

Vermont State Colleges System

House Education Committee

February 11, 2021



Best Bet Career Training Programs for

Vermonters

The J. Warren & Lois McClure Foundation has identified seven "best bet" career training programs for Vermonters in 2021 that lead to a recognized credential and a great shot at attaining a promising



These seven programs are available through the Community College of Vermont or Vermont Technical

College. (more...)

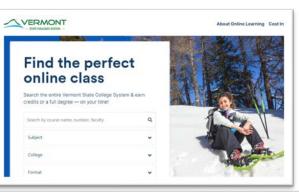






Spartan Scholars

More than 630 Castleton students received President's and Dean's List Honors for the fall semester.



UP HERE, KNOWLEDGE KNOWS NO BOUNDS

Northern Vermont University is thrilled to announce that it has received a gift of \$3.5 million. The largest gift in VSCS history.



Continuing Education Opportunities Available through the Vermont State Colleges

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While the deadline for the VSCS Workforce Training has passed, the Vermont State Colleges offer continuing education courses, professional skills building, and traditional degree programs.





Transformation – Looking Ahead

- NCHEMS/Select Committee Initial Report
 - Ongoing visioning/project planning
 - Opportunity for public comment 1/8 through 2/17
 - Board listening session -2/17
 - Release of 2^{nd} Select Committee report 2/12
 - Presentation to VSCS Board 2/22



Transformation - Already Underway

• <u>Academic</u>

- Launched <u>online.vsc.edu</u>
- Creating single general education core accessible in person & virtually
- Reviewing academic program array for relevancy and cost
- Expanding virtual library system-wide
- Enforcement of Board policies
- Development of stackable and industryrecognized credentials
- Developing learning & working communities; expanding co-working spaces

• Operations

- Adopted a system-wide budget
- Revising resource allocation model
- Reducing campus footprint
- Reviewing software needs
- Establishing a system-wide IT Help Desk
- Re-designing system's portal
- Previous consolidations include:
 - Accounts Payable
 - Grants Compliance
 - Accounting
 - Payroll
 - Benefits



CURRENT DEFICIT POSITION	FY 2022	FY2023	FY2024	FY2025	FY2026	FY2027
VSC ESTIMATED OPERATING DEFICIT						
Operating Deficit Due to COVID	20	?	?	?	?	7
Structural Deficit	25	20	15	10	5	C
Operating Efficiencies	-5	-5	-5	-5	-5	0
TOTAL ESTIMATED OPERATING DEFICIT	45	20	15	10	5	0

• First Pass FY2022 Budget for the VSCS is \$32M to \$45M in deficit

• Approximately \$25M is structural, the remaining \$20M is due to COVID



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Operating Deficit Due to COVID:

- Lost revenue
- Lower enrollments
- COVID expenses



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TOTAL ESTIMATED OPERATING DEFICIT	45	20	0 15	10	5	0

• **Operating Deficit Due to COVID** for years FY2023 to FY2027 is currently unknown

• Post-pandemic questions that will inform the future:

- How soft will enrollment be for traditional learners?
- How much room capacity will be necessary?
- Will we be prepared to meet the needs of the changing learner?



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Structural Deficit is due to:

- Enrollment/Demographics
- Market Conditions
- VSCS Expense Structure
- State Support



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Operating Efficiencies and improved revenue will be derived from:

- Administrative consolidations
- Single accreditation
- Cutting edge program delivery
- Programs, degrees, credentials relevant to Vermont's workforce
- Sub-baccalaureate programs and credentials
- Adult learners



Investment Schedule	FY 2022	FY2023	FY2024	FY2025	FY2026	FY2027
Historical VSC Appropriation	30.5	30.5	30.5	30.5	30.5	30.5
Additional Investments in VSC						
Improved Capacity and Affordability (ongoing)	17.5	17.5	17.5	17.5	17.5	17.5
Structural Deficit Reduction (declining)	25	20	15	10	5	0
Transformation Expenses ¹ (one-time or 5 years)	8	7	3	2	0	0
Total Additional State Investments in VSC	51	45	36	30	23	18
VSC General Fund Request	81	75	66	60	53	48
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• FY2022 General Fund Request is \$81M before use of other funding sources.



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FY2021 State Appropriation excludes Allied Health and Global Commitment



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Improved Capacity and Affordability:

- Select Committee's recommendation for increased base funding
- Adequate capacity to evolve over time
- Addresses barriers to success for Vermont residents



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Structural Deficit Reduction:

- As the VSCS transforms, this declines from \$25M to \$0
- Allows the VSCS time to meaningfully transform
- Prevents undue harm to Vermonters and students



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Transformation Expenses:

- \$20M over four years
- Based on experience creating Northern Vermont University
- Real expenses for investments in technology, infrastructure, personnel, etc



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• \$51M in additional investment from FY21 Base

- Select Committee recommendation was \$42.5M
- Difference is Transformation Expenses



Estimated General Fund Needs Less System Uses

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Historical VSC Appropriation	30.5
Additional Investments in VSC	
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Transformation Expenses ¹ (one-time or 5 years)	8
Total Additional State Investments in VSC	51
VSC General Fund Request	81

FY 2022
81.0
30.5
5.0
3.6
5.0
36.9
67.4



FY2021 to FY2022 General Fund Crosswalk

FY2021 Appropriation	30,500,464	
Bridge Funding	28,800,000	
FY 2021 Other Changes ¹		
Total Approp. After FY 2021 Other Changes	59,300,464	
VSCS General Fund Request		
VSCS Base Appropriation	30,500,464	
Second Year of Bridge Funding	42,500,000	
Transformation Expenses	8,000,000	
Total VSCS Request	81,000,464	
Governor Recommend	50,000,000	
Plus adjustment to match historical funding	500,464 Total VSCS Page	ast
Plus Structural Deficit Reduction	22,500,000	Fotal VSCS Request
Plus Transformation Expenses	8,000,000	
Less FY2021 HEERF (estimated)	(5,000,000)	
Less BAA (if approved)	(3,600,000)	
Less VSC Austerity Measures	(5,000,000) Request less avail	lable so
Total General Fund Request	67,400,464	





