



Vermont State Colleges System

Senate Appropriations Committee

February 18, 2021

For the benefit of Vermont



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 job within 18 months.

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.

VIRTUAL TOUR



VERMONT STATE COLLEGES SYSTEM

About Online Learning Cost In

Find the perfect online class

Search the entire Vermont State College System & earn credits or a full degree — on your time!

Search by course name, number, faculty

Subject

College

Format

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.

Helping Vermonters Get Back to Work



Continuing Education Opportunities Available through the Vermont State Colleges

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.

For the benefit of Vermont

Transformation – Ongoing

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

Transformation - Already Underway

- Academic

- Launched online.vsc.edu
- 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 industry-recognized 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	?	?	?	?	?
Structural Deficit	25	20	15	10	5	0
<i>Operating Efficiencies</i>	-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

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

Operating Deficit Due to COVID:

- Lost revenue
- Lower enrollments
- COVID expenses

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

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

Structural Deficit is due to:

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

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

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

¹Transformation expenses, estimated at \$20M could be funded as a lump sum, or over several years

- FY2022 General Fund Request is \$81M before use of other funding sources.

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

¹Transformation expenses, estimated at \$20M could be funded as a lump sum, or over several years

FY2021 State Appropriation excludes Allied Health and Global Commitment

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

¹Transformation expenses, estimated at \$20M could be funded as a lump sum, or over several years

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

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

¹Transformation expenses, estimated at \$20M could be funded as a lump sum, or over several years

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

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

¹Transformation expenses, estimated at \$20M could be funded as a lump sum, or over several years

Transformation Expenses:

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

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

¹Transformation expenses, estimated at \$20M could be funded as a lump sum, or over several years

- **\$51M in additional investment from FY21 Base**
 - Select Committee recommendation was \$42.5M
 - Difference is Transformation Expenses

Estimated General Fund Needs Less System Uses

Investment Schedule	FY 2022
Historical VSC Appropriation	30.5
Additional Investments in VSC	
Improved Capacity and Affordability (ongoing)	17.5
Structural Deficit Reduction (declining)	25
Transformation Expenses ¹ (one-time or 5 years)	8
Total Additional State Investments in VSC	51
VSC General Fund Request	81

Vermont State Colleges	FY 2022
General Fund Request	81.0
less FY2021 GF Base	30.5
less HEERF	5.0
less BAA	3.6
less Austerity Measures	5.0
Total Additional Investment	36.9

Total Estimated General Fund	67.4
-------------------------------------	-------------

FY2021 to FY2022 General Fund Crosswalk

FY2021 Appropriation	30,500,464
Bridge Funding	28,800,000
FY 2021 Other Changes	
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	} \$81M Request
Plus adjustment to match historical funding	500,464	
Plus Structural Deficit Reduction	22,500,000	
Plus Transformation Expenses	8,000,000	} Less \$13.6M
Less FY2021 HEERF (estimated)	(5,000,000)	
Less BAA (if approved)	(3,600,000)	
Less VSC Austerity Measures	(5,000,000)	
Total General Fund Request	67,400,464	\$17.4M > Governor Recommend



TOGETHER

