



Vermont State Colleges  
Testimony to the  
Senate Appropriations Committee  
February 23, 2016

*Jeb Spaulding, Chancellor*

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Vermont State Colleges: Summary of Requests, FY2017

<b>FY2016 VSC Base Appropriation</b>	<b>FY2017 Governor's Recommendation</b>	<b>VSC FY2017 Request</b>
\$25,458,239	\$25,458,239	\$25,622,088 (.7%) - \$26,247,444 (3.1%)

Request: Link the Vermont State Colleges' base appropriation to the same annual percentage increase as the General Fund transfer to the Education Fund, starting in FY2017. Cost Range: \$213,849 - \$789,205.

Enrolling over 10,000 Vermonters annually, the Vermont State Colleges are the de facto extension of the Vermont public education system into higher education. 65% of all Vermonters going to college in state attend the VSC -- more than all other institutions combined. We confer over 1,600 degrees to Vermonters annually. Increased college degree attainment among Vermonters will bend the curve on income inequality and human services costs to the state. To maintain affordable, accessible, high-quality post-secondary education for the majority of Vermonters who will go to college, we propose modest, annual increases that will turn the corner on state support.

Proposed language:

*16 VSA §2171(f) is added to read: In partial fulfillment of the obligations of the State under subsection (a) above, for each fiscal year, the amount of General Funds appropriated to the Vermont State Colleges, or successor under 16 VSA § 2171 (a), shall be increased by no less than that fiscal year's percentage increase in the General Fund appropriation or transfer to the Education Fund under 16 VSA § 4025 (a) (2).*

<b>VSC FY2017 Request: Complete College Vermont</b>
\$2,900,000

Request: Fund Complete College Vermont.

This program will provide incentives and supports for the VSC and UVM to encourage enrollment of and degree completion for first generation and economically-disadvantaged Vermont students. Colleges will be eligible for a \$2,000 support payment for every bachelor's degree and \$1,500 for every associates degree conferred to a student in this group. Funds will be used to build financial aid and student support systems often necessary for degree completion in this cohort.

This proposal targets a growing gap in degree attainment in Vermont that will bear on the economic well-being of these individuals and the state's economy. It was the result of a summer study recommending a results-based fund to incentivize public higher education to address low degree completion among this group.

<b>Governor's FY2017 Request: CCV Program for Young Adults</b>	<b>VSC FY2017 Request</b>
\$850,000	\$850,000

Request: Fund the Governor's "MoveUp802" proposal in FY2017.

The growing percentage of Vermont high school graduates not continuing on to college poses a challenge for the State. Without some post-secondary credential or degree, young, working-age Vermonters are less likely to earn a wage that will help them get ahead. Lack of financial stability will have long-term, negative impacts on their personal well-being. These young people are more likely to need assistance from the State at some point in their lives. An opportunity to pursue post-secondary education can be transformative and prepare more young Vermonters for success in the workforce.

The Governor proposes \$850,000 to build out a successful Community College of Vermont program targeted at increasing educational opportunities for high school graduates who have not pursued any further education. It provides funds for counselors to provide outreach and the intensive advising that has proven successful at keeping these students coming to class. Additional funds provide vouchers to pay for up to five free courses that qualified participants can take at any one of the State Colleges or at the University of Vermont.

Vermont State Colleges  
 FY2017 Operating Appropriations Request

9/25/2015

		FY2017 Requested % Increase	FY2017 Requested \$ Increase	FY2017
VSC Operating Appropriation	*	<u>FY2016</u> \$24,300,464	0.00%	\$0 \$24,300,464
Vermont Interactive Television	**	\$420,000	0.00%	\$0 \$0
AHP	***	\$1,157,775	0.00%	\$0 \$1,157,775

- \* Includes \$427,898 for Vermont Manufacturing Extension Center
- \*\* Capital fund = \$200,000 and Global Commitment = \$220,000
- \*\* General Fund = \$748,314 and Global Commitment Fund = \$409,461

**NOTE:**

It was requested that the Vermont State Colleges submit a 0% increase for the FY2017 fiscal year and we have done so. However, it should be noted that there is an inverse relationship between the higher education State appropriation and tuition and fee levels. Vermont State Colleges continues to have near the highest state college tuition and fees in the country due to us receiving close to the least amount of state appropriation per FTE. This continues to be of great concern to us since we are the access point for most Vermonters with regard to higher education - 84% of all Vermont State College students are Vermonters. It is increasingly difficult to maintain a quality educational experience with such a low level of State support. The Vermont State Colleges Board of Trustees is committed to having no tuition increase next year at some of our colleges, but level funding from the State will make that difficult.

We are continuing to work with the Governor and Secretary of Administration on various funding options which could increase our appropriation.

### **Six Priorities to Support the Mission of the Vermont State Colleges**

*For the benefit of Vermont, the Vermont State Colleges system provides affordable, high quality, student-centered, and accessible education, fully integrating professional, liberal, and career study, consistent with student aspirations and regional and state needs.*

1) Increase the continuation rate of high school students on to postsecondary education.

*Strategy 1.a. Provide effective leadership and advocacy, with partners, on the urgent need to increase postsecondary affordability and attainment while sustaining program quality.*

*Strategy 1.b. Expand strategies (e.g. Introduction to College Studies, dual enrollment, “try a major” events) targeted at current populations of high school students who are not continuing with postsecondary education.*

*Strategy 1.c. Expand existing and create additional flexible academic pathways into and through our degree programs, including providing meaningful certificates and associate degrees.*

2) Improve the retention and graduation rates at our colleges.

*Strategy 2.a. Implement degree maps to create clear curriculum paths to graduation.*

*Strategy 2.b. Improve access and use of data and advising technologies.*

*Strategy 2.c. Develop multiple delivery models for degree completion, including online, connected classrooms, and flexible schedule options.*

*Strategy 2.d. Continue to increase comprehensive and strategic approaches to student support services.*

3) Become a more attractive destination for Vermont high school graduates.

*Strategy 3.a. Create a positive brand at the VSC system level that supports the unique characteristics of each college and is rooted in the sustained quality of the academic experience.*

*Strategy 3.b. Continue to improve technological and physical infrastructure.*

*Strategy 3.c. Enhance relationships with school counselors statewide.*

*Strategy 3.d. Establish VSC celebration and support of academic excellence (e.g. VSC Hall of Fame).*

4) Serve well more working age Vermonters.

*Strategy 4.a. Improve and expand flexible and online delivery of programs across the VSC to increase number of degree programs available to students statewide.*

*Strategy 4.b. Work with employers on needs assessment and flexibility of delivery.*

*Strategy 4.c. Improve the entire technology infrastructure of the system to ensure that it is user friendly and competitive.*

5) Operate as a more integrated system to expand student opportunities and achieve operational efficiencies.

*Strategy 5.a. In addition to maximizing productive collaboration and integration across the entire system, develop strategic alliances between Johnson and Lyndon State Colleges, as well as Vermont Technical College and Community College of Vermont, intended to complement and/or supplement their individual strengths and weaknesses.*

*Strategy 5.b. (Also 4c.) Improve the entire technology infrastructure of the system to ensure that it is user friendly and competitive.*

*Strategy 5.b. Review the financial model of the system to ensure institutional stability and explore financial incentives that support collaboration and system interconnectedness.*

*Strategy 5.c. Reduce transferability and course-sharing barriers to expand the diversity of student academic and co-curricular learning opportunities.*

6) Increase state financial support and other supplemental revenues.

*Strategy 6.a. More effectively advocate for state support.*

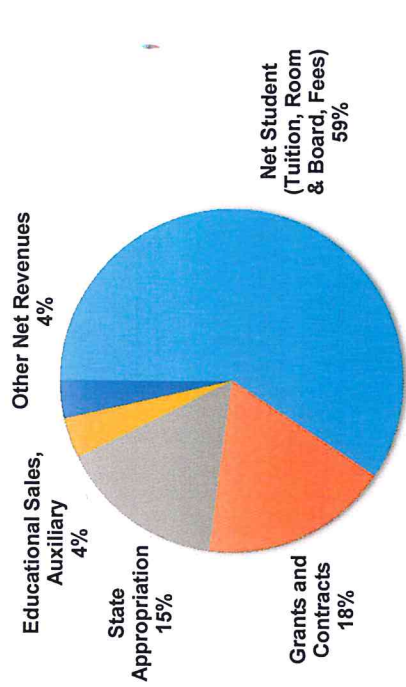
*Strategy 6.b. Increase grant-writing capacity in the system.*

*Strategy 6.c. Collaborate on shared fundraising resources.*

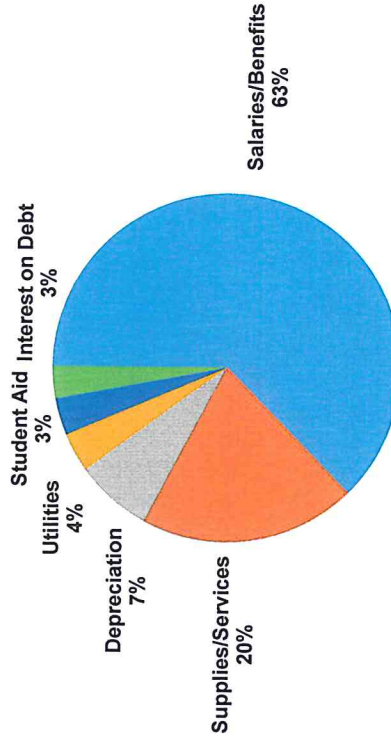


## Vermont State Colleges Fiscal Year 2015 Revenues and Expenses

Revenues	Amount (\$ Millions)	Percent of Total
Category		
Net Student (Tuition, Room & Board, Fees)	109,860	59.3%
Grants and Contracts	32,976	17.8%
State Appropriation	28,710	15.5%
Educational Sales, Auxiliary	7,114	3.8%
Other Net Revenues	6,747	3.6%
	185,407	100.0%

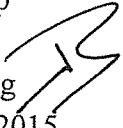


Expenses	Amount (\$ Millions)	Percent of Total
Category		
Salaries/Benefits	122,588	62.7%
Supplies/Services	39,342	20.1%
Depreciation	14,087	7.2%
Utilities	7,143	3.7%
Student Aid	6,742	3.4%
Interest on Debt	5,758	2.9%
	195,660	100.0%



Memorandum

**To:** Jim Reardon  
Andy Pallito  
Emily Byrne  
Sam Winship

**From:** Jeb Spaulding 

**Date:** October 22, 2015

**RE:** Follow-up to Budget Meeting

Thank you for your time earlier this week. The purpose of this memo is primarily to reemphasize our request that the base appropriation for the Vermont State Colleges be increased annually at the same percentage rate as the General Fund transfer to the Education Fund, starting in FY 2017.

The rationale for this request is that the Vermont State Colleges system is the de facto extension of the Vermont public education system into higher education. We enroll more Vermonters than all of the other colleges and universities in this state combined. We confer almost twice as many degrees to Vermonters annually as the next highest degree granting institution in the state. Over 80 percent of our students are Vermonters; half of them are the first in their family to ever go to college.

The evidence is clear that a college degree has become the dividing line between the haves and the have-nots. If we are to bend the curve on seemingly endless outsized annual increases in human services costs and narrow the inequality gap, we need to help more Vermonters attain a college degree. That is what we do and nobody else in Vermont is in our league in this regard. Language to accomplish this request would be pretty simple and the cost pretty modest (in the \$500,000 range at 2%). Here is sample language that would establish our request in law:

*For each fiscal year, the amount of General Funds appropriated to the Vermont State Colleges system shall be increased by the same percentage as the General Fund appropriation or transfer to the Education Fund under 16 VSA § 4025 (2).*



I have also attached the memo we discussed at our meeting that outlines two proposals in response to a request from the Governor. If he is interested in further development of either of these proposals, please let us know. We stand ready to be of assistance as required.

Finally, I have attached a document supporting a potential supplemental capital appropriation to help us catch up on old and decrepit roofs at our campuses. Senator Mazza asked us to develop a high need proposal along these lines and he has a copy of the attached document. I mentioned this possibility to the Governor and he seemed positively inclined to be supportive, although I have to say it was a brief and general discussion. I am hoping to schedule a meeting with Commissioner Obuchowski next week to discuss this subject.

Thanks again for your time and consideration. Please let me know if you have any questions.

cc: Justin Johnson  
Darren Springer  
Tom Robbins  
Tricia Coates

## Complete College Vermont

*Supporting the enrollment and graduation of low income and first generation Vermonters from the University of Vermont and Vermont State Colleges.*

**Why?** Vermont, like other states, has not had success in narrowing the opportunity gap between low and high income citizens. One of the most powerful means to narrow this gap would be to help more Vermonters to attain a college degree, particularly those who are low income or who are the first in their families to go to college. Nationally, college completion rates have soared for affluent students but barely budged for low income students. 77% of adults from families in the top income quartile earn at least a bachelor's degree, up from 40% in 1970, but only 9% of people from the lowest income quartile do that, up only from 6% in 1970. In Vermont, 36% of economically disadvantaged students enroll in college, compared to 62% for non-economically disadvantaged students. The truth is, it is more expensive and risky for colleges to build in the support systems that allow low income and first generation students to succeed in college.

**Proposal:** This funding will make it more affordable for first generation and low income Vermonters to get a college education and will allow UVM and the VSC to improve their recruitment and support systems for low income and first generation college goers, with the goal of graduating more at-risk Vermonters, narrowing the inequality gap, reducing social service costs over time, and expanding the State's workforce.

Based on a three-year rolling average of degrees conferred, public colleges or universities in Vermont will be eligible annually for a \$2,000 support payment for every bachelor's degree and \$1,500 for every associate's degree conferred to a low income or first generation Vermonter. Half of the funds will be used for additional financial aid for first generation and low income students and half will be used to build in the support systems that allow these students to graduate from college in a timely fashion.

**Cost:** Estimated annual cost: ~ \$2.9 million

## Complete College Vermont

11/30/2015

Institution	Total Associate's Degrees Conferred to Pell and/or First-Generation Vermonters	Total Bachelor's Degrees Conferred to Pell and/or First-Generation Vermonters	Total Support: \$2000 per bachelor's degree, \$1500 per associate's degree
Castleton University	45	185	\$437,500
Community College of VT	403	0	\$604,500
Johnson State College	3	226	\$456,500
Lyndon State College	7	81	\$172,500
University of Vermont	0	380	\$760,100
Vermont Technical College	178	91	\$449,000
<i>Total first-generation/low-income Vermont graduates</i>	636	963	
		<b>TOTAL</b>	<b>\$2,880,100</b>

**Report of the Higher Education Subcommittee to the PreK-16 Council:**

**Study of State Funding for Higher Education\*  
Related to a Performance/Outcomes-Based  
Formula**

**Section E.608 of Act 58, 2015**

*\*The committee was comprised of the members of the Higher Education Subcommittee of the Prekindergarten-16 Council, 16 VSA sec. 2905(d). Members listed in the Report Appendix.*

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Submitted to the Vermont General Assembly

December 2015

In 2015, the Vermont Legislature instructed the Higher Education Subcommittee of the Vermont PreK-16 Council to review outcomes/performance-based funding models for public higher education utilized in other states and report back on recommendations for the design of a model that could be used to allocate funding for the University of Vermont and the Vermont State Colleges. This request was included in the appropriations bill, Section E.608 of Act 58, 2015.

The subcommittee wants to express its appreciation to HCM Strategists and the Lumina Foundation for lending their expertise to the early phases of the subcommittee's work.

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# Study of State Funding for Higher Education

## Background

National data indicate that by 2020 two-thirds of all new jobs will require postsecondary education (Lumina Foundation 2013). The Vermont Department of Labor projects that by the year 2022, Vermont will have nearly 10,000 new job openings — due to both growth and replacing retiring workers — that require at least a postsecondary certificate (Vermont Department of Labor 2015).

Our state's ability to fill those jobs is important for Vermont's future economic well-being. Even more critical will be the state's ability to attract the kind of employers and entrepreneurs whose innovations will create new jobs for Vermont workers. Policymakers and stakeholders increasingly recognize that postsecondary education and training are a big part of the strategy to do both.

To meet these employment and economic development imperatives, the state's policymakers have set the goal that by the year 2020 at least 60 percent of working-age Vermonters will hold a high-quality postsecondary credential. (Compact with the State of Vermont, 2009)

Achieving the state goal will require significant increases in the percent of Vermont students who enroll in postsecondary education. It will also require significant increases in the rate at which these students persist, complete their studies and graduate on time. According to the U.S. Census, 45.5 percent of Vermont adults currently have a two- or four-year postsecondary degree (Lumina Foundation 2015). It is estimated that 60,000 Vermonters have some college but no degree (Lumina Foundation 2015). It is also important to note, that achieving these goals will require significant financial investment by the state.

While it is tempting to consider education and training after high school solely in terms of its benefits to the individual, the benefits to the state are equally important. The Federal Reserve of Cleveland, in a report on state economic growth, concluded that a state's "knowledge stocks" as measured by high school and college degree attainment rates and the state's stock of patents, licenses and companies created, were the main factors explaining a state's relative per capita income. This is particularly critical at a time when state revenues lag behind projections.

Performance/outcomes-based funding formulas are used by states to incentivize their institutions of higher education to increase degree attainment and reach other state goals. The conversation about performance/outcomes-based funding comes to Vermont in the wake of the state's disinvestment in

higher education and in recognition of the role higher education should play in shaping the future of the state's economy and in expanding opportunity for more Vermonters.

### **A Vermont Snapshot of Postsecondary Education**

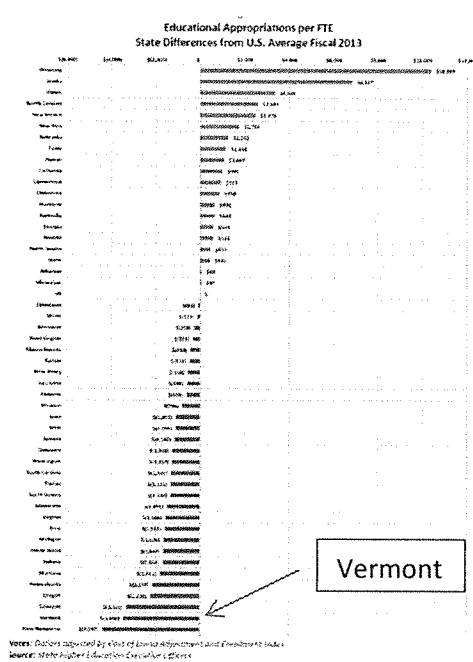
In 2009, Vermont signed onto President Obama's goal of having 60 percent of Vermonters hold a postsecondary degree by the year 2020. With five years to go, approximately 46 percent of Vermont adults now hold a two- or four-year degree. When the estimated number of certificates is factored in, it is projected that about 52 percent of Vermonters have some postsecondary credential. Recent work by education and business stakeholders has concluded that state workforce development needs demand that this goal be increased to 70 percent by 2025.

Surely there is much work to be done, as is borne out by these statistics:

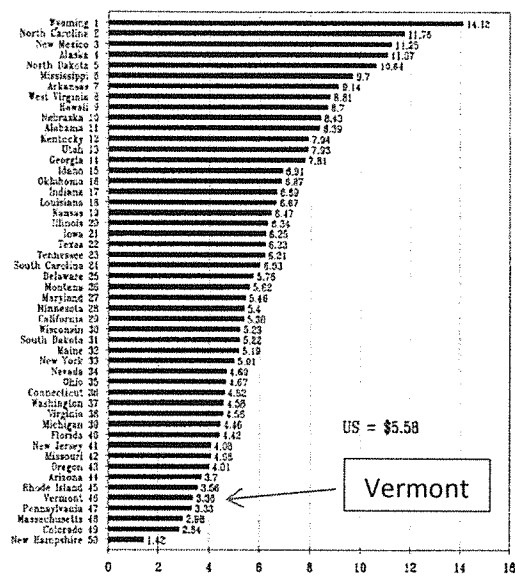
- According to VSAC research, 60 percent of Class of 2012 high school seniors enrolled in a postsecondary education program immediately after high school, less than the national average of 66 percent and the lowest in the region.
- There are significant differences in the pursuit of postsecondary education by gender, geography and economic status.
- According to the Vermont Agency of Education, only 35 percent of Vermont's low-income students enroll in a postsecondary institution whereas the regional average is nearly 47 percent.
- First-year student retention at Vermont public institutions varies widely in accordance with differences in students and mission—48 percent at CCV, 62 percent at Johnson State College, 65 percent at Lyndon State College, 68 percent at Vermont Technical College, 79 percent at Castleton State College and 87 percent at the University of Vermont (VSAC 2015).
- For the high school graduating class of 2009, only 45.8 percent completed a postsecondary degree within six years. For low-income students, only 30.7 percent completed a degree, according to the AOE.
- The Lumina Foundation estimates that 60,000 Vermonters have taken some coursework but have not obtained a degree.
- The Kaiser Family Foundation reports that Vermont ranks fourth in the nation in the percent of its General Fund spent on corrections and 43<sup>rd</sup> in the nation in spending on higher education.

## State Disinvestment in Higher Education

By nearly any measure, Vermont ranks near the bottom of the nation in terms of state funding for education and training after high school. Whether calculated in terms of appropriations per education full-time equivalent or FTE (Vermont ranks 49<sup>th</sup>), or in terms of state fiscal support per \$1,000 of state personal income (45<sup>th</sup>), Vermont has not made the same investment in access to higher education and in its public institutions of higher education that has been made by nearly every other state.



State Fiscal Support for Operating Expenses  
of Higher Education per \$1000 of Personal Income  
FY2013



Vermont's disinvestment in higher education has been the cumulative result of many annual budgetary decisions. One common way to understand a state's investment in a program relative to a state's size and capacity is to look at expenditures relative to \$1,000 of personal income. This reflects the state's investments relative to its potential capacity to invest and accounts for differences in both the size and the economic capacity of the state. In 1980, Vermont spent \$7.78 per \$1,000 of personal income in support of higher education. By 2013, this had fallen to \$3.38 per \$1,000 of personal income. Vermont now invests 49 percent less as share of personal income than the average share invested by the 10 smallest states in the nation.



Another way to understand this disinvestment is to look at funding for higher education relative to investments Vermont has made in other General Fund programs and services. In 1980, Vermont spent 11.8 percent (\$26.5 million) of its \$225.4 million General Fund expenditures on higher education. In 2014, Vermont spent 6 percent (\$82.9 million) on higher education of its General Fund expenditures of \$1.37 billion. State funding for higher education grew only at roughly 42 percent of the rate the General Fund grew over that same period. Over the same time period, from 1980 to the present, the enrollment of Vermont students in public higher education in Vermont has increased by over 3,000 students.

Simply put, if funding for higher education had done nothing more than grow at the rate of the General Fund, higher education now would be receiving an annual appropriation of \$161.5 million. This in turn would have resulted in lower tuition at our public institutions, expanded and higher-quality programs, larger grants, increased education opportunity for all Vermonters, not to mention lower student debt.

As a direct result of this public policy, tuition for Vermonters attending the state's public institutions is artificially high compared with states whose higher education funding is more the norm. One consequence of these funding decisions has been increased student and parent debt. In FY10, a Vermont family receiving a VSAC grant (typically lower-income families) borrowed \$34,715 in student and parent loans to obtain a four-year degree at one of the Vermont State Colleges, \$30,273 at UVM, and \$46,367 to obtain a degree from one of Vermont's private institutions

Additionally, these funding decisions likely contribute to Vermont's lower-than-average rates at which Vermont high school students continue on to college, as well as the rate at which they complete their degrees. We also note that high tuition rates at public institutions of higher education are having a negative impact on the college-going rate of economically disadvantaged Vermonters. Vermont ranks 11 percent below its regional neighbors in the numbers of these Vermonters going to college.

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### **Subcommittee's Responsibility**

For FY 2016, lawmakers again level-funded spending on higher education, but asked for additional research and recommendations on performance/outcomes-based funding for higher education, in part to align existing appropriations with the state priority of increasing the number of Vermonters who obtain high-quality certificates, associate's, bachelor's, graduate and professional degrees.

Under Section E.608 of Act 58, members of the PreK-16 Council's Higher Education Subcommittee were charged with developing "a proposal by which a portion of state funding for the Vermont State Colleges and the University of Vermont would be allocated based upon nationally recognized and established performance measures" that shall include:

- Retention and four-year graduation rates
- Number of both graduate and undergraduate degrees awarded
- Actual cost of instruction
- Cost of attendance after all non-loan financial aid
- Average amount of financial aid awarded
- Average debt upon graduation for Vermont students
- Number of first-generation and socioeconomically disadvantaged students earning a degree from each institution
- The number of students enrolled in and completing programs identified as important to Vermont's economy pursuant to 16 V.S.A. § 2888(b) (Vermont Strong Loan Forgiveness Program)

The group was directed to meet no more than three times and present a "results-based funding proposal with any legislative changes necessary to implement the proposal" to the Governor and the General Assembly on or before December 15, 2015. The three subcommittee meetings were held July 16, Oct. 29 and Nov. 30.

The first meeting included presentations by UVM and the VSC on data related to the non-exclusive list of outcomes/performance measures described in the Act.

Additionally, testimony was taken from Martha Snyder, a senior associate at HCM Strategists, who briefed the committee on outcomes/performance-based funding models that have been employed by other states, best practices and lessons learned from models that have not achieved desired results and or which have not been sustained.

The second meeting allowed members of the group to present and discuss outcomes measures they believed should be included as part of a performance-based funding model. The Vermont State Colleges also presented a proposed outcomes-based funding model.

The third meeting consisted of final deliberations and consensus on recommendations to the Governor and the General Assembly.

(Links to all presentations are listed in the Report Appendix.)

Some information contained in this report is based on findings from the [Act 148 Interim Study of Higher Education Funding of 2014](#) and submitted to the Legislature last year.

## **What is Outcomes/Performance-Based Funding?**

The fiscal environment facing Vermont – like so many other states – has policymakers considering how to best fund higher education. Historically, states typically have focused appropriations on enrollment and college access. In recent years, policymakers have given greater attention to the need to improve student retention, reduce drop-out/stop-out rates and improve on-time degree completion graduation rates, particularly for first-generation, low-income students. Nationally, only 55 percent of students who begin their education at a four-year college complete their degree within six years (National Student Clearinghouse 2015).

According to [Inside Higher Ed](#), at least 35 states are rethinking their funding models to link support for public colleges to student completion rates, degrees completed and other performance measures that will improve both college access and college completion.

That's where outcomes/performance-based funding may be relevant. This formula uses metrics to measure progress on key goals and objectives. Since 1979, states have tried to incorporate – with varying degrees of success – measures that rely on performance to allocate how higher education funding will be distributed. In recent years, performance-based funding has regained popularity and a [comprehensive article](#) from the Center for American Progress details the genesis of performance-based funding and critical elements of well-designed plans being utilized by six states.

Likewise, the Lumina Foundation has released the first four of 13 papers it will publish on performance-based funding in higher education.

Its reasoning: “Numerous independent research studies have found evidence that funding models with financial incentives for colleges and universities to help students complete their programs of study result in better pathways and supports for students. The need for finance systems oriented around improving student outcomes is urgent, especially for ensuring more equitable outcomes for students from all racial and ethnic backgrounds.”

### **Principles of Successful Models**

Testimony provided to the subcommittee identified a series of design principles for outcomes-based funding formulas:

1. Begin with a state goal and clear policy priorities.

Performance/outcomes-based funding models must be organized around simple, clearly stated and measurable state goals. These goals must be both understood by the institutions of higher education and be achievable through actions or changes of behavior on the part of the institutions.

2. Use a simple approach that accounts for institutional differences and that includes only measurable metrics.

Institutions of higher education are called upon and expected to serve diverse populations and fulfill different missions. Metrics should be clearly aligned with state goals and applied to institutions in a way that is aligned with their missions. Categories (i.e., number of degrees granted, graduation rates, etc.) may be applied across all types of institutions but their weights should be varied to reflect the role and mission of the institutional type. For example, graduation rates, number of certificates granted and number of research grants should not be weighted the same for two-year institutions and research universities.

3. Incent the success of first-generation and low-income students.

Special attention should be given to incent efforts to improve the success of underrepresented students. Typically this means providing incentives for enrolling these students, retaining these students and for on-time certificate or degree completion.

4. Elicit stakeholder input.

Higher education is one of Vermont's most vital economic sectors and is critical to the state's economy. It is one of the largest employers—about 6,200 are employed at Vermont public institutions of higher education – and also successfully attracts tuition and fees from nearly 21,000 out-of-state students each year. In 2013, 37,309 students were enrolled at Vermont public and private colleges and universities. Higher education institutions are important regional employers, and meet significant state and local workforce development, research, technology and knowledge-transfer needs. Successful development and implementation of effective performance/outcomes-based funding models generally requires broad and thorough participation and buy-in from employers and other related stakeholders.

5. Money needs to be meaningful.

The goal of a performance/outcomes-based funding model is to align funding for higher education with state priorities and incent changes in institutional policies, practices and behaviors to better achieve these goals. In order for these incentives to be effective, the funding, whether it be allocation of existing funding, allocation of new funding or the provision of supplemental or bonus funding, must be predictable, guaranteed and large enough to have a meaningful impact at the institutional level.

6. Plan to evaluate.

The goal of performance/outcomes-based funding models is to incent policies and practices aligned with state policies and outcomes. Performance metrics need to be clear, simple, measurable and easy to communicate. Baseline data needs to be developed to measure the gap, if any, between current and

desired outcomes. A system must be put in place that allows collection of annual performance and outcome data as well as system-level review of the impact of the performance funding model on achieving state goals. Successful performance funding models evolve collaboratively over time in response to experience and changing state priorities.

### **Current Funding and Objectives**

For the past several years, the Vermont Legislature essentially has level-funded spending for higher education. In FY16:

- \$24.3 million was appropriated for the Vermont State Colleges. Historically, this appropriation is divided evenly between the five colleges at \$4.87 million each. Twenty percent of the VSC annual appropriation goes to financial aid for Vermont students.
- \$42.5 million was appropriated for the University of Vermont. Historically, \$21 million is directed as financial aid to Vermont students; and approximately \$20M is split evenly between the Medical School and Agriculture and Extension in support of UVM's land grant mission.
- Performance-based funding represents a commitment from public institutions of higher education to redouble their efforts to achieve state objectives and meet state needs. For this to be successful, however, this funding model requires a concomitant commitment by the state of Vermont to increase funding to levels reflecting state social, economic and workforce needs. As previously discussed, the Act 148 committee recommended, and we endorse, a proposal to increase higher education funding by the prior year rate of increase of the General Fund plus 1 percent.

State disinvestment in public higher education has created barriers to degree completion for more and more Vermonters by driving up tuition costs. In addition to an infusion of much-needed new state funding, an outcomes/performance-based funding formula could allow the state to focus a portion of its existing appropriation in a manner that incentivizes institutions of higher education to meet state goals.

### **Recommendations**

1. Create a performance/outcomes-based model that drives institutional and student behavior to better achieve the state's economic and workforce development goals, including:
  - a) Awarding of more degrees to Vermonters with a special emphasis on:
    - i. Number of degrees completed by Pell-eligible/low-income/ALANA Vermont students;

- b) On-time graduation as defined by earning a two-year degree in two years and a four-year degree in four years;
  - c) Improved retention, persistence and graduation rates;
  - d) Increasing the number of STEM degrees earned by Vermonters.
2. Weighting of goals should reflect institutional focus and mission, such as certificate credentials and academic research.

Vermont is fortunate to have public institutions that represent a range of missions and which serve differing populations. For example, the Community College of Vermont, serves both traditional and nontraditional students, provides certificates, degrees and serves as a gateway institution for students seeking to obtain credit prior to transferring to a four-year institution. The University of Vermont is a Land Grant institution, provides undergraduate and graduate education as well as conducting research and development activities. The weighting and application of outcomes/performance goals should reflect state goals and each institution's mission and focus.

3. Funds should continue to be allocated to UVM and VSC (as a system) to preserve flexibility.

Higher education funding in Vermont is directed to UVM and the Vermont State Colleges, which in turn allocate funding to achieve institutional goals and obligations. For example, the University of Vermont chooses to direct half of its funding to the Land Grant mission of medical education and agriculture/extension. The Vermont State Colleges chooses to allocate its appropriation equally among its five colleges and universities.

Outcomes-based funding models are designed to efficiently achieve state goals by incenting institutions of higher education to focus their resources on achieving state goals. A review of performance/outcomes-based proposals under consideration in other states revealed a trend toward allocating resources at the institutional level. This raises questions about the predictability of funding: how an institution that loses funding in a given year as a result of a decline in outcomes will respond, how an institution that gains funding will utilize those resources, and what the loss of flexibility at a systems level will mean for an ability to respond to unforeseen circumstances. Such unevenness in projected funding inhibits strategic short- and long-range planning and impairs efforts to create systemic efficiencies and reforms.

### **New Sense of Urgency**

The economic need for expanded postsecondary access and completion has provided a sense of urgency to new action on outcomes/performance funding policies, which tie a portion of state appropriations to metrics that gauge postsecondary institutional and student performance on various indicators aligned with state economic and workforce needs.

We believe such a model in Vermont has the potential for great benefit to students, our public postsecondary institutions and to the state as a whole.

We also see that in 30-plus years of implementing differing models with varying degrees of success across the country, Vermont's efforts will benefit from a thoughtful, pragmatic and nuanced approach that is right-sized for our rural state and its unique geographic, gender and economic challenges.

### **Framework for Performance-based Funding**

As discussed earlier, there is urgent need to increase the number of Vermonters who hold a postsecondary credential.

The benefits of expanded education and training accrue to the community as well as the individual. In fact, the economic growth and fiscal stability of Vermont requires a highly educated workforce.

Individuals with higher levels of education:

- Earn more, pay more in taxes and save more for retirement.
- Are healthier, have better health outcomes, and are more involved in their local communities.
- Raise children who perform better in school and are motivated to pursue higher education or training themselves.
- Have higher employment rates and are less likely to require public assistance.
- Re-enter the workforce more quickly if they become unemployed.

To initiate a performance/outcomes-based funding model, we propose implementing the Vermont College Completion Partnership that calls for an increase in state funding tied to the number of degrees completed by Pell-eligible (low-income and/or first-generation) Vermont students who graduate with either a two-year associate's degree or bachelor's degree.

## Vermont College Completion Partnership

*Supporting the enrollment and graduation of low-income and first-generation Vermonters from the University of Vermont and Vermont State Colleges.*

Vermont, like most other states, has not had success in narrowing the economic opportunity gap between low- and high-income citizens. Education and training after high school provide one of the most powerful means to narrow this gap. Moreover, the social and economic benefits of postsecondary education are multigenerational. Children of first-generation college students are significantly more likely to successfully obtain a postsecondary degree than their peers whose parents did not obtain a degree. Postsecondary education has become one of the most powerful ways to break the cycle of multigenerational poverty (VSAC, Putnam).

Nationally, college completion rates have soared for affluent students but barely budged for low-income students: 77 percent of adults from families in the top-income quartile earn at least a bachelor's degree, up from 40 percent in 1970. However, only 9 percent of people from the lowest-income quartile do that, up only from 6 percent in 1970.

In Vermont, 36 percent of economically disadvantaged students enroll in college, compared to 62 percent for non-economically disadvantaged students. Many of these students have academic challenges and they frequently lack the social capital needed to easily transition to college. As a result, it is more expensive for colleges to build in the support systems that allow low-income and first-generation students to succeed in college.

The Vermont College Completion Partnership is a performance funding model that will make it more affordable for first-generation and low-income Vermonters to get a college education **and** will allow UVM and the VSC to recruit and build the support systems for low-income and first-generation college goers, with the goal of graduating more at-risk Vermonters, narrowing the inequality gap, reducing social service costs and expanding the state's workforce. The partnership both recognizes the added expense of supporting low-income, first-generation students and rewards institutions that successfully increase the number of low-income students who successfully obtain a degree.

Based on a three-year rolling average of degrees conferred, public colleges or universities in Vermont will be eligible annually for a \$2,000 support payment for every bachelor's degree and \$1,500 for every associate's degree conferred to a low-income or first-generation Vermonter. Funds will be used for additional financial aid for first-generation and low-income students and will also be used to build in the support systems that allow these students to graduate from college in a timely fashion.



**Complete College Vermont**

11/30/2015

Institution	Total Associate's Degrees Conferred to Pell and/or First- Generation Vermonters	Total Bachelor's Degrees Conferred to Pell and/or First- Generation Vermonters	Total Support: \$2000 per bachelor's degree, \$1500 per associate's degree
Castleton University	45	185	\$437,500
Community College of VT	403	0	\$604,500
Johnson State College	3	226	\$456,500
Lyndon State College	7	81	\$172,500
University of Vermont	0	380	\$760,100
Vermont Technical College	178	91	\$449,000
<hr/>			
<i>Total first-generation/low- income Vermont graduates</i>	636	963	
		<b>TOTAL</b>	<b>\$2,880,100</b>

**Conclusion**

Vermont’s investigation of the feasibility of outcomes/performance-based funding follows a national trend of instituting policies that will garner increased access and success for both students and postsecondary institutions. As has been discussed in this report, the concept of performance-based funding has over a 30-year track record with varying degrees of accomplishment. Yet it is clear that there is need for funding models that will produce better outcomes. Current funding models are not designed to incent student and institutional success. This is particularly true for nontraditional students and low-income/first-generation students.

In Vermont, an aging population and shrinking workforce make this a matter for urgent attention. The Legislature is to be commended for making this conversation a priority. Vermont’s future success depends on well-educated workforce and a healthy economy that supports 21<sup>st</sup> Century careers.

The Subcommittee voted to accept this report, 6 to 1, with one abstention in December 2015. The Higher Education Subcommittee recognizes the financial circumstances of the current FY17 budgeting process. That said, higher education funding is among the lowest in the nation and now is less than half it was in the 1980s in terms of constant dollars. There is a moral imperative, and an urgency to reverse this shortchanging of Vermonters' opportunity to end generational poverty through access to higher education.

## Appendix

### Sec. E.608 of Act 58 (2015)

#### STATE FUNDING FOR HIGHER EDUCATION; STUDY AND PROPOSAL; PREKINDERGARTEN–16 COUNCIL

(a) The Secretary of Administration and those members of the Prekindergarten–16 Council identified in 16 V.S.A. § 2905(d) who, with the Secretary, are charged with performing duties relating to the Higher Education No. 58 Page 237 of 247 2015

Endowment Trust Fund shall develop a proposal by which a portion of State funding for the Vermont State Colleges and the University of Vermont would be allocated based upon nationally recognized and established performance measures, including:

- (1) retention and four-year graduation rates;
- (2) number of both graduate and undergraduate degrees awarded;
- (3) actual cost of instruction;
- (4) cost of attendance after all non-loan financial aid;
- (5) average amount of financial aid awarded; and
- (6) average debt upon graduation for Vermont students.

(b) In addition to the nationally recognized and established results-based performance measures, the Council's proposal shall consider the following:

- (1) the number of first generation and socioeconomically disadvantaged students earning a degree from each institution; and
- (2) the number of students enrolled in and completing programs identified as important to Vermont's economy pursuant to 16 V.S.A. § 2888(b) (Vermont Strong Loan Forgiveness Program).

(c) The individuals identified in subsection (a) of this section shall meet no more than three times. On or before December 15, 2015, they shall present an (sic) results based funding proposal to the Governor and General Assembly together with any legislative changes necessary to implement the proposal.

## **Members of the Higher Education Subcommittee to the PreKindergarden-16 Council**

Chairman: Scott Giles, President and CEO, Vermont Student Assistance Corp.

Sen. Brian Campion, D-Bennington, member of Senate Committee on Education

Rep. Kevin Christie, D-Windsor 4-2, ranking member of House Committee on Education

Justin Johnson, Secretary of Administration

Jeb Spaulding, Chancellor, Vermont State Colleges

Susan Stitely, President, Association of Vermont Independent Colleges

Tom Sullivan, President, University of Vermont

Lisa Ventriss, President, Vermont Business Roundtable

## References and Supporting Documents:

### References:

Driving Better Outcomes: Principles to Inform Higher Education Finance Policy, HCM Strategists

Higher Ed Outcomes-Based Funding: Design Principles and State Examples, Complete College America

Our Kids, Robert Putnam, 2015.

Performance-Based Funding of Higher Education, Center for American Progress

Placing Student Success at the Center of State Higher Education Finance Policy, Lumina Foundation

Outcomes-based Funding in Historical and Comparative Context\*, Lumina Foundation

Outcomes-based Funding and Stakeholder Engagement, Lumina Foundation

Funding for better outcomes—Next-generation public higher education finance. Where it's headed. Why it matters. (Lumina Foundation, HCM Strategists, and Kinetic Seeds)

### Presentations:

Vermont State Colleges: Act 58 Performance Measures

Vermont State Colleges: Proposal for Outcomes-Based Funding

Vermont State Colleges: Analysis of Proposed OBF Measures

University of Vermont: Performance Funding: A Review of the Indicators

University of Vermont: Performance-Based Funding -- Recommendations for a Vermont Model

## Connecting the Dots:

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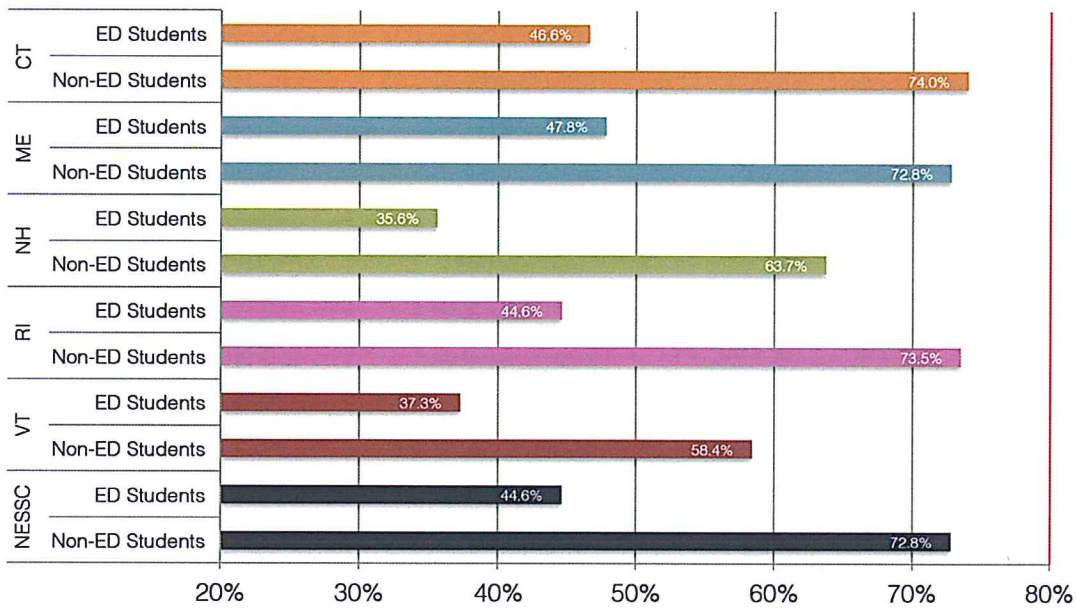
### **Who Suffers when State Support for Public Higher Education Stagnates?**

*A brief scan of multiple sources*

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*Jeb Spaulding, Chancellor  
Vermont State Colleges  
January 2016*

# 2014 College Enrollment Rates



ED = Economically Disadvantaged Students

Source: Common Data Project 2015 Annual Report

# Percent of Students Going to School Out-of-State vs. In-State

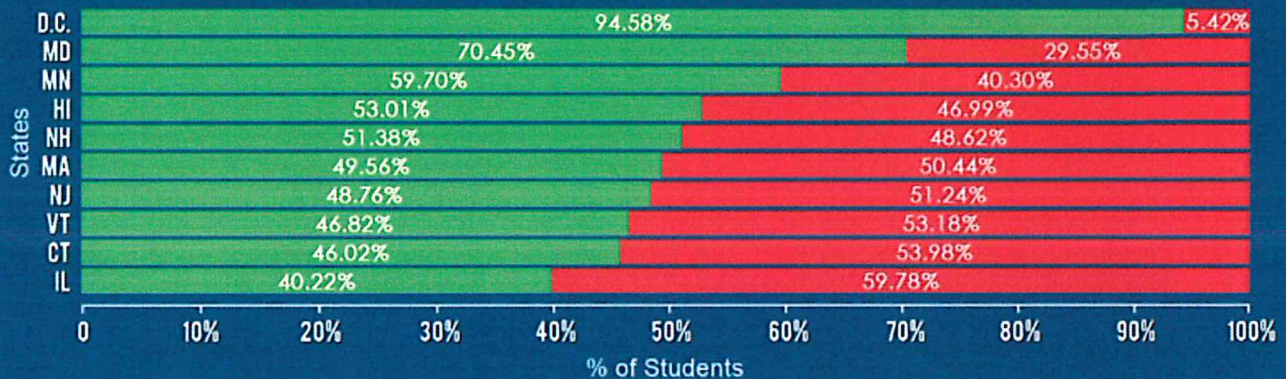
## HOME STATE

### PERCENT OF STUDENTS GOING TO SCHOOL OUT OF STATE VS. IN STATE

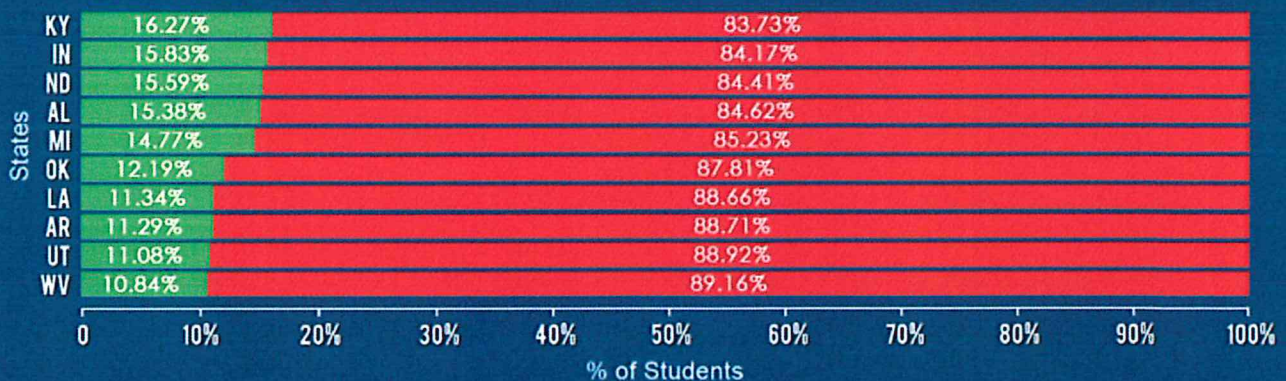
STUDENTS GOING OUT OF STATE

STUDENTS STAYING IN STATE

#### 10 STATES WITH HIGHEST PERCENT OF STUDENTS GOING OUT-OF-STATE



#### 10 STATES WITH HIGHEST PERCENT OF STUDENTS STAYING IN-STATE

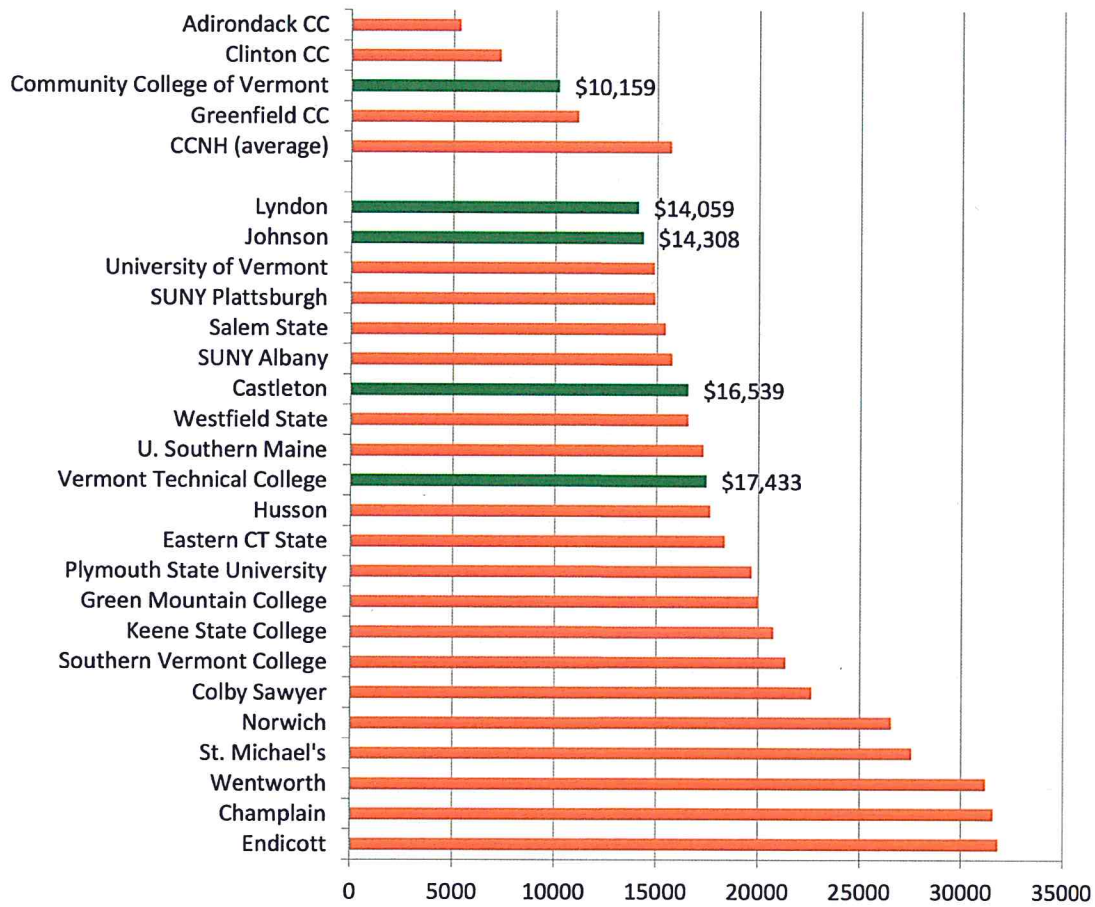


\*First time degree-seeking undergraduate students at not-for-profit four-year schools with at least 2,000 enrolled students  
Source: <http://ies.ed.gov/>

Source: Institute of Education Sciences, <https://ies.ed.gov>  
via [http://www.valorebooks.com/visualizing-college-out-of-state?pd=\\_](http://www.valorebooks.com/visualizing-college-out-of-state?pd=_)

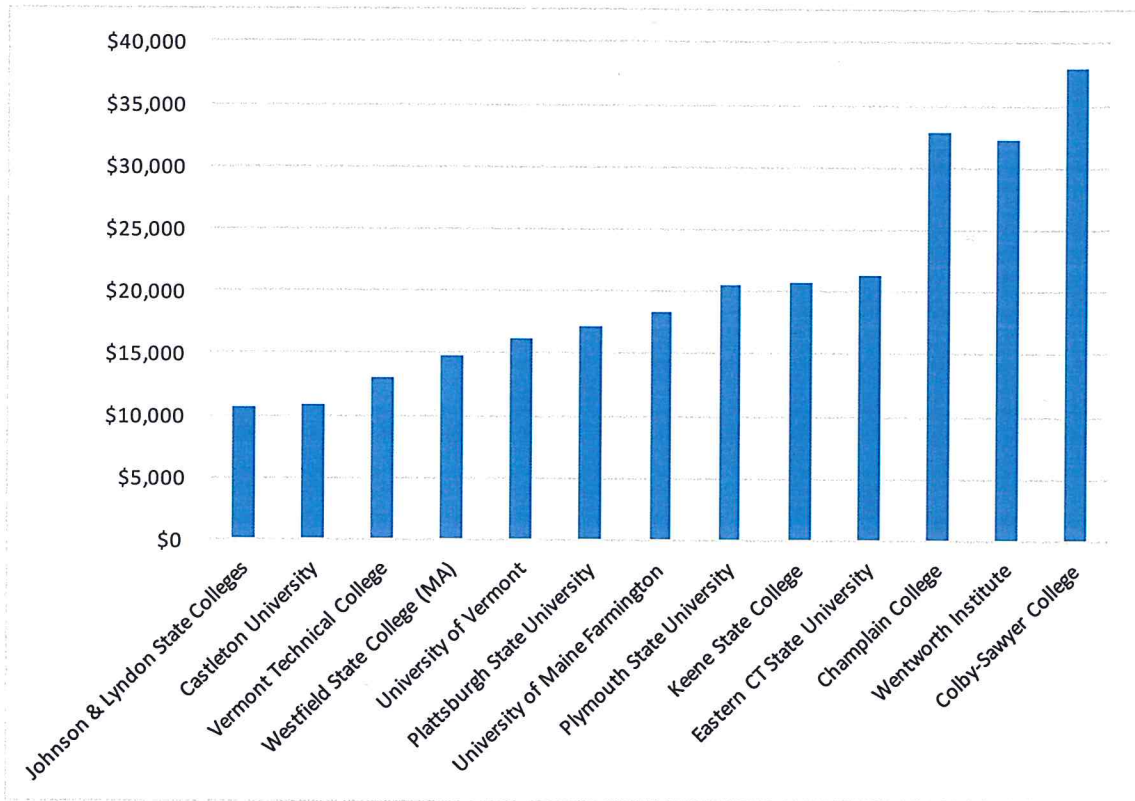


# Average Annual Net Cost of Attendance (All costs minus grant aid)



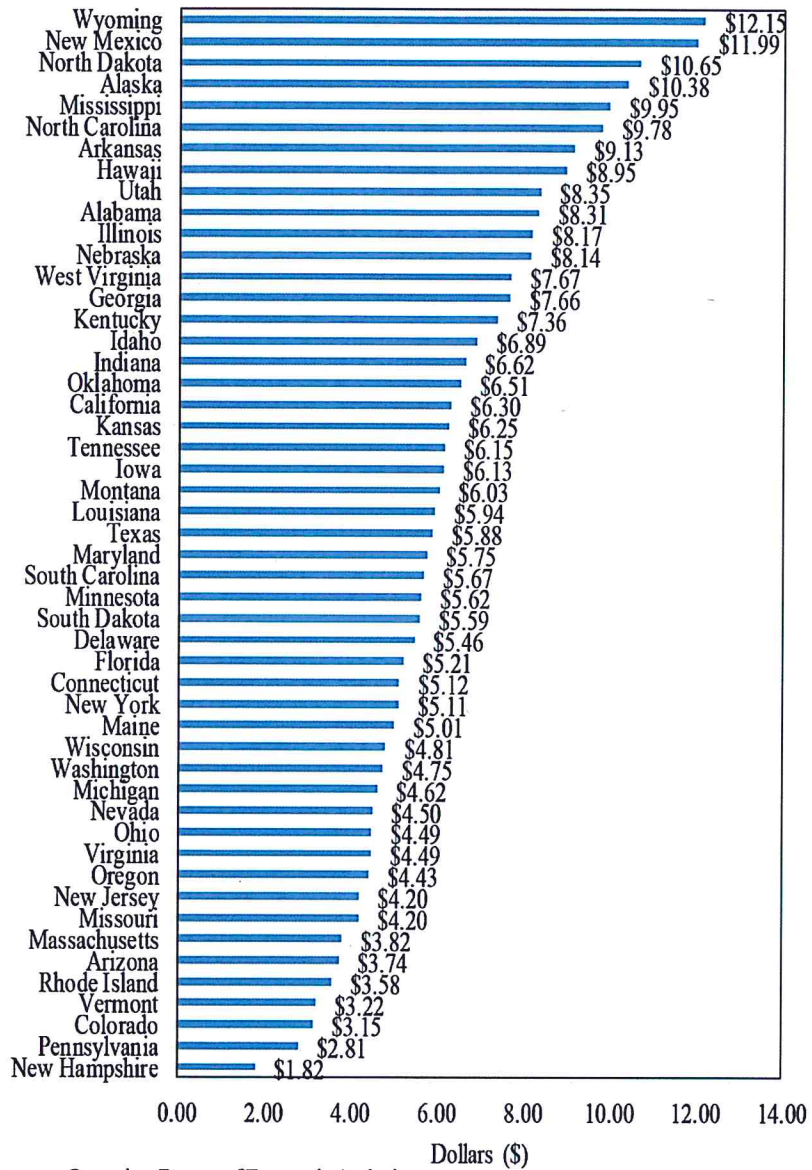
Source: United States Department of Education College Scorecard

# Tuition and Fee Comparisons for Vermont Students School Year 2014-15



Source: Data compiled by VSC Chancellor's Office

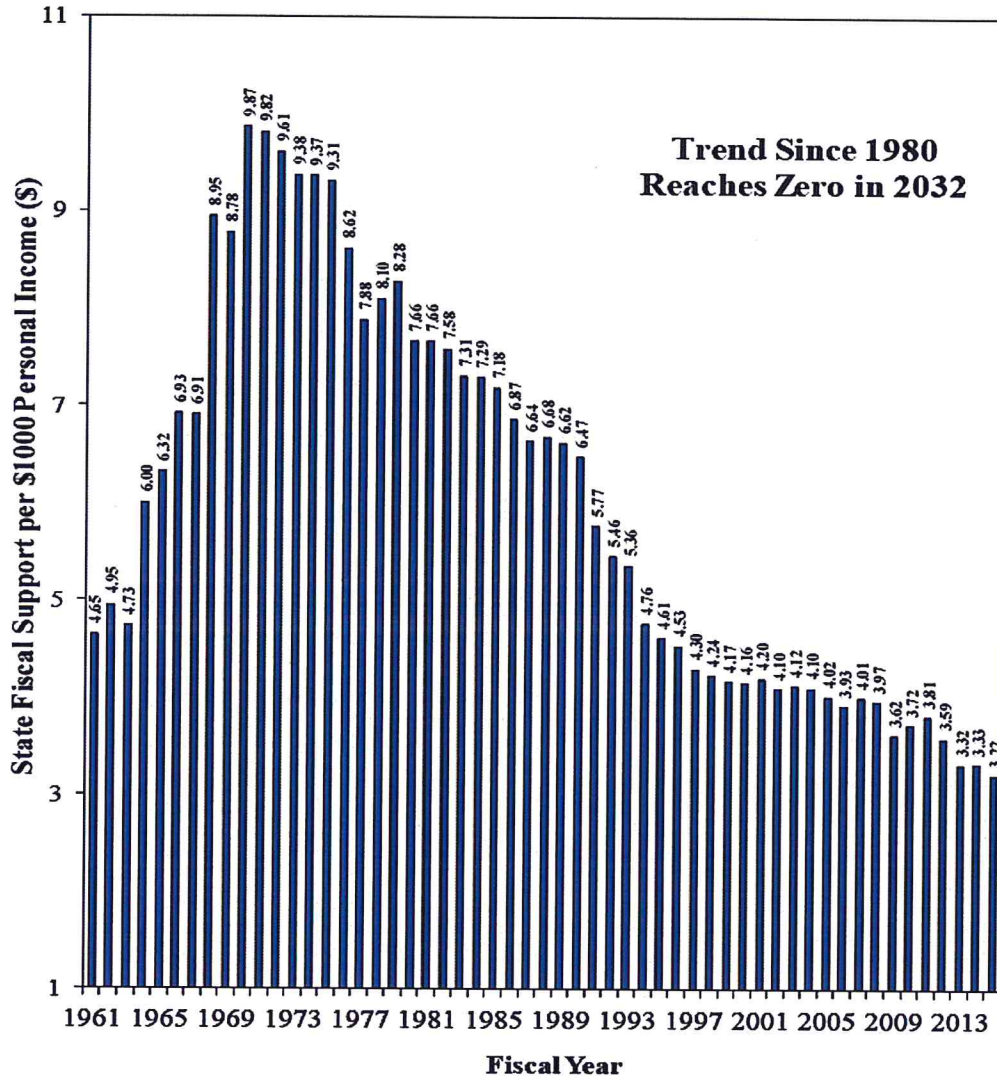
# State Fiscal Support for Higher Education per \$1000 of State Personal Income FY2015



Sources: Grapevine, Bureau of Economic Analysis

Source: Postsecondary Education Opportunity

# Vermont Fiscal Support for Higher Education per \$1000 of Personal Income FY1961 to FY2015



Source: Postsecondary Education Opportunity

# 2015-16 In-State Tuition and Fees at Public Four-Year Institutions by State and Five-Year Percentage Change

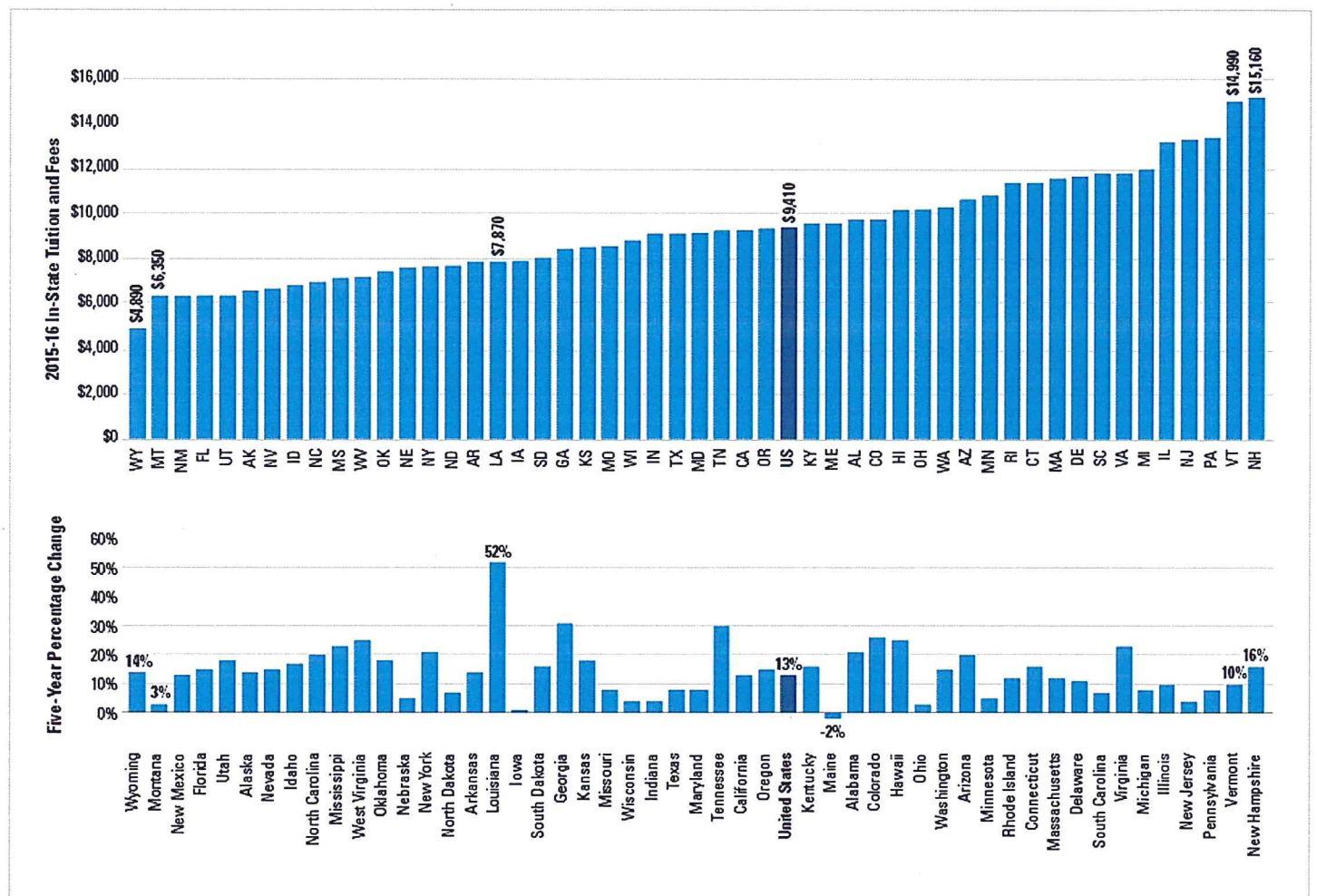
Other Data in this Topic ▾

In 2015-16, average published tuition and fee prices for in-state students at public four-year institutions range from \$4,890 in Wyoming and \$6,350 in Montana to \$14,990 in Vermont and \$15,160 in New Hampshire.

Figure 8: Average 2015-16 In-State Tuition and Fees at Public Four-Year Institutions by State and Five-Year Percentage Change in Inflation-Adjusted Tuition and Fees

[Download Data in Excel](#)

[See Key Points](#) [See Also Important](#)



## Notes & Sources

SOURCE: The College Board, Annual Survey of Colleges.

# Highest & Lowest Family Share of Total College Costs (Public)

TABLE 5

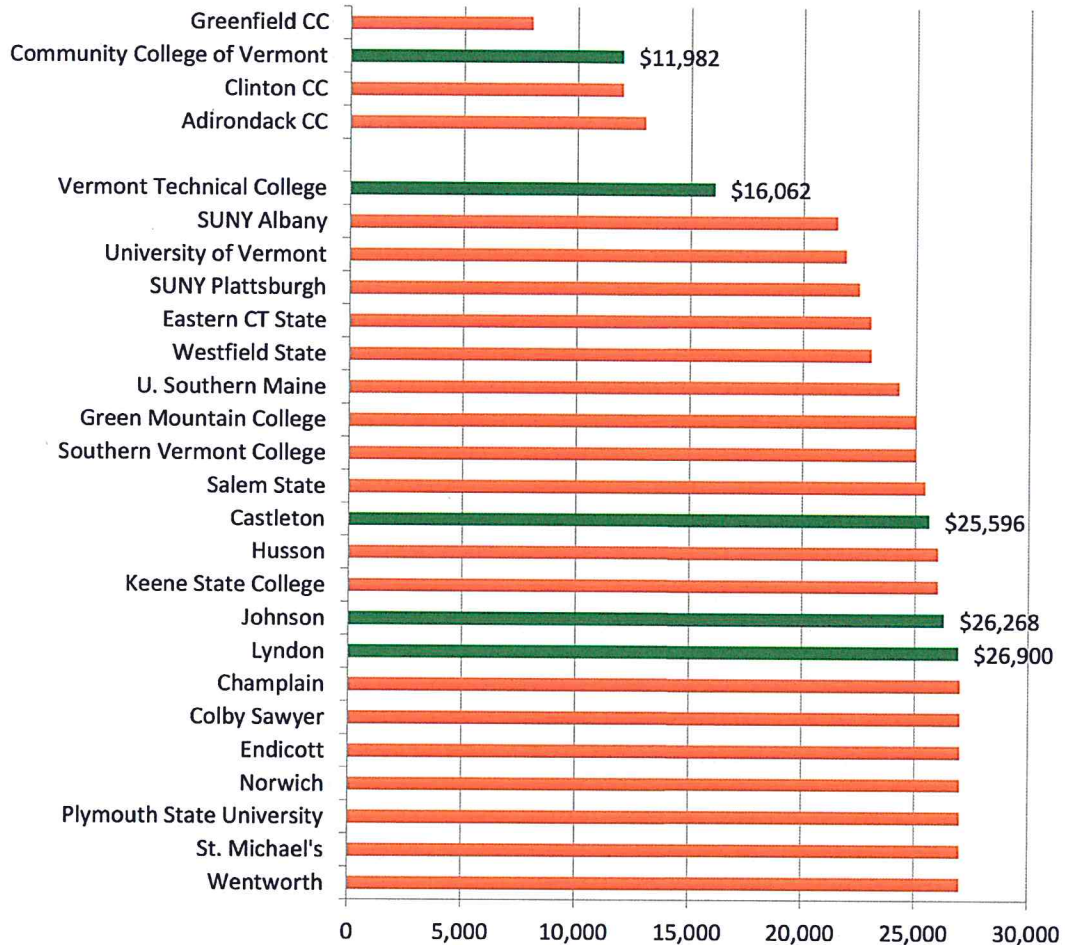
<b>Highest Family Share</b>	
Vermont	82%
New Hampshire	81%
Delaware	73%
Colorado	73%
Pennsylvania	72%
Rhode Island	70%
Michigan	70%
Alabama	64%
South Carolina	63%
Ohio	63%
<i>Young Invincibles' Analysis of State Higher Education Executive Officers' SHEF Report</i>	

TABLE 6

<b>Lowest Family Share</b>	
Wyoming	15%
California	22%
Alaska	26%
New Mexico	32%
North Carolina	34%
Hawaii	34%
Florida	35%
New York	36%
Nevada	36%
Idaho	38%
<i>Young Invincibles' Analysis of State Higher Education Executive Officers' SHEF Report</i>	

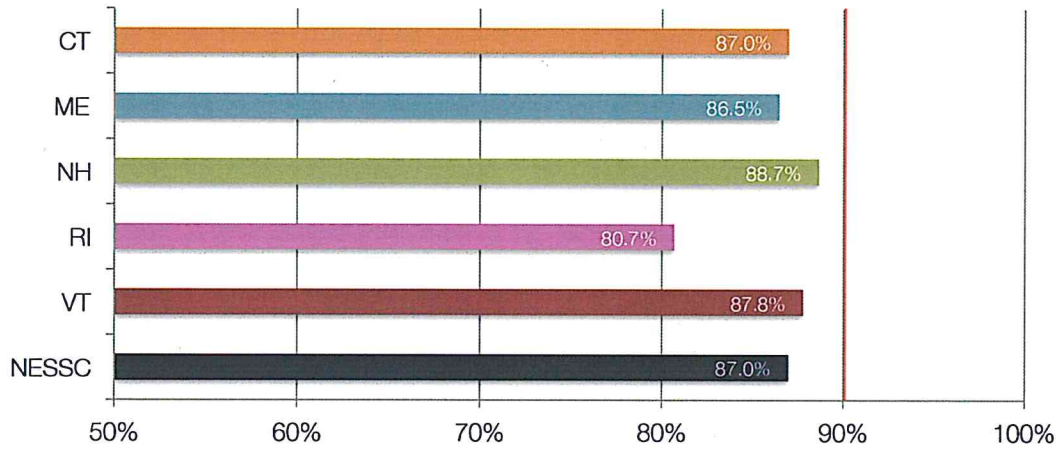
*In 2008, students and families paid approximately 36% of the cost of public college; in 2014 that percentage increased to half. Again these averages only take us so far; below are the states with the top and bottom “family shares”—percent of total college costs paid by individuals or families—a strong measure of just how “public” our public institutions are.*

# Typical Total Debt (Median Debt of Graduates with Federal Debt)



*Source: United States Department of Education College Scorecard*

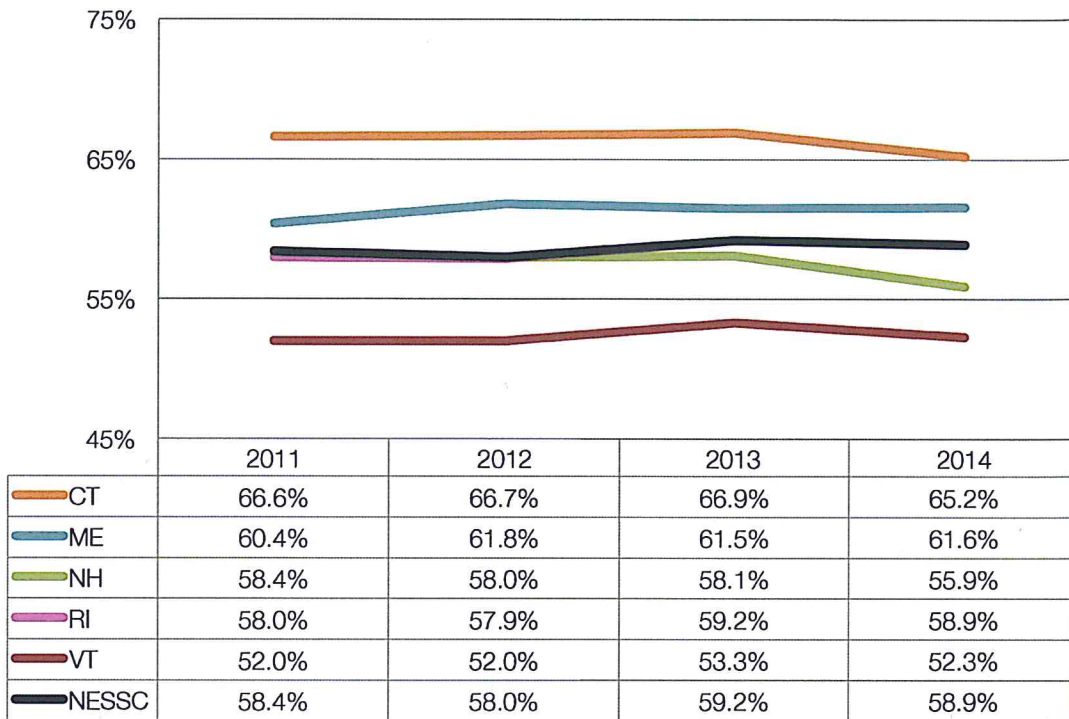
# 2014 High School Graduation Rates



Source: Common Data Project 2015 Annual Report

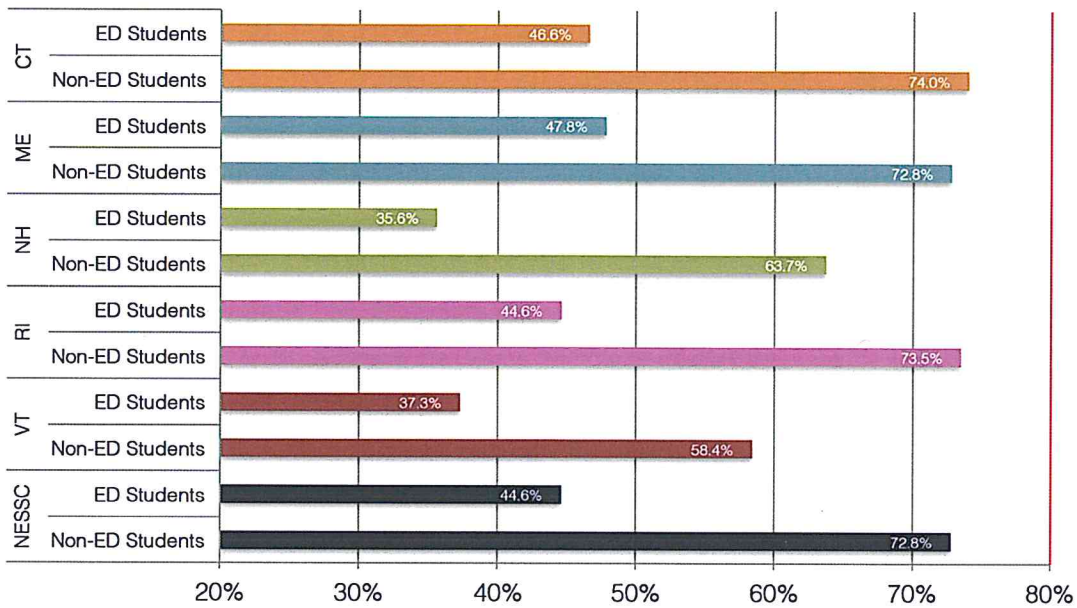


# 2014 College Enrollment: Four-Year Trend



Source: Common Data Project 2015 Annual Report

# 2014 College Enrollment Rates



ED = Economically Disadvantaged Students

Source: Common Data Project 2015 Annual Report

## What's New at the Vermont State Colleges



Castleton offers more than 75 programs of study to undergraduate and graduate students, including a growing number of master's and doctoral programs. With 28 varsity sports and more than 50 student organizations, the campus is a thriving community of living and learning that focuses on a relationship-based model for its more than 2,000 students. The University's campus has recently expanded into nearby Rutland with the addition of Castleton Downtown, a hub of economic and professional development for the region, housing the Castleton Polling Institute, Center for Community Engagement, Center for Entrepreneurship, and Center for Schools which delivered professional development to more than 1,300 Vermont educators last year.



CCV served over 10,000 students at its 12 academic centers across the state and the Center for Online Learning. These students pursued a range of associate degrees, certificates, and continuing education opportunities. Last year, CCV served more than 1,000 Vermont high school students through its secondary education initiatives. CCV began offering several industry-recognized credentials through a \$2.4 million grant from the US Department of Labor. It worked with dozens of Vermont businesses to provide training to employees and meet specific workforce needs. CCV strengthened its connections to the other VSC schools by creating pathways that link associate degree programs directly to bachelor's programs. In Lamoille County CCV developed the Man Up program which is successfully closing the higher education gap in that area.

### Think VT First.

- Online classes, study abroad, and other learning opportunities open to students across the VSC system.
- Personal attention. Small classes.
- Tuition-free early college programs for Vermont high school students.
- Individualized degree paths with certificates, 2-year, and 4-year degrees from any VSC school.

LEARN MORE: [www.vsc.edu/ThinkVT](http://www.vsc.edu/ThinkVT)



1,538 students enrolled in Johnson's high-impact degree programs in fall 2015, including 439 working to complete their bachelor's degree through Johnson's External Degree Program. Sixteen students participated in a National Science Foundation program that includes an annual scholarship of up to \$10,000, immerses them in applied research and provides opportunities to network with scientists nationwide. JSC enrolled 34 Early College students in fall 2015, building on last year's success with the program. JSC's new president, Dr. Elaine Collins, has engaged the entire community in building a strong future.



Lyndon's 1,267 students gained real-world experience through its professional programs, including its nationally renowned outdoor recreation management, electronic journalism arts, atmospheric sciences, and music business degrees. Students worked with local businesses through Incubator Without Walls, hosted the Northeastern Storm Conference, and worked with nationally known performers. Lyndon provided access to higher education to 723 Vermonters, including many who live within commuting distance to the Northeast Kingdom campus. A new Early Childhood Education bachelor's degree program will be delivered in an innovative format for childcare professionals already working in the field.

### VERMONT TECH

Vermont's only postsecondary technical college, Vermont Tech offered applied learning opportunities in associate and bachelor's degree programs to 1,559 Vermonters in fall 2015. Ninety-four percent of 2015 graduates had jobs in their fields within six months. New degrees and programs are offered in Software Engineering (Master's), Entrepreneurship (Bachelor's), and certificate programs in computer science, agriculture, and forestry. Three engineering labs were modernized with funding from the state in 2015. Vermont Tech took ownership of the Norwich Farm, where it will grow its dairy education programs. The college broke ground on a new 500kW solar array on its Randolph Center campus as the anaerobic digester received its solid waste permit and reached 100% production capacity.

## For the benefit of Vermont

84%  
of VSC students  
are Vermonters

83%  
of VSC graduates  
live and work  
in Vermont

46+  
# of countries  
with students  
attending  
the VSC

1,090  
high school  
students enrolled  
in VSC courses  
in fall 2015

65%  
of Vermonters  
going to college  
instate attend the  
VSC—more than all  
other institutions  
combined

654  
# of veterans  
served by  
the VSC in 2015

A VSC classroom  
is within  
25  
miles  
of every  
Vermont

300+  
online courses  
offered  
by the VSC

583  
# of degrees  
conferred  
in 2015 to  
first-generation  
Vermonters

1,686  
college degrees  
conferred  
to Vermonters  
in 2015

18%  
State  
82%  
Tuition  
& Other  
VSC Revenue

81%  
of VSC  
students receive  
financial aid

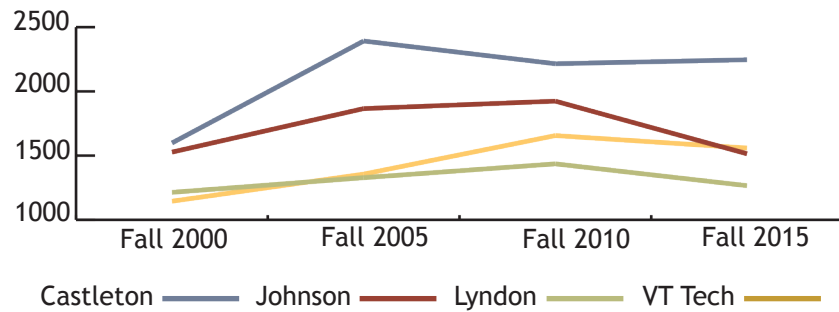


VERMONT STATE COLLEGES

CASTLETON UNIVERSITY  
COMMUNITY COLLEGE OF VERMONT  
JOHNSON STATE COLLEGE  
LYNDON STATE COLLEGE  
VERMONT TECHNICAL COLLEGE

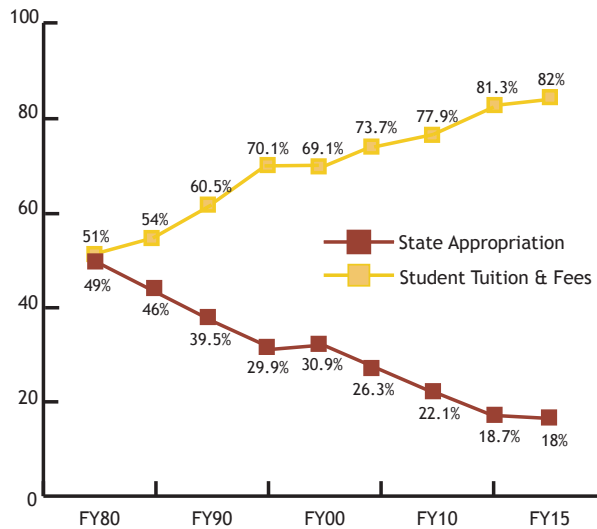
Vermont's System of Public Higher Education  
Vermont State Colleges  
Impact 2014-15

## Enrollment Trends at VSC Residential Colleges



**-17.5%**  
Projected decline  
in population of VT  
15 to 19-year-olds  
from 2010 to 2020

## State Support of Vermont State Colleges



Vermont ranks  
**47th**  
in state  
appropriations per  
\$1,000 of personal  
income.

## Vermont State Colleges: Accessible to All Vermonters



## Value of a College Degree

*Individuals with only a high school diploma:*

- Are 15% more likely to be poor.
- Are 25% more likely to be uninsured.
- Will require an average of \$54,155 in lifetime public assistance.

*Individuals with a college degree:*

- Earn \$32,112 more annually, and 114% more in a lifetime.
- Are 33% more likely to have health insurance.
- Will pay \$191,947 more in state and federal taxes than a Vermonter with no degree.

Source: Lumina Foundation, 2015

## Vermont State Colleges Deliver for Vermont's Economy

- Jobs: 2,000 employees
- Certificates: 217 awarded
- Job Creation:
  - 587 through VMEC
  - 543 through VtSBDC
- Workforce Education: Over 700 courses offered
- Degrees Conferred to Vermonters: 1,686
- Apprenticeships: 91 graduates
- Total Impact: Over 15,000 Vermonters served

## Top 10 VSC Degree Programs

*Health Professions • Business/Management/Marketing • Liberal Arts & Humanities • Education*

*Public Administration/Social Services/Security Professions • Psychology • Visual & Performing Arts • Engineering Technologies*

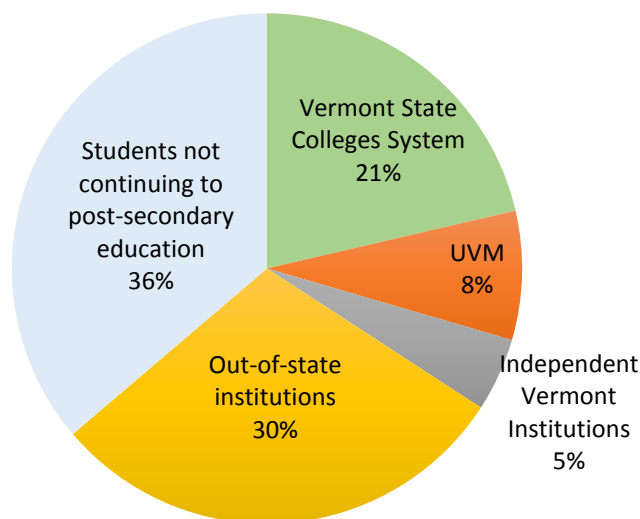
*Family/Consumer/Leisure & Fitness Studies • Agricultural/Construction/Mechanical/Telecommunications Technologies*

## VSC Performance Indicators Executive Summary

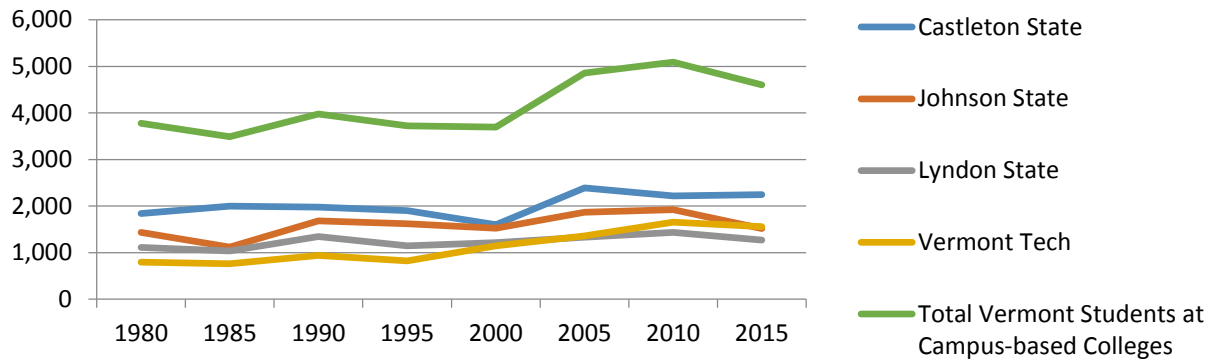
### ENROLLMENT

- The Vermont State Colleges (VSC) enroll more Vermonters than all of the other Vermont colleges and universities combined. (*Source: Vermont Higher Education Council Fall 2014 Enrollment Report.*)
- Sixty-five percent of all Vermont high school graduates continuing on to college in Vermont enrolled in the VSC in 2014. Thirty-five percent enrolled at UVM, Champlain College, St. Michael's College, and Norwich University combined. (*Source: Vermont Agency of Education, Vermont High School Graduates Postsecondary Enrollment Rate Report, June 3, 2015, updated December 2015*)
- Enrollment at the VSC has leveled off somewhat after several years of decline. The Fall 2015 headcount enrollment of 12,036 shows a decline from Fall 2014 of 2.2%. This contrasts with a decline from Fall 2013 to Fall 2014 of 2.8%.
- 2015 Fall enrollment is up at CU (+2.9%) and VTC (+1.1%) and down slightly at CCV (-.6%) and JSC (-6.1%). LSC enrollment dipped -11.5%.
- Enrollment by high school students in VSC Dual Enrollment courses increased to 683 in Fall 2015. In addition, 120 are enrolled in Early College programs, including 51 at the Vermont Academy of Science and Technology. Eighty-eight students participated in Dual Enrollment courses at their CTE and 155 students are taking Introduction to College Studies.

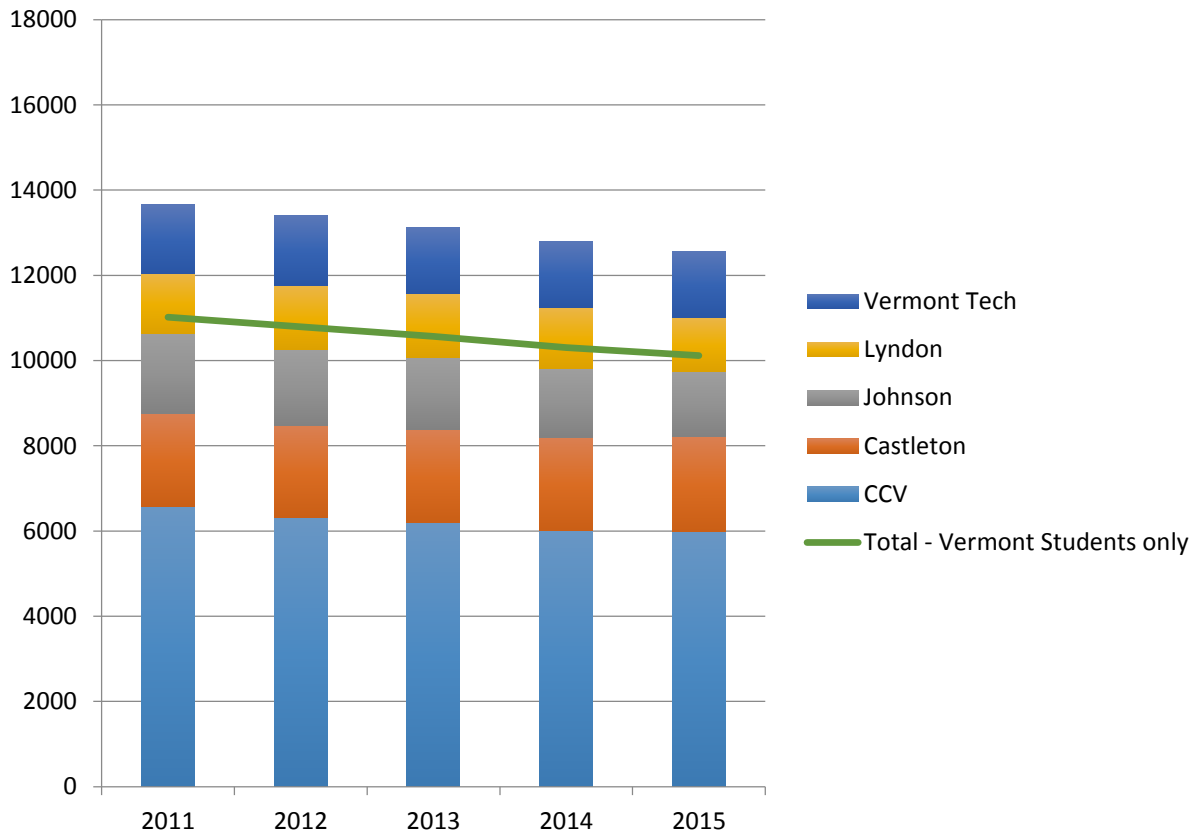
### Vermont HS Graduates 2009-2013



## Campus-Based Colleges Enrollment 1980 - Present

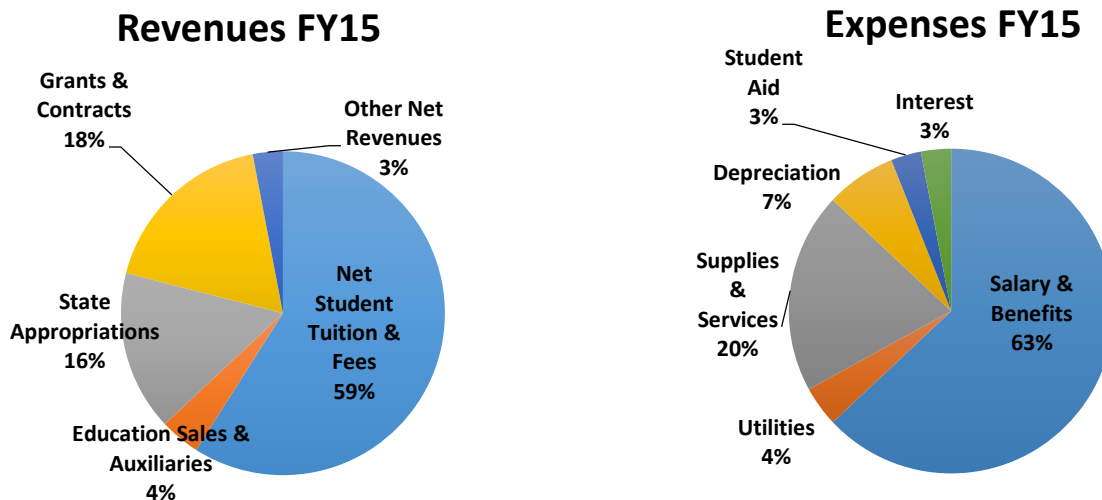


## Total VSC Enrollment



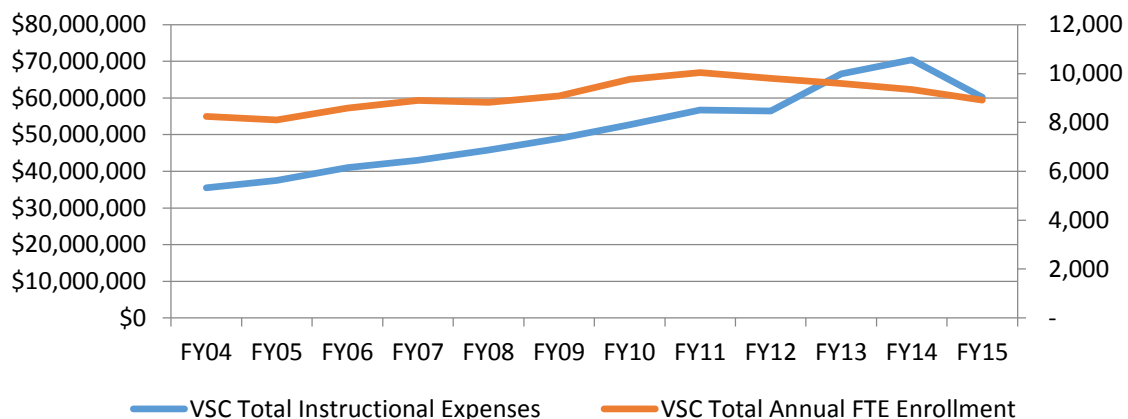
## REVENUES AND EXPENSES

- The base appropriation from the State of Vermont is no more than it was in 2008 (\$24.3 million). It accounted for a smaller portion of the overall VSC budget in FY2015 (14.5%) than previous years.
- Despite an average tuition increase of 4%, total revenue from tuition and fees went down due to enrollment declines.
- Total VSC employees have decreased by 172 between 2013 and 2015.



- System-wide, instructional costs decreased by over \$10 million from FY14 - FY15.
- Given the decline in enrollments, the VSC has begun to adjust program delivery costs, resulting in a 14.5% decline in cost per annual FTE from FY2014 to FY2015.

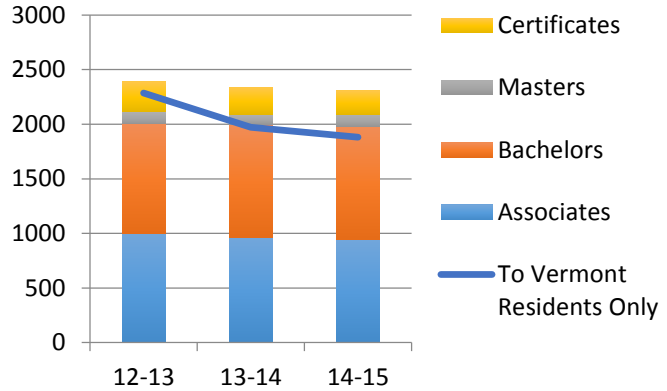
## VSC Total Instructional Costs and Enrollment



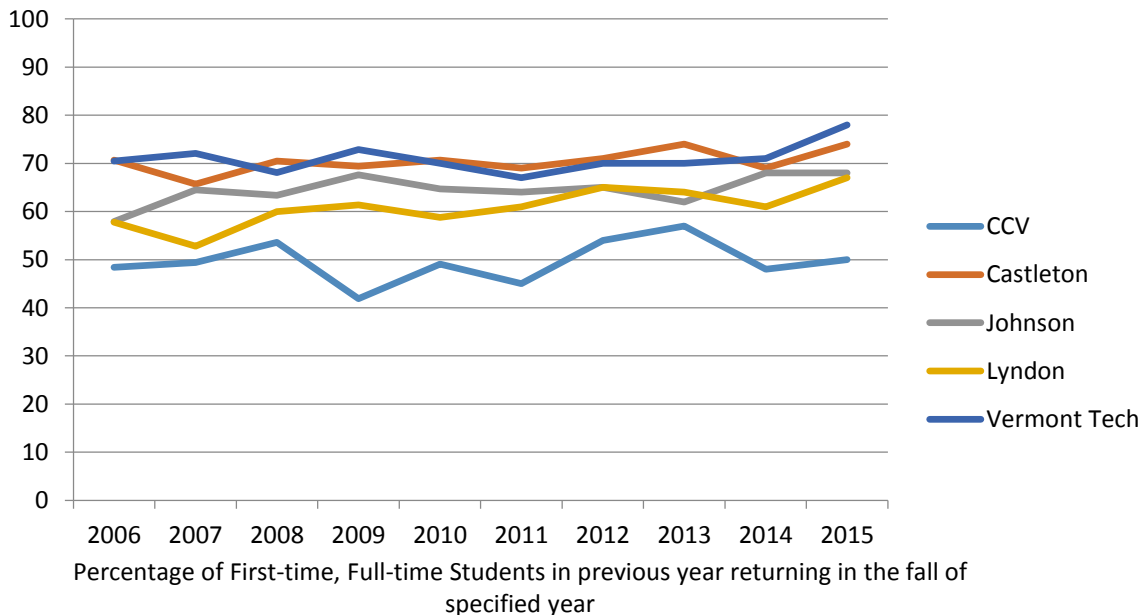
## OUTCOMES

- The number of degrees and certificates conferred to Vermonters by the VSC has remained high, at 81% in 2014-2015 and at 83% the previous academic year. Total degrees awarded in 2015 was 2,091.
- The number of master's degrees awarded has increased by 16% from 2014 to 2015.
- Retention rates across the VSC have increased 5.6% overall from 2014 to 2015.

### VSC Total Certificates and Degrees Awarded



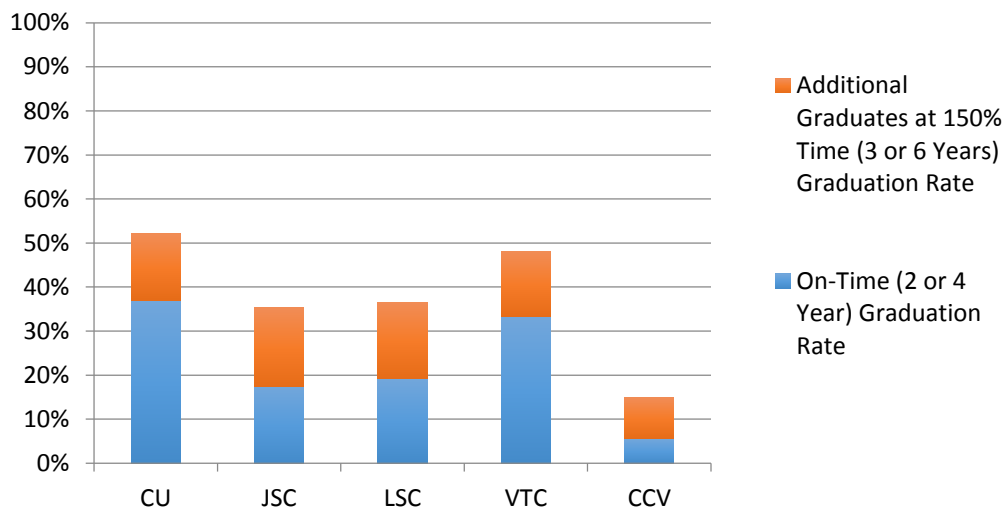
### VSC One-Year Retention Rates





- Retention and graduation rates are based on a cohort of students who enroll in college for the first time, as full-time students, each fall.
- Retention and graduation rates for all VSC colleges (except CCV) are defined by the federal college scorecard as about the national average for four year public institutions (<https://collegescorecard.ed.gov/>).
- This measure captures less than 5% of CCV's total enrollment each fall.

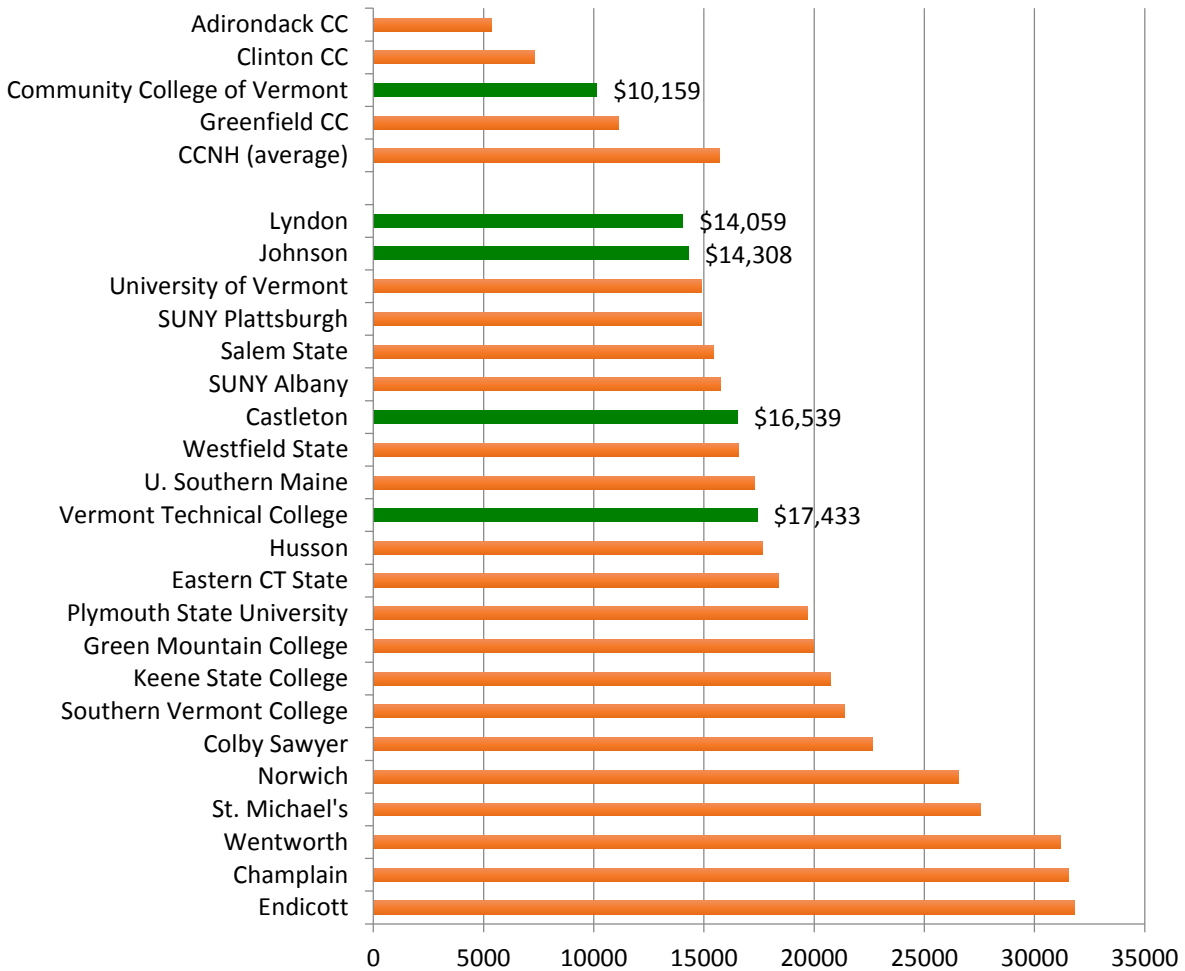
### 2015 Graduation Rates of First-Time Full-Time Students



**AFFORDABILITY**

- VSC average annual cost of attendance for Vermont residents is competitive with neighboring states, according to the U.S. Department of Education College Scorecard. This measure reflects the total in-state cost (published tuition and required fees, books and supplies, and the weighted average cost for room, board, and other expenses) minus grant and scholarship aid.

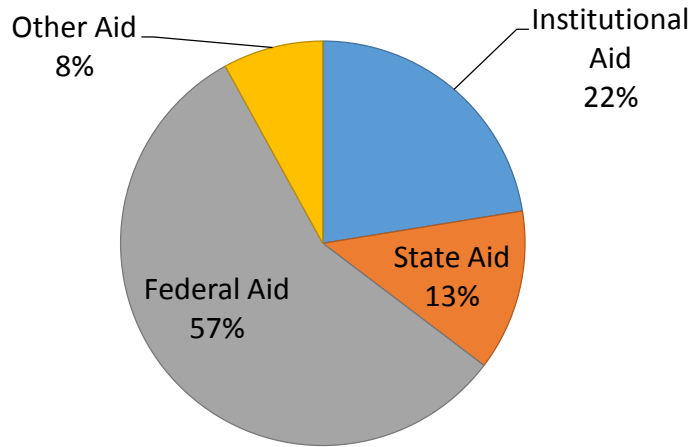
**US College Scorecard:  
Average Annual Net Cost of Attendance**



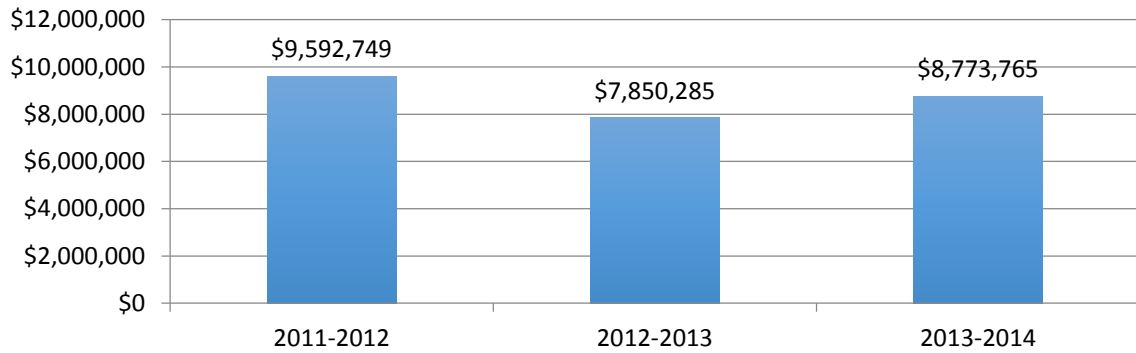
## INSTITUTIONAL AID

- Institutional aid is the second largest component of grant aid to VSC students.

### Sources of System Financial Aid



### Total Institutional Aid Provided to Students



- Typical total debt of VSC graduates as reported on the US College Scorecard is comparable to other public and private institutions in the region.

### US College Scorecard: Typical Total Debt (median debt of graduates with federal debt)

