

H.439 Budget Proposal:

Both the House and Senate versions of the budget support the following:

- **\$30.5 million** annual state appropriation (General Fund)
- **\$5 million** increase to the base appropriation (General Fund)
- **\$21 million** in bridge funding to address the operating deficit due to COVID-19 (Federal Funds)
 - Note: The House budget allocated \$20m for the system-wide deficit due to COVID-19 and \$1m for operating costs due to COVID-19. The Senate combined these into one allocation.
- **\$20 million** to support system transformation over the next four years (Federal Funds)

Both the House and Senate budgets invest in critical occupations scholarships, free tuition, and workforce development programs. The House proposes \$20.5 million and the Senate proposes \$12.4 million. Some of the proposals in the House budget were enacted in H.315/Act 9.

Critical Occupations Scholarships/Workforce Development Programs	House Budget	Senate Budget	H.315 / Act 9
Workforce Development Initiative ¹	\$3 million for Academic Year 2021-2022	Additional \$2 million for Academic Year 2022-2023	\$3 million for Academic Year 2021-2022
Long-Term Care Facility Practical Nursing Program ²	\$2 million	x	\$1.4 million
Degree Completion Scholarships	\$3 million	\$3 million	
Welcome Home Scholarships	\$4 million	\$2 million ³	
Free Tuition for Critical Occupations Careers	\$5.5 million	\$5 million ⁴	
Critical Occupations Graduate Internship Scholarships	\$2 million	x	
Critical Occupations Undergraduate Internship Scholarships	\$1 million	x	
Dental Therapy Program Start-Up Costs	x	\$400,000	
Green Mountain Grad Gift ⁵			\$2.8 million
TOTAL	\$20.5 million	\$12.4 million	\$7.2 million

¹ After the House passed the Budget, this was put into H.315 and the [House Appropriations Committee agreed to this in their letter to the Senate Appropriations Committee on April 7, 2021](#). The Senate proposal is for another initiative the following academic year and is additive.

² After the House passed the Budget, this was put into H.315 for \$1.4 million with language to ensure tuition is covered after use of state and federal financial aid, which lowered the program cost by \$600,000. In the [House Appropriations Committee letter to the Senate Appropriations Committee on April 7, 2021](#), the committee agreed with the Senate position.

³ The Senate changed this program to \$2 million.

⁴ The Senate changed the Free Tuition program as follows: they allocated \$500k less to it due to scholarships available in other bills, set aside \$1m of the \$5m for paramedicine/EMS programs, and set aside the practical nursing, childcare, nursing, and mental health counseling programs for funding after other financial aid sources are exhausted. This ensures that students use the funds available in other bills, such as the Long-Term Care Facility Practical Nursing scholarships in H.315/Act 9 first, for example.

⁵ Up to 2 free classes for Vermont high school graduates in the class of 2020 or 2021 at VSC institutions.

H.138/Act 3 Budget Adjustment Act: \$5 million

The VSC also received \$5m in the BAA to assist with unfunded COVID-19 expenses

Federal HEERF Funds: Total TBD

The VSCS institutions will also receive Federal Funding for emergency aid to students as well as HEERF institutional support and Strengthening Institutions grants.

- HEERF I – the institutional portion, \$3.8 million, was used in FY’20 by nearly every VSCS institution to allowed the institutions to retain employees, despite significant loss of revenue. Due to use of these funds, the institutions were able to carry forward a portion of the monies to FY’21, thus lowering the VSC’s bridge request of the state legislature last year to \$28.8 million for FY’21.
- HEERF II allocated \$13.5 million to VSCS institutions, of which approximately \$3.1 million was spent on emergency aid to students. Of the \$10.5 million remaining, there is strict federal guidance governing the use of the funds. Given this guidance, the VSCS is able to use \$5 million of these funds to recover lost revenue for FY’21. These funds will be carried forwarded to FY’22 and they were used to lower our state budget request this year.
- HEERF III is not yet awarded and the allocations are unknown. While there are some estimates available, the formula and guidance are not, therefore we are not able to project an amount that could be used to lower expenses and offset expenditures for next year. We do know that about 50% of the HEERF III dollars will be allocated directly to students.

	FUNDS TO INSTITUTIONS	EMERGENCY AID TO STUDENTS	TOTAL
HEERF I	\$3,373,438	\$3,070,616	\$6,444,054
HEERF II	\$10,455,597	\$3,070,616	\$13,526,213
TOTAL	\$13,829,035	\$6,141,232	\$19,970,267
	69%	31%	