

Testimony: Jeb Spaulding, Chancellor, Vermont State Colleges System
House Education Committee, January 11, 2018

The Vermont State Colleges System (VSCS) is a major workforce pipeline delivering entrepreneurs and workers to power our state's economy. As a system, Castleton University, Community College of Vermont, Northern Vermont University – Johnson and Lyndon, and Vermont Technical College annually confer 60% of all the bachelor's and associate degrees awarded in the state to Vermonters, more than all of the other colleges and universities in our state combined. Our student body is comprised of over 80% Vermonters and the vast majority of our graduates stay in Vermont to work and participate in community life.

We are the extension of Vermont's public K-12 school system into the postsecondary years. Like our K-12 partners, we proudly serve a wide range of students, from valedictorians to those who have struggled in school and, often, in life. Many of those Vermonters would have no opportunity to go to college if not for one of the VSCS institutions.

We provide access to high quality and affordable postsecondary education in all corners of the state and online to over 10,000 Vermonters annually. In addition, we serve over 8,000 adults in our workforce and continuing education programs. We are proactively creating new degrees, certificates, and industry-relevant credentials to meet market demands. Our Vermont State Colleges are also major employers and cultural hubs for rural regions of our state.

Maintaining access to a high quality and affordable Vermont State Colleges System is not just an economic imperative for the State, it is also an economic lifeline for our citizens. The poverty rate is twice as high for those with only a high school diploma compared to a bachelor's degree. As a group, their median annual income is \$11,000 less, their health outcomes are worse, their civic participation is lower, and their need for public assistance is higher.

Unfortunately, the State of Vermont supports its public higher education system at one of the very lowest levels of any state, despite its critical importance to our future. A recent State Higher Education Executive Officers report listed Vermont as having the lowest State appropriation level per full time equivalent college student in the country.

Such low state funding has created a real college affordability problem, and this is a big reason why Vermont has the lowest high school to college continuation rate in New England. There is a direct connection between low state support for public higher education and low college enrollment rates. Since state support is low, tuition is high; the result is many students take on excessive debt or do not go to college at all.

Thankfully, in the last legislative session Governor Scott and legislators reversed the decades-long trend of disinvestment in the Vermont State Colleges System by making meaningful increases in both General and Capital Fund appropriations. I am hopeful this is recognition of our critical role in Vermont and signals a new trend of ongoing responsible, modest annual appropriation increases. This will allow us to restrain tuition increases, minimize increasingly counterproductive cost cutting, and better serve the ever-changing needs of Vermont's economy.

The VSCS is taking aggressive steps to reduce costs and become more efficient. Salaries and wages were \$3 million less in FY 17 than in FY 14. Hundreds fewer people are on our payroll. Working with our union partners, we have significantly reduced the employer contribution to our retirement plans and require that new employees are placed in a high deductible health plan. Johnson and Lyndon State Colleges are becoming a single, stronger institution (Northern Vermont University) in order to reduce administrative costs, while at the same time expanding student opportunities.

Simultaneously, we are pushing hard to serve more working age Vermonters, to encourage more high school graduates to pursue post-secondary education, and to support our current students to improve their likelihood that they will graduate on time.

Innovation is a priority.

The Vermont State Colleges System wholeheartedly supports Governor Scott's three core priorities: strengthening the economy, making Vermont more affordable, and protecting the most vulnerable. We appreciate his past support and relish being a full partner in achieving his vision. Sustaining the Vermont State Colleges System through modest annual appropriation increases will be necessary to succeed in realizing all three of his goals.

I will be happy to answer any questions or provide details on any of these issues. Thank you.