

To: Senator Jane Kitchel

From: Jeb Spaulding, Chancellor

Date: April 5, 2018

Re: Use of one-time funds for the Vermont State Colleges System

We appreciate the Senate Appropriations Committee's consideration of the House-approved \$1 million in one-time funds for the Vermont State Colleges System. In a difficult budget year, the Legislature's support for the VSCS and our critical role in the state's economy is both heartening and essential.

\$1 million in one-time funds would help us make significant progress toward two essential system goals: increased student retention and operational efficiency. At this time, we would consider the following specific investments:

RETENTION – A robust Learning Management System (LMS) would improve our ability to reach and serve students and allow for directed advising that will positively impact our retention and graduation rates. This system would replace an outdated platform that does not optimally support effective connections between faculty, students, and advisors.

COST SAVINGS AND COMPLIANCE – Our FY19 move to a systemwide human resources and payroll structure will achieve significant cost savings, operational efficiency, and improved compliance. Investments in technology will provide the infrastructure for these savings and improved business practices.

We hope the Committee to allow us the flexibility to target these funds ourselves in order to maximize their impact toward these goals. These funds will help us make a timely and meaningful difference for students and for college budgets.

Moving these funds to the **Higher Education Endowment Trust Fund** is not immediately advantageous to the Vermont State College System or to the University of Vermont. Based on current distribution formulas, an addition of \$1.5M to the corpus of the Fund would net no new funds in FY19 for either UVM or the VSCS.

The increase to each of our annual payouts – dependent on whether the Fund achieves a 5% earning -- would be as follows:

FY19	\$0	FY20	\$8,333.00	FY21	\$16,667.00
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Currently, we each receive just under \$500,000 annually from the Fund for scholarships.

The VSCS would be better able to utilize the one-time appropriation to improve the quality of the service we provide students and to address our operations.

We respectfully urge you to maintain these critical one-time investments of dollars in the budget.

Thank you, and please let me know if you need further information.