



ASSOCIATION OF VERMONT
INDEPENDENT COLLEGES

...independent thinking for a collaborative world

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April 8, 2021

Senator Jane Kitchel
Senate Committee on Appropriations
Vermont State House
Montpelier, VT 05633

Dear Chair Kitchel and Senator Baruth:

On behalf of the Association of Vermont Independent Colleges (AVIC), please accept our sincere appreciation for your strong and steady leadership during this challenging time. We thank you for the support we received last legislative session. It made a difference to the independent colleges and helped us to continue safely serving students during the pandemic while holding tuition down.

However, like others, it covered only a portion of our pandemic-related needs. The actual collective losses by the private institutions is far, far higher. The financial challenges have strained institutional budgets in their mission to educate students. Our institutions are largely tuition-dependent and the health crisis is resulting in a loss of vital tuition and other revenue due to a loss of enrollment in fall 2020. Many institutions had an aberrantly small entering class. They will have to deal with having this small class for the next four years, reducing income significantly each year. Other revenue is greatly reduced as events and programs were cancelled last year as and many are cancelled this year. COVID-related expenses were significant, but we successfully had limited infections on campus with no spread to communities.

We believe our schools fit the guidance and purpose behind the recently passed American Rescue Plan (ARPA). And we are asking for your support so that we may continue to educate students and be an effective stimulus for our local communities. Without additional support, colleges may need to do further layoffs or continue pay freezes, employment freezes, cuts in retirement contributions or increase tuition.

Here is additional details on costs and loss revenue: Beginning on March 13, 2021 and projected out to 2024 the net COVID impact to all the independent colleges is \$174,759,756. This is after we subtract the COVID grant revenue received.

Our greatest losses and expenses are in FY21 at \$90,418,193. **Knowing that many institutions and organizations are seeking funds from the American Rescue Plan, we respectfully request funding only for FY21. This amount is \$90.4M.** Please see the attached spreadsheet. We understand this is a large amount, but it is spread among 12 institutions.

We do not know how long the financial impact of the pandemic will last as it is a race between the vaccine and the variants. We also don't know what the next term will look

like, so we have begun planning for additional costs and lost revenues. We may have to continue testing. Already, one fully vaccinated student has tested positive for COVID.

By supporting the all the higher education institutions in Vermont, you also support the communities where the colleges are located keeping Vermonters employed, the local economies vibrant, and bringing young people to our state.

Please let me know if you need additional information.

Sincerely,

Susan Stitely
President, AVIC

Bennington College, Center for Cartoon Studies, 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

Association of Vermont Independent Colleges Members				
COVID Loss Revenue & Expenses FY 20 through FY24				
Lost Revenue Covid Impact	FY 20	REQUESTED FUNDING FY 21	FY22 -24 Projected	Total
	Beginning March 13,2020			
Reduced Tuition due to enrollment decline	\$2,870,046	\$91,821,545	\$41,727,322	\$136,418,913
Lost Room and Board Revenue (refunds and de-densification)	\$20,294,231	\$20,593,393	\$4,096,541	\$44,984,165
Events Center cancelled events/ Loss rent/Summer programs	\$2,452,000	\$7,224,768	\$2,776,000	\$12,452,768
Unpaid student accounts	\$22,100	\$616,100	\$510,000	\$1,148,200
Disruptions to food services/dorm services/bookstore, cafeteria losses	\$230,053	\$1,421,858	\$1,310,261	\$2,962,172
Total Revenue Decrease	\$25,868,430	\$121,677,664	\$50,420,124	\$197,966,218
Covid Expenses	FY 20	FY 21	FY22 - 24 Projected	Total
Services for Isolated & Quarantined Students (food, mental health etc).	\$132,084	\$1,233,162	\$1,236,500	\$2,601,746
Technology Hardware, Software Training for Remote/Hybrid Instruction	\$399,234	\$2,299,298	\$2,322,500	\$5,021,032
COVID-related Health Cost (PPE/ Cleaning/Tent Rental/Health Screen/Professionals/Air Quality/Dorms Conv)	\$289,198	\$6,183,678	\$5,215,000	\$11,687,876
All Covid Testing	\$27,000	\$6,894,054	\$3,143,720	\$10,064,774
Total Expenses	\$847,516	\$16,610,192	\$11,917,720	\$29,375,428
Total COVID Impact	\$26,715,946	\$138,287,856	\$62,337,844	\$225,541,646
Covid Grant Revenue	FY 20	FY 21	FY22 Projected	Total
HEERF I	\$3,646,227	\$2,535,380	\$60,000	\$6,241,607
Vermont Act 154 Grant	\$755,000	\$9,244,724	\$0	\$9,999,724
Vermont Testing Grant	\$0	\$2,969,612	\$0	\$2,969,612
Vermont Economic Recovery Grant		\$900,000		\$900,000
HEERF II		\$9,141,499	\$250,000	\$9,391,499
HEERF III (Projected)		\$23,078,448		\$23,078,448
Total Estimated Grant Revenue Increase	\$4,401,227	\$47,869,663	\$310,000	\$52,580,890
Net Covid Impact	\$22,314,719	\$90,418,193	\$62,027,844	\$172,960,756

