



**CASTLETON UNIVERSITY
COMMUNITY COLLEGE OF VERMONT
NORTHERN VERMONT UNIVERSITY
VERMONT TECHNICAL COLLEGE**

2020 Reference Packet FY 2021 Budget Request

Senate and House Appropriations Committees
VSCS Chancellor Jeb Spaulding

For the Benefit of Vermont...

- 11,060 students enrolled
- 8,933 in workforce education
- 1,843 employees
- locations in 13 of Vermont's 14 counties, and online
- 2,020 degrees and certificates conferred in 2018-19 (75% to Vermonters)



Institutions, Budgets and Enrollment

- **Castleton University**
 - 2,399 Fall 2019 headcount enrollment
 - \$57.0 million FY2020 operating budget
- **Community College of Vermont**
 - 5,104 Fall 2019 headcount enrollment
 - \$27.8 million FY2020 operating budget
- **Northern Vermont University**
 - 2,608 Fall 2019 headcount enrollment
 - \$58.5 million FY2020 operating budget
- **Vermont Technical College**
 - 1,704 Fall 2019 headcount enrollment
 - \$38.8 million FY2020 operating budget

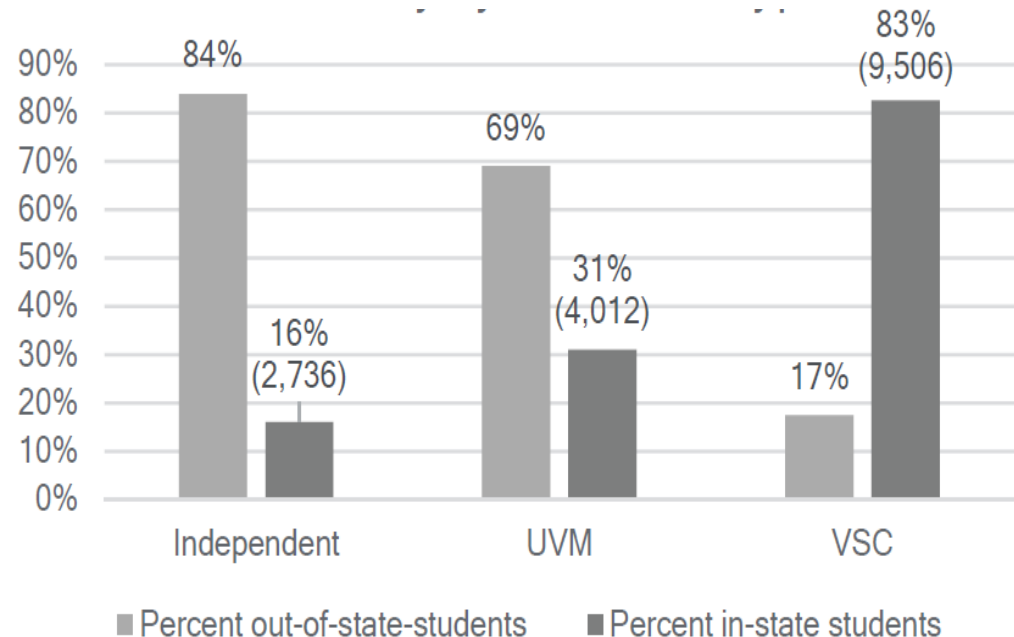


For the Benefit of Vermont...

Our students are:

- 83% Vermonters
- 48% First Generation
- 40% Pell-eligible

More Vermonters attend VSCS institutions than all other Vermont colleges and universities combined:



Source: VHEC Fall 2018 Enrollment Report

FY2021 Budget Request

Our continued request: bring the VSCS State funding to the New England average of 30% over the next five (5) years:

	<u>Current Base Appropriation</u>	<u>FY2021 Request</u>	<u>FY2025 Objective</u>
Base Appropriation	\$30,500,464	\$35,500,464	\$54,000,464

VSCS Allied Health – level funding

Global Commitment	\$409,461
General Fund	<u>748,314</u>
Total Allied Health	\$1,157,775

FY2021 Budget Request

Continue to increase funding for the VSCS to the 30% average funding level of other 71 New England 2-year and 4-year non-land grant public colleges

Fiscal Year	Base Appropriation Request	Increase vs. Prior Year	Cumulative Increase
FY2021	\$35,500,464	\$5,000,000	\$5,000,000
FY2022	\$40,500,464	\$5,000,000	\$10,000,000
FY2023	\$45,500,464	\$5,000,000	\$15,000,000
FY2024	\$50,500,464	\$5,000,000	\$20,000,000
FY2025	\$54,000,464	\$3,500,000	\$23,500,000

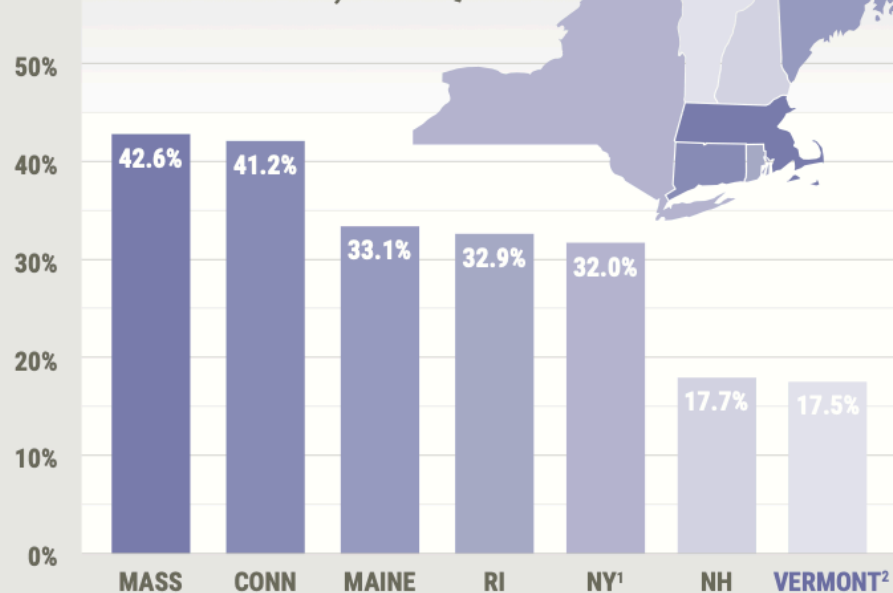
Why is more State funding so critical?

**BECAUSE
VERMONTERS'
ACCESS TO QUALITY
PUBLIC COLLEGE
IS AT RISK!**

Vermont is making a choice...

Bottom-Ranked State Funding

New England & New York Public Colleges: State Appropriation as Share of Revenue, FY2017



1: SUNY system used for New York
2: Vermont numbers are as of FY2020 and include all increases to appropriation since FY2017

49TH

Vermont's rank in the nation for in state funding per student (FTE)

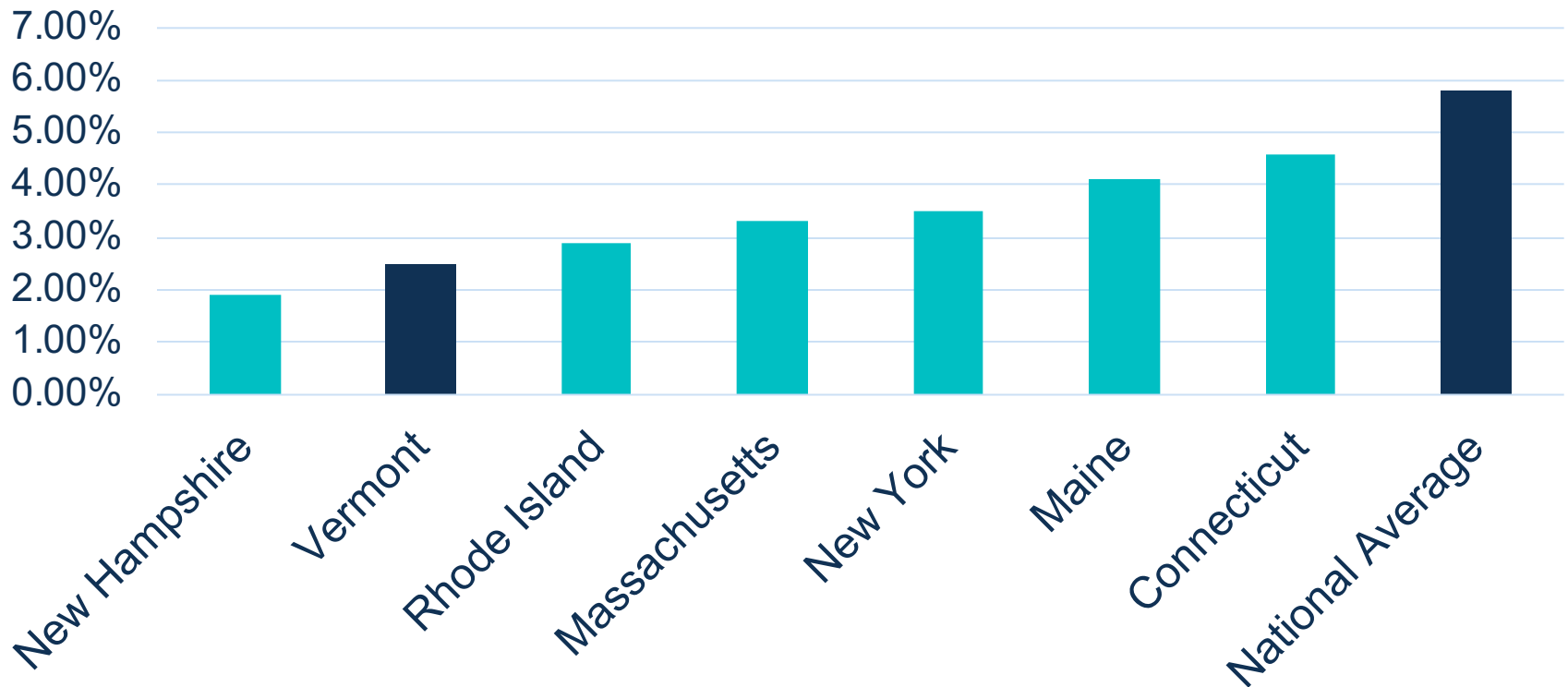
Source: State Higher Education Executive Officers, 2018

§ 2171. Corporation established; purposes; powers

(a) There is created as a part of the educational system of the State of Vermont a public corporation to be known as "Vermont State Colleges" or any other name that the Board of Trustees, established under section 2172 of this chapter, selects at a meeting duly warned for that purpose, provided that the word "Vermont" shall appear in the selected name. The Corporation shall plan, supervise, administer, and operate facilities for education at the postsecondary level supported in whole or in substantial part with State funds

Vermont is #49... for State Funding Effort

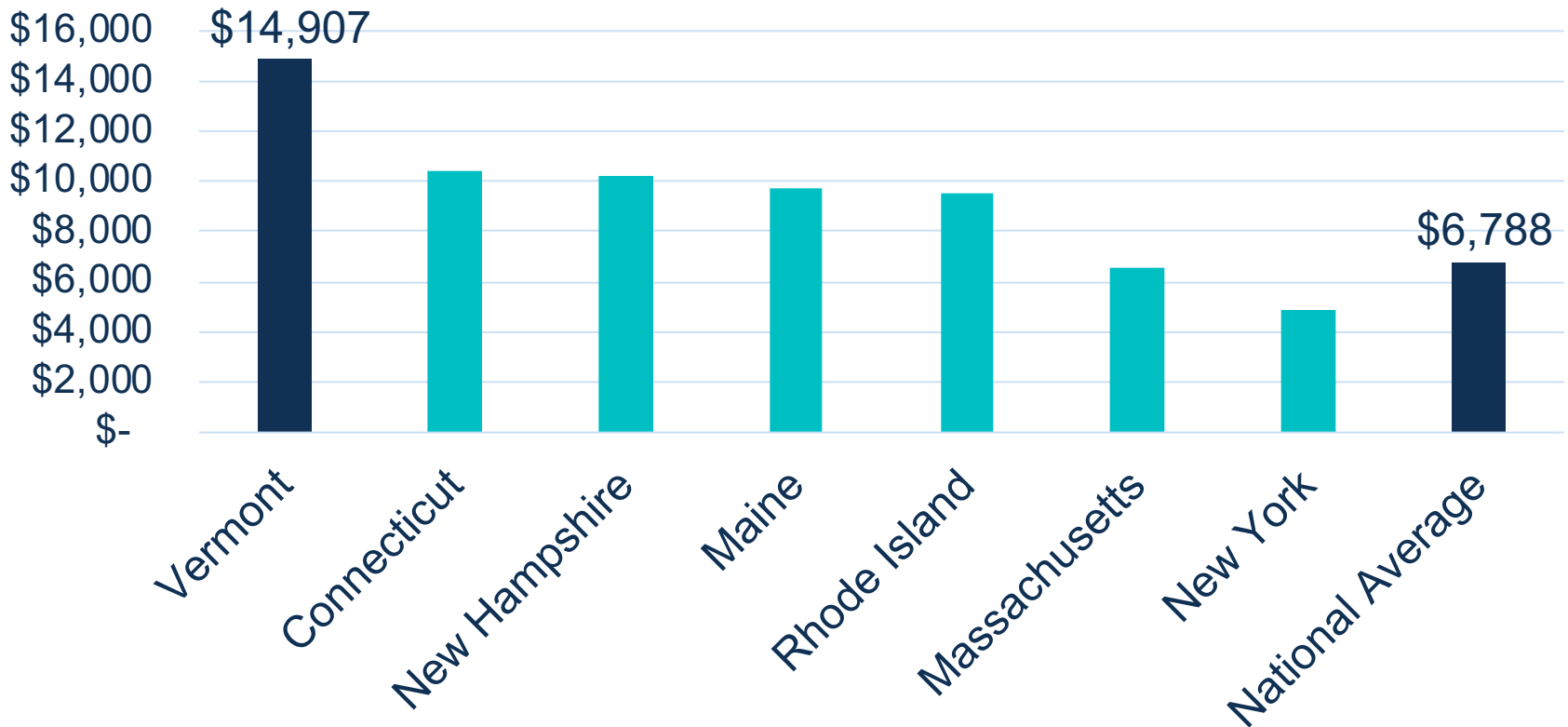
Percent of State Tax Revenues Allocated to Higher Education



Source: [State Higher Education Finance Report FY 2018](#)

Vermont is #1... for Highest Public Tuition Paid by Students

Net Tuition Revenue per FTE



Source: [State Higher Education Finance Report FY 2018](#)

A Choice that Impacts Affordability

49TH

Vermont's rank in the nation for
in state funding per student (FTE)

1: SUNY system used for New York
2: Vermont numbers are as of FY2020 and include all
increases to appropriation since FY2017

Source: State Higher Education Executive Officers, 2018

[State Higher
Education
Executive
Officers](#)

82%

Family share
of college
costs in
Vermont

Nº1

The highest
percentage in the
nation

Young Invincibles State Report Card, 2018

[Young
Invincibles](#)

42%

...of all
Vermont
high school
graduates do
not continue
to college.

64%

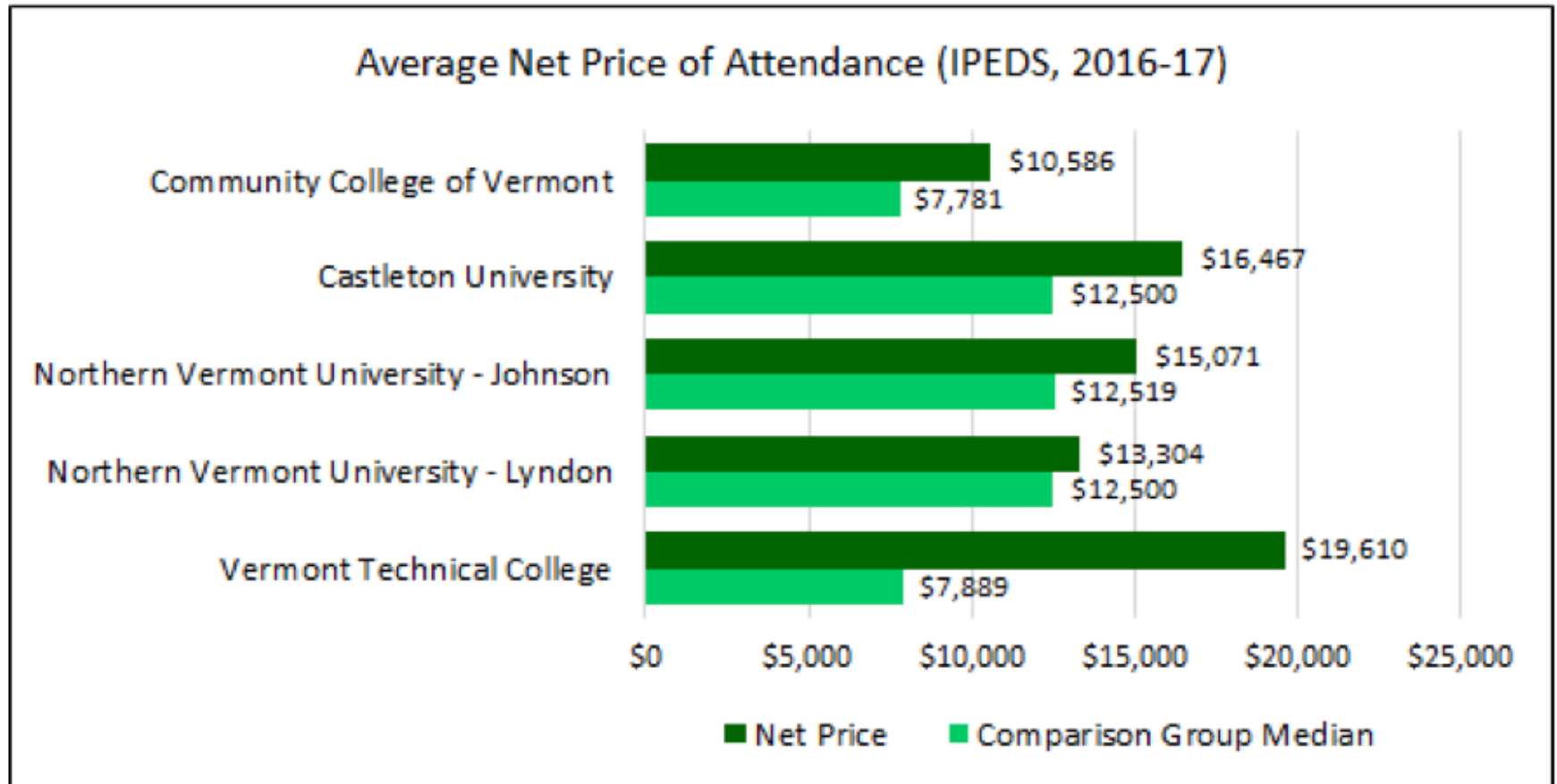
...of economically-
disadvantaged
Vermonters do
not enroll in degree
programs after
high school.

Source: New England Common Data Project, 2018

[New England
Common Data
Project](#)

**A major part
of the solution
to Vermont's
workforce
challenges is
within our
reach.**

Is Studying in Vermont Still Affordable?



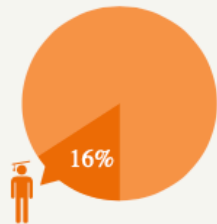
Source: IPEDS, 2018

This Choice Matters

Why Postsecondary Attainment Matters

Education beyond high school is a key determinant of economic opportunity and social mobility, but access, affordability, and attainment aren't equitable. Addressing systemic institutional, societal, and policy structures that effect historically marginalized students is both a moral and practical necessity.

Link: <https://advancevermont.org>



16%

ONLY 16 PERCENT OF VERMONT'S CLASS OF 2012 FIRST-GENERATION BOYS OBTAINED A 2 OR 4 YEAR DEGREE WITHIN 4 YEARS OF HIGH SCHOOL GRADUATION



75%

THREE-QUARTERS OF VERMONTERS AGE 16-34 WHO DON'T POSSESS A CREDENTIAL OF VALUE ARE INTERESTED IN STARTING OR FINISHING A COLLEGE DEGREE.



100%

100 PERCENT OF VERMONT'S HIGH-GROWTH, HIGH-WAGE JOBS THROUGH 2028 ARE PROJECTED TO REQUIRE EDUCATION OR TRAINING AFTER HIGH SCHOOL.

Impacts on Working Vermonters

State Funding Per Capita for Postsecondary Institutions and Student Financial Aid

\$152.47

State funding per capita for postsecondary institutions and student financial aid including degree and non-degree programs

Average Student Loan Debt on Completing a Degree

\$30,651

Average student loan debt for students in Vermont's 4-year institutions

Proportion with Debt upon Completing Degree

60%

of graduates from Vermont's public and private nonprofit 2 and 4-year institutions have accrued student loan debt

Percentage of Family Income Needed to Pay for College

45%

of family income is needed for a dependent in a low-income family to attend a 4-year college

Link: <https://advancevermont.org/data-dashboard/#/affordability>

2nd Quarter FY2020 Results (\$000)

	FY2020 <u>Budget</u>	Outlook as of <u>31-Dec</u>	Dec 31 vs. <u>Budget</u>
REVENUES			
Castleton University	56,958	55,736	(1,222)
Community College of Vermont	27,504	27,862	358
Northern Vermont University	56,730	52,970	(3,760)
Vermont Technical College	38,715	40,262	1,547
Chancellor's Office	<u>500</u>	<u>500</u>	<u>-</u>
TOTAL REVENUES	180,407	177,330	(3,077)
EXPENSES			
Castleton University	56,952	56,487	(465)
Community College of Vermont	27,754	27,962	208
Northern Vermont University	58,496	56,296	(2,200)
Vermont Technical College	38,843	40,193	1,350
Chancellor's Office	<u>500</u>	<u>596</u>	<u>96</u>
TOTAL EXPENSES	182,545	181,534	(1,011)
NET REVENUES/(DEFICIT)			
Castleton University	6	(751)	(757)
Community College of Vermont	(250)	150	400
Northern Vermont University	(1,766)	(3,326)	(1,560)
Vermont Technical College	(128)	69	197
Chancellor's Office	<u>-</u>	<u>(96)</u>	<u>(96)</u>
NET REVENUES/(DEFICIT)	<u>(2,138)</u>	<u>(3,954)</u>	<u>(1,816)</u>
	-1.2%	-2.2%	-1.0%

Note: Internal financial reports, unaudited

Results Since FY2016 (\$000)

	% FY20	2nd Qtr				
	<u>Total</u>	<u>FY2020</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>
REVENUES						
Tuition and Fees	64%	113,879	113,093	110,701	112,047	110,055
State Appropriations	18%	31,938	28,940	28,939	25,938	25,453
Room & Board	14%	24,438	24,126	23,739	24,533	24,564
Sales and Services	2%	4,259	4,534	4,656	5,262	5,454
Other Revenue	2%	2,816	3,218	3,381	3,471	4,811
TOTAL REVENUES	100%	177,330	173,911	171,416	171,251	170,337
EXPENSES						
Employee Wages & Benefits	62%	111,961	109,613	111,893	113,193	114,197
Services, Supplies & Travel	20%	36,019	35,492	35,089	35,976	37,082
Scholarships	11%	19,276	17,332	12,648	10,881	8,662
Utilities	4%	6,816	6,773	5,800	5,475	6,176
Other Expenses	4%	7,212	5,408	4,207	9,023	6,155
TOTAL EXPENSES	100%	181,284	174,618	169,637	174,548	172,273
NET REVENUES		(3,954)	(707)	1,779	(3,297)	(1,936)
		-2.2%	-0.4%	1.0%	-1.9%	-1.1%

Note: internal financial reports, unaudited.

Wages and Benefit Reductions

<u>Employee Costs</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>
Salaries and Wages	82,488,029	79,922,958	78,963,999	79,467,558	79,583,780	78,107,048
Benefits	42,798,448	42,665,064	42,364,668	41,561,708	42,291,707	42,706,911
Total:	125,286,477	122,588,022	121,328,667	121,029,266	121,875,487	120,813,959
Percent change since FY2014:		-2.2%	-3.2%	-3.4%	-2.7%	-3.6%

<u>Headcount</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>
Full Time	1,090	1,050	1,010	1,006	983	923
Part Time	1,215	1,160	1,123	1,145	1,147	1,107
Total:	2,305	2,210	2,133	2,151	2,130	2,030
Change since FY2014:		(95)	(172)	(154)	(175)	(275)
Percent change since FY2014:		-4.1%	-7.5%	-6.7%	-7.6%	-11.9%

Source: Management's discussion and analysis (unaudited) from annual financial statements.

Actions Taken in FY19 to Enhance Mission and Reduce Costs

- **Shared Services:** Grants compliance centralized; payroll and benefits administration consolidated with new software
- **New online learning management and advising systems**
- **Full-time faculty contract** completed, reducing retirement contribution by almost 20% across the System and introducing mandatory high-deductible health plan for new employees
- **Northern Vermont University** completed its first full year of operations as a unified entity on June 30, 2019. **Castleton University** launched resort management program at Killington (Green Mountain College) and nursing program in Bennington (Southern Vermont College); **Vermont Tech** launched radiological sciences program in Williston (College of St. Joseph); **Northern Vermont University** launched a M.S. in Clinical Mental Health Counseling (SNHU)

Ongoing Savings and Efficiencies

- **\$9.3 million** – Decrease in Northern Vermont University's 2nd quarter FY2020 result compared to 2016 Unification Study's budget projection
- **\$3.6 million** – Annual savings from multi-year restructuring of Castleton University's operations
- **\$1.0 million** – Annual health care cost savings from addition of high-deductible health plan
- **\$1.3 million** – Annual retirement cost savings from 25% reduction to employer 403(b) plan contribution
- **\$12.0 million** – Total debt service relief and savings from 2017 debt restructuring and 2020 debt refinancing
- **\$4.5 million** – Personnel savings from 275 or 11.9% fewer employees compared to FY2014, a 3.6% total reduction despite annual salary and health care benefit cost increases of nearly 4%

New Programs & Partnerships for High-Demand VT Workforce Needs

Certificates

Clinical Medical Assisting (CCV)
Funeral Director (CCV)
Graphic Design (CCV)

Registered Apprenticeships

Manufacturing Production Technician (CCV)
Medical Assisting (CCV)
Pharmacy Technician (CCV)
Advanced Manufacturing (VT Tech)
Industrial Maintenance (VT Tech)
Licensed Practical Nursing (VT Tech)

“Learn & Earn” Employer Partnerships

Castleton Resort and Hospitality Management Program at **Killington Resort**
Global Foundries Technician Apprenticeship Program with credits at Vermont Tech
CCV and Vermont Tech LPN Training Program at **Central Vermont Medical Center**
Brattleboro Memorial Hospital Accelerated Medical Assistant Program at CCV

Associate and Bachelor’s Degrees

Data Science (Northern VT U)
Digital Communications (Northern VT U)
Early Childhood and Special Education (Castleton)
Radiologic Science (VT Tech)
Wildlife and Forest Conservation (Castleton)

Graduate Programs

MBA (Castleton)
Leadership Studies (Northern VT U)

Serving Vermont Students by Securing the Future of the VSCS

Challenges Identified in Whitepaper

- Historically weak demographics
- Bottom-ranked State support
- Accelerating pricing pressures
- Barriers to adaptability
- Changing student preferences and attitudes
- Disruptive technology and delivery

VSCS Institutions Planning to Meet New Metrics

- Consistent positive operating results
- Sustainable campus configurations consistent with realistic enrollment and revenue projections
- Increased opportunities for non-traditional students
- Improved affordability for students
- Improved retention and graduation rates
- Increased system collaborations

Serving Vermont Students by Securing the Future of the VSCS

1. Review of Chancellor's Office Services, Staffing, Expenses, Location (March 2020)
2. VSCS Presidents Report to Trustees on Action Steps (June 2020)
3. VSCS Board Committee Review of Current Initiatives and Recommendation of Potential Actions (through 2020):
 - Improve transparency of transfer processes and pathways
 - Accelerate use of open educational resources to lower textbook expenses
 - Adopt flexible and faster degree completion strategies
 - Increase number of industry-recognized credentials offered
 - Improve retention and graduation rates
 - Review shared services and consolidated business functions
 - Develop additional alternative revenue streams

Minimum FY21 Request to Continue Progress

Inflationary Increase:

- Continue the \$500,000 of one-time funds in FY2020 as ongoing base funding in FY2021, along with a three percent inflationary increase on a base appropriation of \$31,000,000 or \$930,000.
- = \$1.43 million increase for FY2021

For further information...

[VSCS Impact Statement – 2018-2019](#)

[VSCS Financial Reports](#)

[VSCS Website](#)

[Secure the Future](#)

Colleges:

[Castleton University](#)

[Community College of Vermont](#)

[Northern Vermont University](#)

[Vermont Technical College](#)