

Via Electronic Mail

May 5, 2020

The Honorable Jane Kitchel, Chair of the Senate Committee on Appropriations
The Honorable Catherine Toll, Chair of the House Committee on Appropriations
Mr. Adam Greshin, Commissioner of Finance & Management

Re: Vermont State Colleges System's \$5.1 Million COVID-19 Room and Meal Plan Refunds

Dear Senator Kitchel, Representative Toll and Commissioner Greshin,

The Vermont State Colleges System sincerely appreciates the opportunity to request reimbursement from the State of Vermont's Coronavirus Relief Fund (CRF) in accordance with the "Guidance for State, Local and Territorial Governments" dated April 22, 2020.

This guidance states, in part, that the "CARES Act provides that payments from the Fund may only be used to cover costs that—

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020."

The System and its four Institutions (Castleton University, Community College of Vermont, Northern Vermont University, and Vermont Technical College) have incurred or anticipate incurring significant costs that meet these criteria. In addition to the request set forth below, we are tracking other qualifying costs and anticipate submitting multiple requests to you over the next several weeks and months, as the full financial impacts from COVID-19 become clearer.

Of most immediate concern is that the System (like many other colleges and universities nationally) has promised to reimburse students for their unused room and board for the spring semester. It anticipates incurring approximately \$5.1 million of costs related to refunds of residential dormitory (*i.e.*, room) and meal plan (*i.e.*, board) costs before the end of its current fiscal year on June 30, 2020.

On March 12, 2020, as a direct result of COVID-19, the Chancellor instructed the System's Institutions to cease all in-person instruction at the end of the day on March 13, and the System's three residential Institutions, Castleton University, Northern Vermont University, and Vermont Technical College, also directed their students to leave their dormitories by March 15 and return

home unless specifically authorized to remain on campus. A copy of this electronic mail communication is included as **Attachment 1** hereto.

The System has agreed to refund any affected students a pro-rated share of both the room and board charges from March 15 or whichever later date the student left his or her respective campus. The Institutions anticipate paying these refunds during the month of June 2020; therefore, the System will have realized these specific expenses entirely within the period from March 1, 2020 through December 30, 2020.

The System's Board of Trustees, via its Resolution 2019-044 (included as **Attachment 2**) approved the System's Annual Operating Budget for fiscal year 2020, which includes the period from July 1, 2019 through June 30, 2020 on June 20, 2019; this remained the System's most recently approved budget as of March 27, 2020; and room and board refunds as a direct result of COVID-19 were not accounted for in this budget.

The System's anticipated room and board refund costs, by college, are approximately \$5.1 million as follows:

Institution Name	Refunds of Room Charges	Refunds of Meal Plan Charges	Total Refunds
Castleton University	\$1,342,795	\$893,039	\$2,235,768
Northern Vermont University	\$1,194,365	\$727,865	\$1,922,230
Vermont Technical College	\$555,863	\$403,865	\$959,728
System Totals:	\$3,093,023	\$2,024,769	\$5,117,792

Please note that these refunded amounts may change due to retroactive adjustments, for example for students who withdrew but did not notify the colleges, or who intended to stay but then changed their minds, or who have been permitted to remain on campus but leave before the end of the semester. However, these changes are not expected to be significant.

I respectfully request your guidance and assistance in reimbursing the System for these costs from the State of Vermont's federal CRF funds, as soon as possible. I anticipate that payment of these refunds, anticipated in June, will severely deplete the System's operating cash balance, going into period of the fiscal year when the System's cash balance is already at its lowest point seasonally before fall tuition revenues start to be received.

As previously discussed, the System continues to incur COVID-19 related costs in FY2020, including personnel costs related to direct emergency response, transition to remote instruction and online delivery, expenditures for personal protective equipment (PPE) for employees, materials for sanitation, increased costs from frequency of cleaning, refunds of foreign and domestic travel, cancelled conferences and events, paid sick leave, and numerous other expenses.

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Commissioner Adam Greshin
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Again, thank you very much for your guidance to date, and for your continued assistance going forward. The System and its Institutions will continue to furnish information regarding these additional costs as it becomes available. In the meantime, should you have any questions or require additional information, please contact me at stephen.wisloski@vsc.edu or (802) 595-5006, or Interim Chancellor Sophie Zdatny at sophie.zdatny@vsc.edu or (802) 279-8387.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Stephen T. Wisloski', with a horizontal line extending to the right.

Stephen T. Wisloski
Chief Financial Officer

Attachments

cc: Stephen Klein, Chief Fiscal Officer
J. Churchill Hindes, Chair, VSCS Board of Trustees
Sophie Zdatny, VSCS Interim Chancellor
Jonathan Wolff, Primmer Piper Eggleston & Cramer PC

**Attachment 1:
Chancellor's Statement Regarding Cessation of
In-Person Instruction and Order to Return Home**

Wisloski, Stephen T.

From: Spaulding, Jeb
Sent: Thursday, March 12, 2020 2:42 PM
To: VSC-ALL
Subject: COVID-19 Update

Dear Vermont State Colleges System Community,

Each of our colleges and universities continue to monitor the rapidly evolving situation with the COVID-19/Coronavirus and keep their campus community as up to date as possible, given the circumstances. As with institutions across Vermont and throughout the country, the VSCS's first commitment is to the health and safety of our students, staff and faculty. Based on the most recent available information, in consultation with our presidents, we have determined that each institution in the VSCS will undertake the following steps. You will be receiving additional information shortly from your institution's President.

Course Instruction:

- **In-person instruction** at all VSC institutions will be transitioned to remote delivery after the end of the day tomorrow, Friday, March 13, 2020.
- **Online instruction** will continue as scheduled.
- You will hear from your institution president a specific timeline for transition of classes to remote delivery.
- Students and faculty should anticipate that remote instruction will continue at least through Friday, April 3, 2020.
- During this period, the VSCS and institutional leadership will be assessing the situation as it evolves; however, faculty should be prepared to teach remotely through the end of the semester.

For Residential Students:

- You are strongly encouraged to return home no later than the end of the day, Sunday, March 15, 2020.
- Those students who are unable to return home will be allowed to remain on campus, as determined appropriate by campus leadership.
- You will hear from your institution's president with further details.
- Residential students should anticipate remaining home until at least through Friday, April 3, 2020.

For Faculty and Staff:

- Please monitor your health and safety and contact your HR directors if you have concerns.

- At this time, all institutions will remain open next week and employees should plan to report to work unless informed otherwise.
- Faculty and staff will be working hard to develop trainings and other supports to aid in this rapid transition.

For Institutional Events:

- All institutionally sponsored international travel is immediately cancelled.
- All institutionally sponsored domestic travel is immediately postponed, unless specifically approved by your president or designee.
- All public events are suspended through at least April 6, 2020.
- Faculty, staff and students remaining on campus must employ social distancing practices ([link here](#)).

In closing, I recognize this is a difficult time for students and staff, but one in which we can all pull together with the common goal of protecting our communities' health and safety, and also ensuring that our students continue to receive the valuable education we provide through the successful completion of the semester.

Thank you for your attention and good will.

Jeb Spaulding, Chancellor

Vermont State Colleges System
PO Box 7, 575 Stone Cutters Way
Montpelier, VT 05601
(802) 224-3001



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Attachment 2:
Board of Trustees Resolution 2019-004,
FY2020 Vermont State Colleges System
Annual Operating Budget for FY2020

VERMONT STATE COLLEGES SYSTEM

BOARD OF TRUSTEES

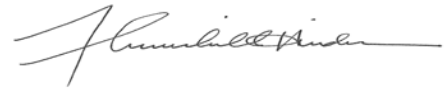
RESOLUTION 2019-004

FY2020 Vermont State Colleges System Annual Operating Budget

WHEREAS, The Finance & Facilities Committee of the Board of Trustees has reviewed the FY2020 budget information presented for the Vermont State Colleges System, has discussed individual aspects of the proposals with Chancellor and the Presidents of the individual institutions, and endorses approval of the Chancellor's recommendation by the full Board; therefore, be it

RESOLVED, That the Board of Trustees of the Vermont State Colleges System hereby approves the System Annual Operating Budget of \$182.544 million, including a projected operating deficit of \$2.138 million, consistent with the attached materials.

Approved: June 20, 2019



J. Churchill Hindes, Chair of the Board of Trustees