Operating Officer  
**DATE:**        May 7, 2026  
**RE:**            VSC Finance & Facilities Committee Meeting May 11, 2026

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The VSC Board of Trustees Finance & Facilities Committee (F&F) is scheduled to hold a meeting on Monday, May 11, 2026 at 10:00am virtually at [vsc.edu/botzoom](https://vsc.edu/botzoom).

The Committee will consider a mix of action items and informational updates focused on financial stewardship, endowment management, and forward-looking planning. Action items include multiple endowment matters – new funds, an amendment, and the proposed liquidation of a quasi-endowment – as well as recommendations related to a grant for the Community College of Vermont and a systemwide banking and investment resolution.

The Committee will also review third-quarter financial results and receive an enrollment forecasting update for Vermont State University, providing context for ongoing financial planning. The agenda concludes with an executive session and a review and recommendation of the FY2027 systemwide budget.

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**  
**Finance & Facilities Committee**  
**Live session: [vsc.edu/botzoom](https://vsc.edu/botzoom) | Stream: [vsc.edu/live](https://vsc.edu/live)**  
**Monday, May 11, 2026 at 10:00 a.m.**

**AGENDA**

1. Call to order
2. Public comment<sup>1</sup>
3. Approval of April 13, 2026 minutes
4. Review & Recommend: Northern Lights Grant for Community College of Vermont
5. Review & Recommend: Endowments for Vermont State University
  - a. Liquidation of Upward Bound Quasi-Endowment
  - b. New Endowment: Cheryl Krull Marsden Scholarship Fund
  - c. New Endowment: Lane Family Scholarship Fund
  - d. New Endowment: DeLana Student Expedition Fund
  - e. Endowment Amendment: Helen Guild
6. Review & Recommend: Banking & Investment Resolution
7. Review: Third Quarter Financial Results
8. Enrollment Forecasting Update: Vermont State University
9. Executive Session to discuss records exempt from public disclosure
10. Review & Recommend: FY2027 System-Wide Budget
11. Other business
12. Adjourn

**MATERIALS**

1. April 13, 2026 minutes
2. Endowment Materials:
  - a. Northern Lights Grant
  - b. Liquidation of Upward Bound Quasi-Endowment
  - c. Cheryl Krull Marsden Scholarship Fund
  - d. DeLana Student Expedition Fund
  - e. Helen Guild amendment

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<sup>1</sup> Sign up for 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.

3. Banking & Investment Resolution
4. Third Quarter Financials
5. FY2027 System-Wide Operating Budget

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Minutes of the Last Meeting

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**Minutes of the VSC Board of Trustees Finance & Facilities Committee (F&F) meeting held Monday, April 13, 2026 at 10:00 a.m. virtually at [vsc.edu/botzoom](https://vsc.edu/botzoom). – UNAPPROVED**

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

The VSC Board of Trustees Finance & Facilities (F&F) Committee held a meeting on Monday, April 13, 2026 at 10:00 a.m. virtually at [vsc.edu/botzoom](https://vsc.edu/botzoom).

**Attendance**

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

Absent Members: Coleen Bruyette

Liaisons: Rick Arend (CCV faculty), Ryan Dulude (CCV staff), Marybeth Lennox-Levins (VTSU faculty)

Absent Liaisons: Korey Kubricki (VTSU staff)

Other trustees present: Megan Cluver

Chancellor: Elizabeth Mauch

Presidents: David Bergh, VTSU  
Joyce Judy, CCV

Other Attendees: Kelley Beckwith, VTSU Vice President of Student Success  
Kayla Dewey, Executive Assistant, Board of Trustees  
Wilson Garland, Chief Information Officer  
Jason Kaiser, IT Support  
Nicole Mace, CCV Dean of Administration  
Kathryn Santiago, Associate General Counsel  
Sharron Scott, Chief Financial and Operating Officer  
Toby Stewart, Controller  
Patty Turley, General Counsel  
Littleton Tyler, VTSU AVP Finance

1. Call to Order

Chair Silverman called the meeting to order at 10:01 a.m.

2. Public Comment

There was no public comment.

3. Approval of February 16, 2026 minutes

**Trustee Zeller moved and Trustee Flint seconded the motion to approve the F&F portion of the minutes of February 16, 2026. The motion was approved unanimously.**

4. Review & Recommend Endowment Modifications for Vermont State

Chair Silverman invited President Bergh to review proposed endowment modifications for the following endowments: Bill and Susan Blair Future Teacher/Educator Endowment, Edgerton Education Endowment, and Mary Negron Student Emergency Fund. President Bergh shared that the request is to modify the endowments to make them more broadly accessible and update terms to match the current names and structure of VTSU post-transition. The donors have been involved and are supportive of changes.

**Trustee Dickinson moved and Trustee Mihaly seconded the motion to recommend modifications to the Bill and Susan Blair Future Teacher/Educator Endowment, Edgerton Education Endowment, and Mary Negron Student Emergency Fund as outlined in the packet to the full board. The motion was approved unanimously.**

5. FY 2027 First Pass Budget

Chair Silverman introduced the topic by stating that when the committee met last, it reviewed the first-pass budget—an intentionally conservative view that helped frame the financial environment for the year ahead, highlight key risks and pressures, and outline a range of possible outcomes. With the second pass, he noted that budgets have tightened notably with a current system-wide projection is just over \$6 million, reflecting strong and disciplined work at the institutions. With that context, he invited Chief Financial and Operating Officer Sharron Scott to walk through the associated materials.

Ms. Scott reviewed the materials and shared that the budget has improved since the last review. The improvement was credited primarily to work by the institutions to anticipate and respond to enrollment analysis and expected revenues. Each institution worked to make durable, long-term expense reductions. Ms. Scott fielded specific questions from the committee.

6. Workday Update Workday Update

Chair Silverman introduced the topic by stating that the Workday project is a major, system-wide initiative and an important investment in its core financial and administrative infrastructure. He asked Chief Information Officer Wilson Garland to walk the committee through an update.

Mr. Garland shared that the implementation team had been working hard to finalize the details to launch HR, Payroll, and Finance functions by the end of June. He reviewed the project timeline,

schedule of work for specific components of the project, and reviewed additional details of their process. He announced that a more detailed update, including updates on the student modules was planned for the Board's Annual Meeting in June.

7. Other Business

There was no other business.

8. Adjourn

Chair Silverman adjourned the meeting at 11:01 a.m.

UNAPPROVED

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Northern Lights Grant

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April 27, 2026

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

Greetings Chancellor Mauch:

The Northern Lights program (also referred to as “Northern Lights ECPDS”) is funded with a one-year renewable grant to implement the Northern Lights hub of the early childhood professional development system. Northern Lights provides non-credit trainings, career advising, document processing and data verification for early childhood and afterschool professionals in Vermont.

Northern Lights is funded by the State of Vermont, Agency of Human Services, Department for Children and Families, Child Development Division. The federal organization providing primary funding is the US Department of Health and Human Services, Administration for Children and Families, Office of Child Care.

The anticipated funding for FY27 is anticipated at \$1,850,000 to be reimbursed quarterly from July 1, 2026 through June 30, 2027. No matching funds are required, and this grant allows indirect costs to be billed according to our institution’s federally-negotiated rate.

Northern Lights has been an important program for CCV since 2005 and is a critical component of the State of Vermont’s strategy to enhance and sustain Vermont’s early childhood learning system. This is the second year of the grant where the annual award amount is expected to exceed \$1.5m, triggering the need for Board approval under Policy 208.

We look forward to the VSC Board of Trustees’ authorization to accept these funds in order to sustain this program.

Sincerely,

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

Joyce Judy  
President  
Community College of Vermont

**Bennington**  
802.447.2361

**Middlebury**  
802.388.3032

**Morrisville**  
802.888.4258

**Rutland**  
802.786.6996

**St Johnsbury**  
802.748.6673

**Upper Valley**  
802.295.8822

**Brattleboro**  
802.254.6370

**Montpelier**  
802.828.4060

**Newport**  
802.334.3387

**St Albans**  
802.524.6541

**Springfield**  
802.885.8360

**Winooski**  
802.654.0505

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Quasi Endowment Liquidation

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Office of the President  
PO Box 500  
Randolph Center, Vermont 05061

**To:** Dr. Elizabeth Mauch, Chancellor  
Vermont State Colleges

**From:** David Bergh, President  
Vermont State University

**Date:** May 5, 2026

**Subject:** Request for liquidation of the Lyndon Upward Bound Quasi Endowment

I respectfully request that the VSC Board of Trustees approve the transfer of all remaining funds from the Lyndon Upward Bound Quasi-Endowment to the Lyndon Upward Bound operating account.

The Upward Bound Scholarship Quasi-Endowment was established in September 1996 by Dean Bill Laramee, with approval from President Peggy Williams and the VSC Board of Trustees, through a combination of current-use funding sources. As a quasi-endowment, the institution may, at its discretion, access the principal for current use when appropriate. Our records indicate that to preserve this flexibility was the express intention of Dean Laramee and Upward Bound Program Director Bob McCabe at that time.

Recently, current-use funding for Upward Bound has declined, leaving the program underfunded relative to its current level of student participation and in immediate financial need. Therefore, Lyndon Upward Bound Director Rick Williams has formally requested access to these quasi-endowed funds to address this gap.

Consistent with Policy 412, the Board of Trustees has the authority to approve this request. Given current program needs, we believe it is appropriate to liquidate the quasi-endowment and transfer the remaining balance to the Upward Bound operating account.

Sincerely,

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

David Bergh, Ed.D.  
President

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New Endowments

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Office of the President  
PO Box 500  
Randolph Center, Vermont 05061

May 5, 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 Cheryl Krull Marsden Scholarship Fund, in the amount of \$75,248.73, was established in June 2025 through a distribution from the Estate of Cheryl Krull Marsden, who passed away on January 22, 2024. Cheryl Krull Marsden was a lifelong educator who began her teaching career in Michigan and later taught in Vermont public schools, including Danville, Vermont. This fund honors her life and her commitment to education, children, and rural communities.

This fund will support formal teacher education at Vermont State University by providing scholarship support to students enrolled in education programs, including those participating in student teaching placements serving rural Vermont schools, in memory of Cheryl Krull Marsden. Recipients shall be full-time students enrolled in an education program at Vermont State University, including those participating in student teaching placements. Preference shall be given to students from Caledonia County, Vermont, as well as students participating in teaching placements in rural Vermont schools.

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

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

David Bergh, Ed.D.  
President

## - NEW FUNDING SOURCE DOCUMENT - ENDOWMENTS ONLY

\_\_\_\_\_  
(Institution 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)

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

3) Purpose of endowment: (Attach supporting Documentation)

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:

8b)  One-time - OR

Ongoing funding (indicate timeframe:)

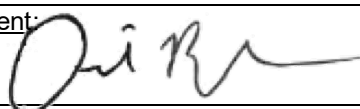
9a) Is principal use allowed: (w/Board OK?)

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:



12) Date to Ch's Ofc:

13) Date Board Approved:



Office of the President  
PO Box 500  
Randolph Center, Vermont 05061

April 13, 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 Lane Family Scholarship Fund, in the amount of \$164,900, was established in June 2025 through an estate gift from the Elizabeth M. Lane Revocable Trust, after Elizabeth Lane passed away on October 17, 2023. Elizabeth was a lifelong resident of Northfield, Vermont. A graduate of Castleton Teachers College, she began her teaching career in Waterbury, later teaching elementary school in Montpelier and Northfield. Known as “Miss Lane” to her students, she was a dedicated and well-loved primary grade teacher, remembered fondly for her commitment to education.

The income from this fund will be used to support students pursuing a career in the teaching profession by providing scholarship assistance to Vermont residents enrolled in education programs at Vermont State University Castleton, in memory of Elizabeth M. Lane and her parents, Earle F. Lane and Dorothy H. Lane. Recipients shall be Vermont residents who demonstrate financial need and are enrolled in, or accepted into, an education program at Vermont State University Castleton leading to a career in teaching.

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

Sincerely,

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

David Bergh, Ed.D.  
President

Vermont State University

(Institution 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)

LANE FAMILY SCHOLARSHIP FUND

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

Elizabeth M. Lane Revocable Trust

3) Purpose of endowment: (Attach supporting Documentation)

See attached: To support VTSU Castleton students studying Education and pursuing a career in teaching.

4) Proper accounting fund:

Regular Endowment

Term Endowment

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

86092

6a) Date Endowment Reach Endowment Status:

April 2026

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

None No living donors to report to.

8a) Funding amount:

\$164,900

8b)  One-time - OR

Ongoing funding (indicate timeframe:)

9a) Is principal use allowed: (w/Board OK?) NO

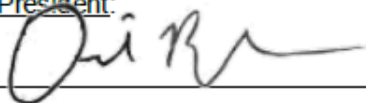
9b) If yes, is replenishment of principal allowed or required:

N/A

10) If investment proceeds generated, indicate intended disposition:

- Per Board Approved Spending Procedure  
 Fully expend for program as prescribed  
 Increase principal for inflation and expend remainder  
 All investment earnings added for \_\_\_ years before expending for endowment purposes begins  
 Other (describe:)

11) President:



12) Date to Ch's Ofc:

13) Date Board Approved:

## **THE LANE FAMILY SCHOLARSHIP FUND**

**FUND PURPOSE:** The income from the Lane Family Scholarship Fund will be used to support students pursuing a career in the teaching profession by providing scholarship assistance to Vermont residents enrolled in education programs at Vermont State University Castleton, in memory of Elizabeth M. Lane and her parents, Earle F. Lane and Dorothy H. Lane.

**AWARD ELIGIBILITY:** Recipients shall be Vermont residents who demonstrate financial need and are enrolled in, or accepted into, an education program at Vermont State University Castleton leading to a career in teaching.



Office of the President  
PO Box 500  
Randolph Center, Vermont 05061

May 5, 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 Ryan C. DeLena Student Expedition Fund, in the amount of \$25,000, is established through the generosity and vision of Robert and Mary DeLena, and their son, Ryan C. DeLena, who expressed a desire to support students participating in transformative expedition-based learning experiences at Vermont State University. The Fund is named in honor of Ryan, a member of the Class of 2024 whose educational experience was deeply shaped by immersive, hands-on learning in outdoor and expedition-based programs.

During his time at NVU, Ryan embraced extended expedition experiences that challenged him both physically and mentally, helping him develop strong leadership abilities, technical outdoor skills, and a deep sense of confidence and self-reliance. These experiences were not only central to his academic journey but also instrumental in shaping his personal growth and professional direction. Through expedition-based learning, Ryan cultivated a passion for the outdoors and a commitment to leading and educating others in similar environments.

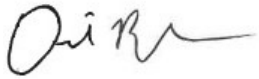
The impact of these experiences continues to influence Ryan's path beyond graduation, as he builds a career rooted in outdoor leadership and experiential education. This Fund reflects both a family's generosity and a shared recognition of the transformative power of expedition-based learning. By supporting student participation in these high-impact experiences, the Fund aims to ensure that financial barriers do not prevent students from accessing opportunities that foster growth, resilience, leadership, and a lifelong connection to the outdoors.

The fund will be used to support student participation in expedition-based learning experiences, including but not limited to travel, program fees, equipment, and other related costs associated with immersive or extended field-based academic experiences. Funds may be applied in a manner that best supports student access to these opportunities, with a preference for larger or more comprehensive expedition experiences.

Recipients shall be matriculated students enrolled at Vermont State University who are participating in expedition-based or field-based learning experiences within outdoor education–related programs, including but not limited to those historically associated with the Outdoor Education, Leadership, and Tourism (OELT) program, at the discretion of appropriate faculty or staff.

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

Sincerely,

A handwritten signature in black ink, appearing to read "David Bergh", with a stylized flourish at the end.

David Bergh, Ed.D.  
President

## - NEW FUNDING SOURCE DOCUMENT - ENDOWMENTS ONLY

Vermont State University

(Institution 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)

RYAN C. DELENA STUDENT EXPEDITION FUND

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

Robert &amp; Mary DeLena

3) Purpose of endowment: (Attach supporting Documentation)

See attached: To support student participation in expedition-based learning experiences.

4) Proper accounting fund:

Regular Endowment



Term Endowment

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

TBD

6a) Date Endowment Reach Endowment Status:

April 2026

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

Annual stewardship report Robert &amp; Mary DeLena &amp; Ryan DeLena

8a) Funding amount:

\$25,000

Additional \$25,000 expected over five years

8b)  One-time - OROngoing funding (indicate timeframe:)9a) Is principal use  
allowed: (w/Board NO  
OK?)9b) If yes, is replenishment of principal  
allowed or required:

N/A

10) If investment proceeds generated, indicate intended disposition:

Per Board Approved Spending Procedure



Fully expend for program as prescribed

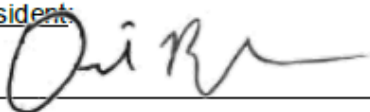


Increase principal for inflation and expend remainder



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

Other (describe:)

11) President:12) Date to Ch's Ofc:13) Date Board Approved:

## **THE RYAN C. DELENA STUDENT EXPEDITION FUND**

**FUND PURPOSE:** The income from the Ryan C. DeLena Student Expedition Fund may be used to support student participation in expedition-based learning experiences, including but not limited to travel, program fees, equipment, and other related costs associated with immersive or extended field-based academic experiences. Funds may be applied in a manner that best supports student access to these opportunities, with a preference for larger or more comprehensive expedition experiences.

**AWARD ELIGIBILITY:** Recipients shall be matriculated students enrolled at Vermont State University who are participating in expedition-based or field-based learning experiences within outdoor education–related programs, including but not limited to those historically associated with the Outdoor Education, Leadership, and Tourism (OELT) program, at the discretion of appropriate faculty or staff.

**AWARD PREFERENCES:** Preference shall be given to students who demonstrate financial need, particularly where such need would otherwise limit or prevent their ability to participate in expedition-based learning experiences.

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Endowment Modifications

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Office of the President  
PO Box 500  
Randolph Center, Vermont 05061

May 5, 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 Helen R. Guild Scholarship for Elementary Education at Vermont State University.

The Helen R. Guild Scholarship for Elementary Education, established in 1998 by Jay Hurd and Clara Read in honor of her mother, was created to provide scholarship support to new and returning full-time students at the Lyndon campus who are majoring in Elementary Education.

In March 2026, in furtherance of the donors' original intent and in recognition of evolving academic offerings at Vermont State University, the donors revised the fund to change the field of study from Elementary Education to Atmospheric Sciences. The fund will be restyled as the Helen R. Guild Scholarship and will provide scholarship support to full-time students enrolled in Atmospheric Sciences programs at the Vermont State University's Lyndon campus.

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

Sincerely,

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

David Bergh, Ed.D.  
President

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Banking & Investment Resolution

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## BANKING AND INVESTMENT RESOLUTION

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The Vermont State Colleges System's *Banking and Investment Resolution* is typically reviewed and approved annually by the Board of Trustees. Per a recommendation at the 2025 Annual meeting, the banking and investment resolution is being proposed as a bi-annual resolution.

The resolution documents what banking and investment authorities for the corporation have been delegated, and to whom. The resolution is provided to banks and other financial institutions to support the banking and investment transactions of the corporation.

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

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

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

VERMONT STATE COLLEGES SYSTEM

BOARD OF TRUSTEES

RESOLUTION 2026-005

Banking and Investment July 1, 2026 - June 30, 2028

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

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

RESOLVED,

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

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

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

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

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Third Quarter Forecast

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## THIRD QUARTER FORECAST

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### Executive Summary

The Vermont State Colleges System is projecting a favorable variance to budget of **\$3.2 million** for FY26. This favorable result is largely dependent on **\$7.8 million in one-time funds** including **\$5 million in bridge funding** from the state, the Board of Trustees approval of **\$1.5 million to establish the CCV President’s endowment**, and **\$1.35 million in prior year carryforward** funding from Vermont State university. The underlying structural deficit of **\$4.6 million** remains a concern and has actually **worsened by \$754,000 (20%)** since the Q2 forecast due to softer enrollment than anticipated.

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### Revenue Performance

Total revenues are projected at **\$175.3 million**, falling short of budget by **\$851,000**. The primary drivers are:

#### Challenges:

- **Tuition and Fees** are down **\$4.8 million** versus budget, with Vermont State University accounting for nearly all of the shortfall (\$5.6 million decline), partially offset by a \$786,000 gain at the Community College of Vermont.
- **Room and Board** revenues are **\$1.9 million below budget** due to lower residential enrollment at VTSU.
- **Gifts** are tracking **\$352,000 below target**, reflecting fundraising challenges in the unrestricted category. However, as noted in today’s board materials, Vermont State’s development team continues to make good progress in this area.

#### Offsets:

- **State Appropriation** is **\$5 million above budget** due to the final year bridge funding. As with previous years, this funding is not budgeted as part of the standard process and is considered “extra to the budget”.
- **Other Revenue** is **\$1.4 million favorable**, driven by stronger-than-expected investment income.

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### Expense Management

Total expenses are projected at **\$179.9 million**, which is **\$1.2 million favorable** to budget. Key factors include:

### Savings:

- **Salaries and Benefits** are **\$2.5 million under budget** due to position vacancies across all entities – the the largest favorable variance in the forecast.
- **Scholarships** are **\$1.1 million under budget**, a direct consequence of lower enrollment requiring fewer financial aid awards.

### Additional Expenses:

- **Services, Supplies, and Travel** are **\$2.5 million over budget**, primarily driven by **\$3.6 million in Workday implementation costs** at the Chancellor's Office. This expense is covered by a separate project reserve set aside by the Board of Trustees in 2023.
- **Other Expenses** are **\$287,000 over budget** due to bond interest payments and bank fees.

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### Critical Issues & Risks

1. **Enrollment Decline Remains the Primary Challenge** – Vermont State University continues to see enrollment below projections, directly impacting tuition, room and board, and scholarship expenditures.
2. **Structural Deficit Persists** – The \$4.6 million deficit indicates the system's recurring revenues do not cover recurring expenses—a fundamental imbalance that must be addressed.
3. **Cessation of Bridge Funding & Use of One-Time Funds** – Bridge Funding ends with FY26. With the FY27 fiscal year all bridge activity will be internal to the Vermont State Colleges. This situation has been known and planned for over the last five years, but it is important to recognize that revenue growth and diversification, coupled with continued emphasis on expense efficiency will be necessary to close the gap in the coming years.

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### Bottom Line

While the Q3 forecast shows a positive operating result at \$3.2 million after the use of one-time funds, this masks a **structural deficit that has grown since Q2**. The system is managing expenses well through vacancy savings and cost controls, but **revenue challenges driven by enrollment decline at VTSU** continue. Strategic action on enrollment, program offerings, and long-term cost structure, like those already underway at Vermont State University and Community College of Vermont as directed by Chancellor Mauch will continue to be essential to achieving sustainable financial health.

	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	90,607	95,423	(4,816)	22,973	22,187	786	67,633	73,236	(5,603)	-	-	-	-	-	-
State Appropriation	59,257	54,256	5,001	10,191	10,191	0	33,921	33,921	-	6,825	6,825	0	8,319	3,319	5,000
Room and Board	16,890	18,813	(1,923)	-	-	-	16,890	18,813	(1,923)	-	-	-	-	-	-
Sales and Services	5,285	5,479	(193)	2	3	(0)	5,283	5,476	(193)	-	-	-	-	-	-
Gifts	788	1,140	(352)	80	80	0	708	1,060	(352)	-	-	-	-	-	-
Other Revenue	2,517	1,084	1,433	430	430	0	551	654	(103)	-	-	-	1,536	-	1,536
<i>Other Revenue-one time</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>175,344</b>	<b>176,194</b>	<b>(851)</b>	<b>33,678</b>	<b>32,890</b>	<b>787</b>	<b>124,986</b>	<b>133,160</b>	<b>(8,174)</b>	<b>6,825</b>	<b>6,825</b>	<b>0</b>	<b>9,855</b>	<b>3,319</b>	<b>6,536</b>
<b>EXPENSES</b>															
Salaries and Benefits	103,469	105,964	2,495	22,569	22,863	294	73,436	75,252	1,816	6,663	6,932	269	801	917	116
Retiree Medical Expenses	6,982	6,825	(157)	-	-	-	-	-	-	6,982	6,825	(157)	-	-	-
Services, Supplies, Travel	44,594	42,108	(2,485)	5,001	5,000	(0)	28,050	29,182	1,132	7,548	7,548	-	3,995	378	(3,617)
Scholarships	8,361	9,438	1,077	192	192	0	8,169	9,244	1,075	-	-	-	-	2	2
Utilities	7,583	7,746	163	364	364	0	7,206	7,372	166	13	10	(3)	-	-	-
Other Expenses	3,674	3,387	(287)	-	-	-	-	-	-	-	-	-	3,674	3,387	(287)
Debt Service	7,728	7,727	(1)	1,664	1,663	(1)	6,064	6,064	-	-	-	-	-	-	-
Shared Services	102	(0)	(102)	4,297	4,297	(0)	10,193	10,193	-	(14,388)	(14,490)	(102)	-	-	-
Chancellor's Office	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Transfers	(4,609)	(4,091)	518	(266)	(1,489)	(1,223)	(956)	785	1,741	-	-	-	(3,387)	(3,387)	-
<i>Other Transfers-one time</i>	-	-	-	-	-	-	(2,200)	-	2,200	-	-	-	2,200	-	(2,200)
Strategic Initiatives (3%)	1,011	1,011	0	-	-	-	-	-	-	-	-	-	1,011	1,011	0
Economic Stabilization (2%)	1,011	1,011	0	-	-	-	-	-	-	-	-	-	1,011	1,011	0
<b>TOTAL EXPENSES</b>	<b>179,905</b>	<b>181,126</b>	<b>1,221</b>	<b>33,821</b>	<b>32,890</b>	<b>(931)</b>	<b>129,962</b>	<b>138,092</b>	<b>8,130</b>	<b>6,818</b>	<b>6,825</b>	<b>7</b>	<b>9,304</b>	<b>3,319</b>	<b>(5,985)</b>
<b>NET REVENUES/(DEFICIT)</b>	<b>(4,562)</b>	<b>(4,932)</b>	<b>370</b>	<b>(143)</b>	<b>0</b>	<b>(143)</b>	<b>(4,976)</b>	<b>(4,932)</b>	<b>(44)</b>	<b>7</b>	<b>-</b>	<b>7</b>	<b>551</b>	<b>-</b>	<b>551</b>
<b>ONE-TIME FUNDS</b>															
Carried Over Funds	1,365	-	1,365	-	-	-	1,365	-	1,365	-	-	-	-	-	-
Strategic Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other	1,500	-	(1,500)	1,500	-	(1,500)	-	-	-	-	-	-	-	-	-
<b>TOTAL ONE-TIME FUNDS</b>	<b>2,865</b>	<b>-</b>	<b>(135)</b>	<b>1,500</b>	<b>-</b>	<b>(1,500)</b>	<b>1,365</b>	<b>-</b>	<b>1,365</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OPERATING RESULT</b>	<b>(1,697)</b>	<b>(4,932)</b>	<b>(3,235)</b>	<b>1,357</b>	<b>0</b>	<b>(1,357)</b>	<b>(3,611)</b>	<b>(4,932)</b>	<b>(1,321)</b>	<b>7</b>	<b>-</b>	<b>(7)</b>	<b>551</b>	<b>-</b>	<b>(551)</b>

## FY26 Q3 Forecast

### Community College of Vermont

#### Executive Summary

At the close of the third quarter of FY26, the Community College of Vermont is performing ahead of budget and remains on track to deliver a **projected year-end operating surplus of \$1.35 million**. This positive outlook reflects stronger-than-budgeted tuition and fee revenue, stable state appropriation support, and continued discipline in expense management.

While enrollment trends—particularly for summer—will remain an important area of monitoring throughout the remainder of the fiscal year, current indicators suggest that CCV is well positioned to close FY26 with a favorable financial result.

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#### Q3 Financial Performance Overview

##### Revenue Performance

- **Total Revenue Forecast:** \$33.7 million
- **Approved FY26 Budget:** \$32.9 million
- **Variance to Budget:** +\$786.9 thousand

The primary driver of favorable revenue performance is **tuition and fee revenue**, which is forecasted to exceed budget by approximately **\$787 thousand**. Spring and summer enrollment outperformed projections, making up for a fall semester where we did not meet budget expectations. Other revenue sources (sales and services, gifts, and investment income) remain steady and in line with expectations.

##### Expense Performance

- **Total Expenses Forecast:** \$32.3 million
- **Approved FY26 Budget:** \$32.9 million
- **Variance to Budget:** -\$569.9 thousand

Expenses remain below budget overall. Savings are primarily attributed to:

- Lower benefit costs than initially projected,

- Continued management of operating expenses, and
- Indirect grant revenue offsetting salary and benefit expenses.

These savings are partially offset by a continued decline in cross-college enrollment revenue from VTSU.

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### **Net Operating Result and Full-Year Outlook**

Based on Q3 forecasts, CCV expects a **net operating surplus of \$1.356 million**, compared to a balanced budget assumption for FY26. This position reflects both enrollment stabilization and sustained cost controls.

CCV leadership will continue to closely monitor:

- **Summer enrollment trends**, particularly late registration activity, and
- **Final expense execution** across the system.

If summer enrollment performance continues to remain strong through the end of the fiscal year, CCV anticipates strategically allocating a portion of the projected surplus prior to fiscal year close, including:

- A transfer to the **capital fund** to support long-term infrastructure and deferred maintenance needs, and
- A contribution to the **President's Endowment for Student Success**, reinforcing the institution's commitment to sustainability and affordability.

Any such actions will be evaluated carefully in the context of ongoing financial realities.

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### **Conclusion**

CCV's FY26 Q3 results reflect positive momentum heading into year-end. While risks remain—particularly around enrollment volatility and broader economic conditions—the College's current position provides both flexibility and opportunity to strengthen long-term financial fundamentals in alignment with Board priorities.

We will continue to keep the Board informed as final enrollment and financial results crystallize over the coming months.

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## VERMONT STATE UNIVERSITY

### FY2026 Q3 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. As reported at Q2, 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 partnership creating \$1.7M in “pass through” student 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 Q3 Results: Revenue Variance

Enrollment fell significantly short of projections:

- **Overall Fall FTE enrollment** declined by 3%
- **Overall Spring FTE enrollment** declined by 2%
- **Fall residential enrollment** declined by 8%
- **Spring residential enrollment** declined by 10%

These deviations resulted in a projected **\$7.5 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 – \$1.7M**
  - While not achieving our Q1 target of 2.8M in savings, VTSU is currently trending 1.7M 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 – \$1.8M**
  - Favorable experience on grant IDC lines
  - Discontinuation of planned capital & equipment funding
  - Lower than anticipated cross-enrollment expense
5. **Use of One-Time Funds – \$2.2M**
  - 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 the full 2.2M

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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

Achieving a sustainable financial position in the future will require 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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FY27 System Wide Operating Budget

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## FY2027 SYSTEM-WIDE OPERATING BUDGET

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### Executive Summary

The **FY2027 Budget 3.0 systemwide operating budget** reflects continued progress toward structural balance, building on the improvements achieved in Budget 2.0 while incorporating updated revenue assumptions, refined expense plans, and clearer visibility into year-over-year changes.

Relative to **Budget 2.0**, the systemwide position has improved modestly, with the projected operating deficit declining by **\$373,000**, from **\$6.07 million to \$5.70 million**. This improvement is driven by **\$2.06 million in additional revenues**, partially offset by **\$1.69 million in incremental expenses**, resulting in a more stable and better-informed baseline as the budget advances towards this final proposal.

At the same time, the budget reflects a meaningful improvement in the operating result at Community College of Vermont, shifting from a **(\$937,000) operating loss in Budget 2.0 to a break-even position** in Budget 3.0 – an improvement of nearly **\$1.0 million**. This shift underscores the impact of targeted revenue gains and disciplined expense management, even as structural challenges persist throughout the system.

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### Systemwide Financial Overview

Total system revenues are projected at **\$171.5 million**, an increase of **\$2.06 million (1.2%)** compared to Budget 2.0. Total expenses are projected at **\$177.2 million**, increasing by **\$1.69 million (1.0%)**. The resulting **net deficit of \$5.7 million** represents continued progress toward closing the structural gap, though a material shortfall remains.

When compared to the **FY2026 forecast**, the FY2027 budget reflects the absence of significant one-time supports, including approximately **\$3.4 million in state appropriation due to the planned and anticipated loss of bridge funding** and **\$1.2 million in other nonrecurring revenue**, contributing to the year-over-year pressure on the operating position.

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### Comparison to Budget 2.0

Changes from Budget 2.0 to Budget 3.0 reflect both updated assumptions and strategic adjustments:

- **Revenue (+\$2.06M):**  
Growth is driven primarily by **tuition and fee revenue (+\$2.24M, +2.5%)**, reflecting refined enrollment assumptions and improved pricing realization. This increase more than offsets modest declines in auxiliary revenues, including **sales and services (-\$398K)**.
- **Expenses (+\$1.69M):**  
Expense increases are concentrated in areas aligned with institutional priorities:
  - **Scholarships (+\$1.22M, +14.5%)**, reinforcing the system's commitment to student access and affordability
  - Offsetting reductions in **services, supplies, and operating costs (-\$638K)**, reflecting continued efficiency efforts and spending discipline

Taken together, these changes produce a **net improvement of \$373K**, while simultaneously advancing a more intentional alignment between resource allocation and strategic priorities.

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### Entity-Level Highlights

- **Community College of Vermont (CCV):**  
Continues to demonstrate relative stability, supported by modest enrollment growth and disciplined cost management.
  - **Vermont State University (VTSU):**  
Reflects the largest share of both revenue improvement and expense pressure, consistent with its scale and enrollment sensitivity.
  - **Shared Services:**  
Remains structurally balanced, with cost allocations reflecting systemwide service delivery and prior centralization efforts.
  - **Chancellor's Office:**  
Maintains a stable and controlled operating profile with no significant variances.
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### One-Time Funds and Structural Context

The FY2027 budget continues to rely on a limited level of **one-time funds** as bridge financing to support operations during ongoing structural adjustment. While these resources provide necessary near-term stability, they do not represent a sustainable long-term solution.

The comparison to FY2026 underscores this dynamic, as prior-year results benefited from nonrecurring funding sources that are not available in FY2027.

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## Strategic Context and Outlook

The FY2027 budget is developed within a broader context of:

- Ongoing **demographic pressure on traditional enrollment**
- Continued need for **workforce alignment and program relevance**
- Institutional focus on **access, affordability, and student success**

Budget 3.0 reflects a more refined understanding of these pressures and incorporates targeted adjustments accordingly. However, the system remains in a transitional phase, requiring continued vigilance and active management as enrollment data and operational conditions evolve.

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## Conclusion

The **FY2027 Budget 3.0 proposal** represents a measured step forward—narrowing the deficit, improving the operating position, and strengthening alignment between resources and strategy.

While progress is evident, a **projected \$5.7 million deficit remains**, and structural balance has not yet been achieved. The budget therefore positions the system with greater clarity and discipline heading into final development, while reinforcing the need for continued action to achieve long-term financial sustainability.

<b>Vermont State Colleges System</b>					
	FY2026	FY2026	FY2027	FY2027	FY2027
	Budget	Forecast	Budget 1.0	Budget 2.0	Budget 3.0
<b>REVENUES</b>					
Tuition and Fees	95,423	90,606	90,093	88,779	91,014
State Appropriation	54,256	59,256	55,846	55,848	55,850
Room and Board	18,813	16,890	17,021	17,238	17,209
Sales and Services	5,479	5,285	5,619	5,489	5,091
Gifts	1,140	788	1,034	1,034	1,034
Other Revenue	1,084	2,517	1,013	1,038	1,287
<b>TOTAL REVENUES</b>	176,195	175,344	170,626	169,425	171,484
<b>EXPENSES</b>					
Salaries and Benefits	105,964	103,469	106,539	105,012	105,430
Retiree Medical Expenses	6,825	6,982	7,071	7,071	7,071
Services, Supplies, Travel	42,108	44,594	41,155	39,175	39,813
Scholarships	9,438	8,361	8,348	8,422	9,643
Utilities	7,746	7,583	7,701	7,558	7,941
Other Expenses	3,387	3,674	3,162	3,162	3,162
Debt Service	7,727	7,728	7,772	7,772	7,722
Shared Services	-	102	(1)	(1)	(218)
Other Transfers	(4,091)	(6,809)	(4,533)	(4,758)	(5,465)
<i>Other Transfers-one time</i>	-	2,200	-	-	-
Strategic Initiatives (3%)	1,011	1,011	1,041	1,041	1,041
Economic Stabilization (2%)	1,011	1,011	1,041	1,041	1,041
<b>TOTAL EXPENSES</b>	181,126	179,906	179,295	175,496	177,182
	-	-	-	-	-
<b>NET REVENUES/(DEFICIT)</b>	<b>(4,931)</b>	<b>(4,562)</b>	<b>(8,670)</b>	<b>(6,071)</b>	<b>(5,697)</b>

	<b>Community College of Vermont</b>				
	FY2026 Budget	FY2026 Forecast	FY2027 Budget 1.0	FY2027 Budget 2.0	FY2027 Budget 3.0
<b>REVENUES</b>					
Tuition and Fees	22,187	22,973	21,544	21,626	22,308
State Appropriation	10,191	10,191	10,497	10,488	10,488
Room and Board	-	-	-	-	-
Sales and Services	3	2	1	1	1
Gifts	80	80	80	80	80
Other Revenue	430	430	446	448	448
<b>TOTAL REVENUES</b>	<b>32,891</b>	<b>33,678</b>	<b>32,568</b>	<b>32,642</b>	<b>33,324</b>
<b>EXPENSES</b>					
Salaries and Benefits	22,863	22,569	23,978	22,517	22,376
Retiree Medical Expenses	-	-	-	-	-
Services, Supplies, Travel	5,000	5,001	5,053	4,949	4,888
Scholarships	192	192	198	192	192
Utilities	364	364	375	375	375
Other Expenses	-	-	-	-	-
Debt Service	1,663	1,664	1,663	1,663	1,663
Shared Services	4,297	4,297	4,447	4,986	4,986
Other Transfers	(1,489)	(266)	(1,302)	(1,106)	(1,157)
<i>Other Transfers-one time</i>	-	-	-	-	-
Strategic Initiatives (3%)	-	-	-	-	-
Economic Stabilization (2%)	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>32,890</b>	<b>33,821</b>	<b>34,412</b>	<b>33,577</b>	<b>33,324</b>
<b>NET REVENUES/(DEFICIT)</b>	<b>1</b>	<b>(143)</b>	<b>(1,844)</b>	<b>(935)</b>	<b>(0)</b>

<b>Vermont State University</b>					
	FY2026 Budget	FY2026 Forecast	FY2027 Budget 1.0	FY2027 Budget 2.0	FY2027 Budget 3.0
<b>REVENUES</b>					
Tuition and Fees	73,236	67,633	68,549	67,153	68,706
State Appropriation	33,921	33,921	34,847	34,812	34,814
Room and Board	18,813	16,890	17,021	17,238	17,209
Sales and Services	5,476	5,283	5,618	5,488	5,090
Gifts	1,060	708	954	954	954
Other Revenue	654	551	567	590	839
<b>TOTAL REVENUES</b>	<b>133,160</b>	<b>124,986</b>	<b>127,556</b>	<b>126,235</b>	<b>127,612</b>
<b>EXPENSES</b>					
Salaries and Benefits	75,252	73,436	74,423	72,159	72,718
Retiree Medical Expenses	-	-	-	-	-
Services, Supplies, Travel	29,182	28,050	27,904	25,933	26,632
Scholarships	9,244	8,169	8,150	8,230	9,451
Utilities	7,372	7,206	7,315	7,172	7,554
Other Expenses	-	-	-	-	-
Debt Service	6,064	6,064	6,109	6,109	6,059
Shared Services	10,193	10,193	10,550	12,258	12,041
Other Transfers	785	(3,156)	(69)	(490)	(1,147)
<i>Other Transfers-one time</i>	-	-	-	-	-
Strategic Initiatives (3%)	-	-	-	-	-
Economic Stabilization (2%)	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>138,092</b>	<b>129,962</b>	<b>134,382</b>	<b>131,371</b>	<b>133,309</b>
<b>NET REVENUES/(DEFICIT)</b>	<b>(4,932)</b>	<b>(4,976)</b>	<b>(6,826)</b>	<b>(5,136)</b>	<b>(5,697)</b>

	<b>Shared Services</b>				
	FY2026	FY2026	FY2027	FY2027	FY2027
	Budget	Forecast	Budget 1.0	Budget 2.0	Budget 3.0
<b>REVENUES</b>					
Tuition and Fees	-	-	-	-	-
State Appropriation	6,825	6,825	7,071	7,071	7,071
Room and Board	-	-	-	-	-
Sales and Services	-	-	-	-	-
Gifts	-	-	-	-	-
Other Revenue	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>6,825</b>	<b>6,825</b>	<b>7,071</b>	<b>7,071</b>	<b>7,071</b>
<b>EXPENSES</b>					
Salaries and Benefits	6,932	6,663	7,175	9,327	9,327
Retiree Medical Expenses	6,825	6,982	7,071	7,071	7,071
Services, Supplies, Travel	7,548	7,548	7,812	7,907	7,907
Scholarships	-	-	-	-	-
Utilities	10	13	11	11	11
Other Expenses	-	-	-	-	-
Debt Service	-	-	-	-	-
Shared Services	(14,490)	(14,388)	(14,998)	(17,245)	(17,245)
Other Transfers	-	-	-	-	-
<i>Other Transfers-one time</i>	-	-	-	-	-
Strategic Initiatives (3%)	-	-	-	-	-
Economic Stabilization (2%)	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>6,825</b>	<b>6,818</b>	<b>7,071</b>	<b>7,071</b>	<b>7,071</b>
<b>NET REVENUES/(DEFICIT)</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Chancellor's Office</b>					
	FY2026 Budget	FY2026 Forecast	FY2027 Budget 1.0	FY2027 Budget 2.0	FY2027 Budget 3.0
<b>REVENUES</b>					
Tuition and Fees	-	-	-	-	-
State Appropriation	3,319	8,319	3,431	3,477	3,477
Room and Board	-	-	-	-	-
Sales and Services	-	-	-	-	-
Gifts	-	-	-	-	-
Other Revenue	-	1,536	-	-	-
<b>TOTAL REVENUES</b>	<b>3,319</b>	<b>9,855</b>	<b>3,431</b>	<b>3,477</b>	<b>3,477</b>
<b>EXPENSES</b>					
Salaries and Benefits	917	801	963	1,009	1,009
Retiree Medical Expenses	-	-	-	-	-
Services, Supplies, Travel	378	3,995	386	386	386
Scholarships	2	-	-	-	-
Utilities	-	-	-	-	-
Other Expenses	3,387	3,674	3,162	3,162	3,162
Debt Service	-	-	-	-	-
Shared Services	-	-	-	-	-
Other Transfers	(3,387)	(3,387)	(3,162)	(3,162)	(3,162)
<i>Other Transfers-one time</i>	-	2,200	-	-	-
Strategic Initiatives (3%)	1,011	1,011	1,041	1,041	1,041
Economic Stabilization (2%)	1,011	1,011	1,041	1,041	1,041
<b>TOTAL EXPENSES</b>	<b>3,319</b>	<b>9,305</b>	<b>3,431</b>	<b>3,477</b>	<b>3,477</b>
<b>NET REVENUES/(DEFICIT)</b>	<b>-</b>	<b>550</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Community College of Vermont				Vermont State University				Vermont State Colleges			
	FY26 Forecast	FY27 Budget	Var \$	Var %	FY26 Forecast	FY27 Budget	Var \$	Var %	FY26 Forecast	FY27 Budget	Var \$	Var %
<b>Student Rev. &amp; Wages (Millions)</b>												
Net Student Revenue	\$ 22,782	\$ 22,116	\$ (666)	-2.9%	\$ 74,508	\$ 74,606	\$ 98	0.1%	\$ 97,290	\$ 96,722	\$ (568)	-0.6%
Annual Employee Wages	\$ 16,347	\$ 16,141	\$ (206)	-1.3%	\$ 47,999	\$ 46,353	\$ (1,646)	-3.4%	\$ 64,346	\$ 62,494	\$ (1,852)	-2.9%
<b>Full Paying Equivalent Enrollment</b>												
Annual FPE	3,026	2,979	(48)	-1.6%	3,847	3,798	(50)	-1.3%	6,874	6,776	(98)	-1.4%
<b>FPE by Term</b>												
Fall	2,374	2,411	36	1.5%	3,950	3,895	(55)	-1.4%	6,325	6,306	(19)	-0.3%
Spring	2,491	2,265	(226)	-9.1%	3,744	3,700	(44)	-1.2%	6,236	5,965	(270)	-4.3%
Other	1,187	1,281	94	7.9%			-	0.0%	1,187	1,281	94	7.9%
<b>FPE by Value Stream</b>												
Vermonters	2,886	2,829	(57)	-2.0%	2,805	2,689	(116)	-4.1%	5,690	5,518	(173)	-3.0%
Out-of-State	107	106	(2)	-1.5%	1,043	1,103	60	5.8%	1,150	1,209	59	5.1%
NEBHE & Good Neighbor	33	44	11	32.7%			-	0.0%	33	44	11	32.7%
Center for Schools	n/a			0.0%	278	278	-	0.0%	278	278	-	0.0%
	n/a			0.0%			-	0.0%	-	-	-	0.0%
<b>Room Occupancy</b>												
Annual Occupancy	n/a				1,229	1,240	10	0.9%	1,229	1,240	10	0.9%
<b>Occupancy by Term</b>												
Fall	n/a				1,307	1,318	11	0.8%	1,307	1,318	11	0.8%
Spring	n/a				1,151	1,161	10	0.9%	1,151	1,161	10	0.9%
Other	n/a						-	0.0%	-	-	-	0

## Community College of Vermont FY27 Pass 3.0 Budget Narrative

### Revenues

The Community College of Vermont's **Pass 3.0 budget reflects a more targeted and analytically driven approach to enrollment modeling**. Rather than relying solely on full-paying equivalent counts or broad trend assumptions, CCV has disaggregated enrollment projections by key student sub-populations, including Vermonters, Early College students, non-Vermonters, and other defined cohorts. **By grounding projections in both historical and anticipated enrollment patterns** specific to each of these groups, **the College is better positioned to assess risk, monitor performance, and adjust outreach** strategies to specific populations.

A notable outcome of this more strategic approach is that CCV was able to balance the FY27 Pass 3.0 budget **without increasing tuition**. In a challenging affordability environment for students and families, **holding tuition flat reflects both prudent financial planning and a continued commitment to access**. This approach also strengthens CCV's ability to demonstrate value to prospective and current students while maintaining revenue assumptions that are realistic and defensible.

While we were able to keep tuition level, **the revenue budget does reflect modest increases in some student fees**. For example, CCV's lab science fee had not been adjusted since 2015 and was not keeping pace with the additional costs associated with running lab science courses. We propose to increase that fee, along with our administrative fee, by \$25.

State appropriations continue to play a stabilizing role in the College's overall revenue picture, while other operating revenues are modeled conservatively. Collectively, these revenue strategies support a balanced budget while improving CCV's capacity to measure and project enrollment trends with greater precision moving forward.

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### Expenses

On the expense side, the Pass 3.0 budget continues CCV's disciplined approach to cost management. The College has maintained a strong focus on **facilities footprint management**. The College continuously calibrates its facility footprint to respond to changes in student enrollment. This spring, CCV will move out of brick-and-mortar buildings in Springfield and Morrisville and will provide access through both remote

services and in-person outreach. This is a strategic decision based on changing student preferences that will enable us to better serve students and communities. These changes will bring approximately \$100k in annual savings to the College. There will be no reduction in staffing because of this change.

CCV is also seeing **continued positive trends in bad debt expense**, reflecting improvements in collections, student outreach, and financial practices. These gains contribute to greater predictability in net tuition revenue and reduced financial risk.

Importantly, the FY27 budget cycle has been used intentionally to **prepare for Workday implementation**. Expense budgets have been realigned to match CCV's organizational structure, ensuring that budgetary responsibility aligns with the cost center and worktag framework that will be used in Workday. While largely structural, this realignment represents a meaningful step forward: it improves transparency, strengthens accountability, and enhances the College's ability to manage resources in a modern ERP environment.

This approach also lays the groundwork for more sophisticated financial analysis in the future. With expenses aligned at the organizational and programmatic level, CCV will be better positioned to evaluate the revenues and costs associated with specific programs and offerings—supporting more strategic, data-driven decision-making over time.

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### **Future Opportunities and Risks**

CCV continues to evolve our programming to meet changing student preferences and workforce needs. This year we are launching **two new certificate programs** (Paraeducator and Justice Studies) and a **new associates degree program** (Liberal Studies with an Education Specialization). We anticipate these new certificates and program will expand our reach to more Vermonters seeking opportunities to further their education and training.

Several strategic opportunities in the FY27 budget are supported by external grant funding. CCV will continue its **Corrections Education Program**, made possible through funding from Ascendium, sustaining educational access for incarcerated and justice-involved individuals. In addition, the College will **expand health care programming in rural communities** through support from a CDS grant, addressing workforce needs and improving access to training in high-demand fields. Finally, CCV will grow its **STEM programming** through the STRIVE grant, strengthening pathways in science, technology, engineering, and mathematics for Vermont learners.

At the same time, CCV faces several ongoing and emerging risks. Vermont's demographic realities, particularly a declining population of traditional-age students, continue to place pressure on enrollment. Broader **economic uncertainty**, influenced by state, national, and global conditions, adds additional volatility to student decision-making and institutional planning. The **perceived value of higher education** remains a factor that institutions must actively address as students weigh cost, return on investment, and alternative pathways.

As costs rise and enrollment remains level or declines, institutional margins become tighter, increasing the sensitivity of the budget to underlying assumptions. Under these conditions, the risk associated with forecasting error grows. CCV's more targeted enrollment modeling, disciplined expense management, and strategic use of grants help mitigate these risks, but continued vigilance and adaptability will be required in the years ahead.

## Vermont State University FY2027 Budget Proposal

### Overview and Financial Position

The University's FY2027 "third pass" budget proposal reflects a continued effort to align institutional resources with current enrollment realities and sustained cost pressures, while advancing structural adjustments to support long-term financial sustainability.

The University anticipates **total revenues of approximately \$123.3 million** and **total expenses of approximately \$129.0 million**, resulting in a **projected deficit of \$5.75 million**. This represents a deterioration of approximately **\$0.9 million compared to FY2026**, reflecting structural and market pressures as well as the limited availability of one-time resources that supported prior-year operations.

The budget builds from an **unadjusted structural deficit of \$8.9 million**, driven primarily by inflationary cost increases, enrollment-related revenue pressures, and the expiration of one-time funding. Through a series of targeted actions, the institution has reduced this gap by approximately **\$3.1 million**, arriving at the current projected position.

### Key Assumptions

This FY2027 budget incorporates several updated assumptions based on the most current data available:

- **Enrollment** is projected to decline by **1.4%**, an improvement from earlier projections
- **Tuition, room, and board rates** increase by **3.5%**, partially offsetting enrollment pressures
- **Salary and wage costs** reflect contractual obligations
- **Utilities** are projected to increase by approximately **4.8%**, reflecting market conditions across energy categories
- **Scholarship expense** increases by **\$1.1 million**, tied to new financial aid initiatives designed to drive O/S enrollment and produce a favorable shift in mix

The budget also reflects the discontinuation of the 1.4M **Kingdom County Productions contract**, which reduces both revenue and expense on a net-neutral basis, as well as the transition of Human Resources functions into Shared Services, also assumed to be largely budget neutral aside from inflationary effects.

### Revenue Considerations

Total revenue is projected to increase by **\$2.5 million (2.1%) year-over-year**, reaching approximately **\$123.3 million**.

Key drivers include:

- **Tuition and Fees** increase modestly (+1.6%), as rate adjustments are largely offset by enrollment decline and the loss of contract-related revenue
- **State Appropriation** grows by **2.7%**, providing an important source of stability
- **Room and Board** revenue increases by **1.9%**, supported by pricing and targeted financial aid strategies

- **New revenue initiatives**, including **\$300,000 in facility leases** and approximately **\$250,000 in investment income**, contribute incremental gains
- **Gifts** are projected to return to more typical levels following a lower FY2026 base

These gains are partially offset by declines in auxiliary and programmatic revenue, including slightly lower projections in Sales and Services.

### **Expense Management and Actions Taken**

Total expenses are projected to increase by **\$3.5 million (2.8%)**, reaching approximately **\$129.0 million**. Significant cost pressures include compensation, utilities, and financial aid. In response, the University has implemented a range of cost containment and restructuring measures. These actions include:

- **Vacancy management**: assumptions incorporate approximately **\$750,000 in savings** associated with typical vacancy patterns observed in recent periods
- **Normal attrition and retirement-related savings**: approximately **\$1,100,000 in savings** is anticipated through expected retirements and normal staff transitions, consistent with long-standing workforce planning approaches
- **Operational efficiencies**, including targeted reductions in supplies, services, travel, and related areas totaling approximately **\$730,000**
- **New facility leases**, contributing **\$300,000 in additional revenue**

Collectively, these actions generate approximately **\$3.1 million in net improvement**, significantly reducing the initial structural deficit.

Notably, expense reductions in certain categories—such as Services, Supplies, and Travel—are also supported by the elimination of costs associated with the Kingdom County Productions contract.

### **Summary**

The FY2027 third-pass budget projects a **\$5.75 million deficit**, improved from an initial structural gap of \$8.9 million through a series of targeted actions. While meaningful progress has been made, the remaining deficit and the absence of contingency underscore the challenges ahead.

Continued focus on execution in FY2027, combined with longer-term structural adjustments, will be essential to restoring financial balance and sustainability.

## **Shared Services & Chancellor's Office**

### **FY27 Budget**

**FY27 Shared Services final totals \$17.45 million, reflecting a \$2.247 million increase from Pass 1 due to the consolidation of Human Resources into Shared Services and its corresponding removal from the CCV and Vermont State University budgets.**

**The FY27 Chancellor's Office final budget totals \$3.477 million, representing a \$46,000 increase from Pass 1 driven by personnel adjustments such as the addition of a Chief Academic Officer as requested by the Board of Trustees**

Excluding the transfer of Human Resources into Shared Services, the increase in the FY27 Shared Services budget is driven primarily by employee-related costs and system-wide infrastructure expenses. Personnel costs reflect negotiated wage increases for shared services staff as well as growth in retiree medical expenses. Wages and benefits are projected to increase 3.5% year over year, while retiree medical costs are expected to rise approximately 3.6%, consistent with the negotiated rate increase for the retiree medical plan.

Non-personnel expenses—including supplies, services, equipment, and travel—are also projected to increase 3.5% year over year, driven almost entirely by negotiated increases in information technology spending. These investments support core system-wide infrastructure, including internet connectivity, computing technology, and enterprise information systems that underpin operations across the Vermont State Colleges system.