

May 5, 2020

TO: The Hon. Peter Fagan and Members of the House Appropriations Committee
FROM: Richard Cate, Vice President for Finance and Treasurer
RE: Response to Request for Information

As per your request, the table on the following page illustrates a summary of out-of-pocket costs that the University of Vermont has incurred thus far and expects to incur as a result of the COVID-19 crisis. Following the summary table of out-of-pocket expenses, we outline student financial support and recruitment needs, and our need for continued legislative support. The University greatly appreciates the fact that these unprecedented and unexpected needs for additional funding are being considered by the State.

Out of Pocket Expenses

Paid Expenses as of 5/04/2020	
Room Refunds to Students	4,915,000
Masks	19,650
IT Expansion for Distance Learning	163,770
Compensation for Additional Work	403,470
Equipment & Supplies Purchases*	138,267
Subtotal	5,640,157
Projected Additional Commitments through 6/30/2020	
IT Expansion for Distance Learning	650,000
Facilities Modifications	780,000
Equipment & Supplies Purchases*	825,000
Masks	95,000
Storage of Students Belongings	600,000
Parking Permit Refunds to Students	101,300
Subtotal	3,051,300
Estimated Additional Expenses for Academic Year 2020-21	
Virus Testing	1,000,000
Equipment & Supplies*	630,000
Additional IT Expansion	725,000
Additional Leave Required by FFCRA	4,000,000
Subtotal	6,355,000
Combined Total Expenses	15,046,457
*E.g. sanitizer, sanitizer dispensers, cleaning supplies, spraying/sanitizing equipment, thermometers, shields, etc.	

Student Financial Support and Recruitment

Additional financial aid

The April 15 letter from President Garimella to Governor Scott included a request for additional financial aid for students in the amount of \$8 million as a result of ongoing financial hardship caused by the pandemic. However, with the passage of time, it is clear that the actual needs of students may well reach as high as \$20 million. The allocation of any support for financial aid would be approximately as follows: freshmen – 30%, sophomores – 25%, juniors – 23%, and seniors – 22%. As you know, the families of prospective students as well as current students have been severely impacted by the country’s current economic crisis. Many students are choosing to either take a gap year as a result or are choosing to transfer to lower-cost public schools closer to home. Because UVM relies for 80% of its tuition revenue on out-of-state students, this is cause for particular concern. It also should be cause for concern to the state, since 31% of UVM’s out-of-state students end up choosing to relocate to Vermont, contributing to the state’s economy in ways that are critical to Vermont’s long-term health. Estimated cost: \$20 million.

Technology for Pell-eligible students

To further assist students with the greatest economic need, the University has determined that additional technology support would help address an urgent priority. Students come to us with highly variable technology assets, which fosters a platform for educational inequality. We would like to provide our neediest students, Pell-eligible undergraduates, and those students most impacted by financial losses due to the pandemic, with a laptop computer. Estimated cost: \$250,000.

Support for Vermont adult learners with needs resulting from the current economic crisis

We propose the creation of a Bachelor of Interdisciplinary Studies Program: there are many adult learners throughout the state of Vermont who, for one reason or another, had their post-secondary educational careers disrupted. The Bachelor of Interdisciplinary Studies or BIS Program could be rooted in Arts and Sciences, but offer “concentrations” to students by pulling courses from other colleges, i.e. a concentration in business through the Grossman School of Business, a technology program through the College of Engineering and Mathematical Sciences, or a “Health Care” certificate through the College of Nursing and Health Sciences may all have appeal. Many of these adults may have recently experienced job loss or had their work hours curtailed and may be seeking an affordable educational opportunity. These courses would be offered evenings and weekends and in person in a remote (Northeast Kingdom, Southern Vermont or elsewhere) location and/or online. These learners, once credentialed, would provide economic impact throughout the state of Vermont. We would enhance our career services for these learners and work with businesses and organizations throughout the state to support job placement in targeted, rural communities. Estimated cost: \$3 million.

Expanding UVM’s reach

Higher education will undergo a permanent change after this crisis. In order to remain viable, it will be vital that UVM evolve as an institution. For example, UVM must develop a significantly

more robust online education platform, particularly for our areas of special expertise, such as sustainable farming, food systems, water quality, and environmental sustainability. This evolution, if adopted expeditiously, thoughtfully, and with a focus on quality of delivery, will not only attract new distance learners, but will help us attract and retain on-campus students, who will increasingly expect that a portion of their educational programming will be delivered and available online. We need to be nimble in order to survive and thrive. That will take additional technology resources, course designers who specialize in the conversion of course material to online formats, and substantial faculty training. Estimated cost: \$5 million.

Continued Legislative Support

We respectfully ask that, despite these difficult times, the Legislature also fund the two priority items included in our original FY 21 budget request, the continuation of our general appropriation and the establishment of the UVM Office of Engagement. These are described in more detail below.

- Maintain our annual state appropriation of \$42.5 million. This allows us to provide Vermont students with a high quality and affordable education, to serve the state through geographically diverse UVM Extension programs, and to provide support for the Larner College of Medicine, which is now more important than ever in producing our healthcare workforce. A cut to the annual appropriation would be devastating, potentially resulting in the loss of scholarship dollars for needy Vermont families, fewer critical extension workers to directly assist farmers and other small businesses, and a hit to the development of physicians the state can ill-afford.
- \$2 million for standing up the UVM Office of Engagement. As we have discussed, this new endeavor will enable the university to use its significant intellectual resources to serve as a consulting service for the State of Vermont, assist businesses with placing and supporting qualified interns, and entice new companies to locate in Vermont in partnership with our university research arm. UVM will be there for Vermont to help restart our economy. The UVM Office of Engagement also will assist companies in writing SBIR grants and in serving as a conduit for federal dollars to flow to these businesses. The Office of Engagement will be a ready partner in Vermont's economic recovery.

Please contact Vice President for Finance Richard Cate at rcate@uvm.edu if you require any additional information about this request.