

To: The House Committee on Appropriations
From: Elizabeth Mauch, Chancellor of the Vermont State Colleges System
Date: February 9, 2024

In partnership with the state, faculty, staff and students, the Vermont State Colleges System over the last three years has been working to transform our institutions to meet the needs of our students on campus, online, and for decades to come. This transformation is increasing access, broadening availability of resources, and meeting the needs of today's students, even while we fend off the challenges most public higher education institutions across the country are seeing. Part of that transformation work, as recommended in the *Select Committee's* report and mandated by the state in Act 74 of 2021, includes right-sizing our operations and our campus footprints.

Thank you for your investment in our success – it is working, and we are eager to continue our partnership with you.

All of this work is in service to our students. Over 19,000 individuals are served each year by the Vermont State Colleges System in both our degree programs and our workforce development efforts. We are filling massive workforce gaps in plumbing and electrical, nursing, early childhood education, mental health, manufacturing, and education, to name a few. 82% of learners in the Vermont State Colleges System are Vermonters and after graduation our students remain in Vermont, contributing to the workforce, the economy, and Vermont's rural communities. In fact, within one year of graduation, 83% of our nursing graduates license to practice in Vermont and we have 137 plumbers and electricians graduating into the workforce this spring.

As we enter the next phase of transformation, we are continuing to follow the recommendations that were set out in the *Select Committee's* Report. Our budget request for Fiscal Year 2025 reflects our efforts to achieve sustainability, accessibility, and a thriving public higher education system. To be successful, we request the following support this year:

- **\$52,800,000 in base appropriation from the General Fund.** This represents a base appropriation of \$48 million, with a catch-up inflation adjustment of \$4.8 million. To date, the Vermont State Colleges have requested only the General Fund dollars as recommended by the *Select Committee* in FY2020 dollars. Due to significant inflation in recent years, these funds in FY2025 hold approximately 14.6% less purchasing power than the original \$48 million base appropriation recommended in its first draft of their report in November 2020 and adopted in spring 2021. We seek an inflation adjustment of 10% this year to account for that difference.
 - The Governor included in his FY2025 budget proposal an inflationary increase of 3%, for a total of \$49,440,478.
 - **To meet our FY2025 budget request, an additional \$3,359,522 is needed.**
- Additionally, we support the Governor's recommendation of collapsing our Transformation line item (B.602.2) into regular base funding. (This means making **B.602 and B.602.2 into a single line item**). This makes sense as "transformation" dollars were intended to become part of our base appropriation, and have been fully realized as outlined in the *Select Committee* report.

- This change was included as part of the Governor's FY2025 budget proposal, which we wholeheartedly support.
- **\$10,000,000 in one-time bridge funding to assist our structural deficit needs.** The *Select Committee* recommended that the Vermont State Colleges System receive bridge funding as it works to reduce its structural deficit, and this ask is in alignment with the financial analysis done by that committee.
 - The Governor included in his FY2025 budget proposal bridge funding in the amount of \$5,000,000.
 - **To meet our FY2025 budget request, an additional \$5,000,000 is needed.**
- **\$5,000,000 in one-time funding to support Community College of Vermont's successful Vermont Tuition Advantage Program.** Our shared efforts to support workforce development with free and/or greatly reduced tuition initiatives over the last four years are working, and we seek to continue these efforts in partnership with you.
 - The Governor included in his FY2025 budget proposal \$1,000,000 in one-time funding to support CCV's Vermont Tuition Advantage Program.
 - **To meet our FY2025 budget request, an additional \$4,000,000 is needed.**
- **Finally, we support the adjustment to our Global Commitment funding included in the Governor's proposed budget for FY25, which will support our allied health programs.**

We believe the funding requested is necessary to meet the needs of our institutions and keep us on the path to a successful transformation.

On behalf of our over 15,500 students and 3,700 workforce development learners, our dedicated faculty and staff, our rural host communities, business and industry partners, leadership team, and Trustees, we are grateful for the ongoing support we have received from you and your colleagues in the General Assembly. Our singular focus is to serve our students and meet Vermont's workforce needs, now and in the future. We recognize that the last several years have been challenging for the State of Vermont. Your prioritization of our institutions as the economic anchors in Vermont's rural communities, of our essential workforce development programs, and of our students has strengthened the future of public higher education in Vermont. With your leadership and support, we can be the nimble, responsive, and flexible partner the state needs, and that you expect of us.

Thank you for considering this request. Should you have additional questions, please do not hesitate to reach out to me or my team.

Sincerely,

Elizabeth Mauch
Chancellor, Vermont State Colleges System