

Dear Chair Marcotte and House Commerce Committee Members:

This is to follow up from our presentation in House Commerce. As your committee prepares its FY26 Budget Memo to House Appropriations, we ask for this committee's support for the Vermont State Colleges Systems (VSCS).

As the data shows, VSCS plays a vital role in Vermont's workforce development and economic future, serving over 10,000 students across the state. And the system demonstrates our commitment to Vermont through our reach and impact - 84% of our students are Vermont residents who live, work, and contribute to our state's economy.

VSCS is showing strong fiscal responsibility and careful stewardship of state resources. We have reduced personnel spending by \$11,000,000 since FY20 and streamlined our operations, bringing personnel costs down from 63% to 57% of total spending. This demonstrates our commitment to efficient operations while maintaining educational quality.

Our impact on Vermont's students is substantial and growing. In the 2023-2024 academic year, we graduated nearly 2,000 students with credentials ranging from certificates to master's degrees. These graduates enter Vermont's workforce prepared to contribute to key industries including healthcare, technology, business, and education. Our programs are strategically aligned with the state's workforce needs, making VSCS a crucial partner in Vermont's economic development.

The state's increased investment in VSCS has been transformative. State appropriations have grown from 17% to 26% of our revenues since FY2020—more in line with our neighboring states - enabling us to maintain accessibility for Vermont students while strengthening our programs. This partnership between VSCS and the state has created a stronger, more sustainable system that better serves Vermont's needs.

For FY2026, we respectfully request and hope the committee can champion them in its budget memo:

1. General Fund Base Request

- **Requested:** \$53,968,692
 - Includes:
 - 3% inflationary adjustment: \$1,528,214
 - Structural deficit reduction (Act 113 of 2024, Sec. E.602.2(b)(1)): \$1,500,000
- **Governor's Budget Recommendation:** \$52,468,692
 - Excludes the \$1,500,000 increase related to Act 113 of 2024

2. Allied Health Request

- **Requested & Governor Recommended:** \$297,087
 - Supports Allied Health education programs at Vermont State University
 - Annual increase: \$8,653

3. *One-Time Bridge Funding*

- **Requested & Governor Recommended: \$5,000,000**
 - Final bridge funding per the Select Committee Report

4. *CCV Tuition Advantage Program*

- **Requested & Governor Recommended: \$1,000,000**

Additionally, we strongly encourage your support for Vermont Student Assistance Corporation's (VSAC) proposed Freedom & Unity scholarship program. With the conclusion of the Critical Occupations scholarship program, Vermont students are facing a significant gap in financial support for higher education. The Freedom & Unity scholarship would help fill this crucial void, ensuring that Vermonters can continue to access the education they need to enter our state's workforce. This scholarship program would work in tandem with our institutional efforts to keep higher education accessible and affordable for Vermont students.

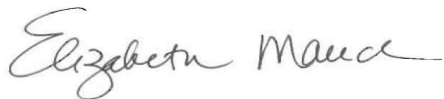
- VSAC – Freedom and Unity Grant \$5,200,000

Looking ahead, the Vermont State Colleges System is committed to driving innovation and expanding access to higher education across our state. Our vision is rooted in meeting Vermonters where they are - whether they're recent high school graduates, working adults seeking new skills, or career changers looking to contribute to Vermont's growing industries. With campuses and learning sites strategically located throughout Vermont, we are uniquely positioned to serve all corners of our state. We remain steadfast in our mission to be Vermont's partner in workforce development and economic growth, ensuring that every Vermonter has the opportunity to pursue their educational and career goals right here at home.

Your support of this budget request will ensure we can continue serving Vermont students and meeting the state's workforce needs. We are committed to being good stewards of state resources while fulfilling our mission to provide accessible, high-quality education to Vermonters.

We appreciate your consideration of this request and would be happy to provide any additional information needed.

Respectfully submitted,



Dr. Elizabeth K. Mauch Chancellor, Vermont State Colleges System