

ASSOCIATION OF VERMONT INDEPENDENT COLLEGES REQUEST FOR CORONAVIRUS RELIEF FUNDING (CRF)

The eleven members¹ of the Association of Vermont Independent Colleges (AVIC) will have suffered over an estimated **\$144 million of expenses and loss revenue** due to the COVID-19 pandemic. A loss of this magnitude is placing severe strain on the State's private higher education industry. Recently, the State has seen five private colleges close² with a sixth closing soon, the New England Culinary Institute. The State, the students, and the communities cannot afford to lose more.

Although key to the State's economic health, we are one of the sectors that have not received any direct state CRF funds nor have we been eligible for economic recovery grants. The private higher education sector is a driving force behind economic development and job growth. **We employ more than 9,000 people with annual institutional expenditures of over \$0.5 billion.** Without support from the State during the COVID-19 pandemic the future for some institutions may be uncertain.

As Tom Kavet, the State's Legislative Economist stated in his memo to Steve Klein, Chief Fiscal Officer, Legislative Joint Fiscal Office, dated August 26, 2020 regarding *Economic Priorities: CARES Act Allocation Inquiry*:

"The third area of optimal disbursements would target companies and institutions in critical State economic sectors not previously served or substantially underserved that are not at high risk of permanent loss. The sectors that should be considered for substantial additional support include private higher education institutions, non-profits, and arts, entertainment and community service sector firms, including sole proprietors."

Recognizing that CRF funding is limited, AVIC is requesting, for its members, \$10 million of CRF funding to help offset these losses. Please see the table on page 2.

¹ Bennington College, Champlain College, Goddard College, Landmark College, Middlebury College, Norwich University, St. Michael's College, SIT, Sterling College, Vermont College of Fine Arts, Vermont Law School.

² Burlington College, College of St. Joseph, Green Mountain College, Marlboro College and Southern Vermont College.

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Each institution has different COVID-related losses and expenses. For example, four institutions have no testing or PPE costs. Others do not have costs for remote technology. At some institutions, funding will be used to help maintain salaries and payroll costs so that staff do not have to be laid off due to declines in revenues. Some institutions may need funds to cover other allowable revenue loss. Rather than propose specific categories that may not apply to every institution and may put the smaller institutions at a disadvantage, please consider broadening the language to allow flexibility in compliance with federal eligibility requirements.

PROPOSED LEGISLATIVE LANGUAGE

H.969 (p.69)

Sec. B.1101.2 CORONAVIRUS RELIEF FUND – ONE-TIME LIST

(3)

To the

Projected COVID-related Revenue Losses FY20

Agency of Administration: \$10,000,000 for equitable distribution, determined in consultation with the Association of Vermont Independent Colleges, among the 11 independent colleges. Distribution factors to be considered include but are not limited to: CARES Act funding guidelines, creating a floor to protect smaller schools, and endowment size. In order to qualify for funding from this appropriation, institutions must be accredited and chartered in Vermont. The funds are for COVID-19 related losses or expenditures previously incurred or expected to be incurred that meet the federal guidelines for funding eligibility.

Projected COVID-19 revenue loss and expenditures for the 11 AVIC member institutions due to pandemic.

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Room and Board Refunds & Evacuations from Abroad	19,648,805
Summer School/Camp Revenue	18,380,000
Rentals/Conference & Bookstore Sales	9,618,400
Estimated COVID-related Expenses FY21	
Loss of Student Revenue	79,014,730
Other Revenue Loss ³	11,307,437
Health and Safety Measures	5,337,028
TOTAL	144,056,400

³ For example, nursing staff, reduced dorm & dining density, Covidverified apps, COVID planning consultants