

June 2023 Progress Report
on the Unification of
Castleton University, Northern Vermont University and
Vermont Technical College
as
Vermont State University



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Introduction

On April 22, 2022, the Commission took action to accept a substantive change proposal from the Vermont State Colleges System (System) to unify Castleton University, Northern Vermont University (with two campuses, Johnson and Lyndon), and Vermont Technical College (also with two primary campuses, Randolph Center and Williston) into one institution, **Vermont State University effective July 1, 2023**, and advised the system to proceed with its plans. The Commission further approved the System's request that the inaugural president of Vermont State University serve as president for each of the three institutions during the 2022-2023 academic year. Vermont State University, contingent upon the Commission's determination that the plans outlined in the substantive change proposal have been successfully implemented, will launch and welcome its first students on July 1, 2023. To date, two progress reports have been submitted to the Commission to document the goals and tasks achieved in the transformation to create **Vermont State University (VTSU)**, per the Commission's June 17, 2022 and October 24, 2022 letters to System Chancellor Sophie Zdatny.

On April 20, 2023, the Commission accepted the second progress report and requested a report by June 1, 2023 about the System's continued progress per the Commission's April 27, 2023 letter to System Chancellor Sophie Zdatny. Specifically, the Commission requested continued updates on 1) **"enrollment and budget projections of VTSU and progress towards eliminating the System's structural deficit and achieving the anticipated \$25 million in structural savings,"** including information on plans to fund initiatives in the Campus Master Plan and the system's plans to incorporate the impact of the modified digital library plan into its deficit reductions, and 2) **"the development of a hybrid operational model for VTSU"** with particular attention to success in assuring key functions and operations will be ready for implementation in July 2023. The Commission further requested evidence of the System's success in assuring progress on accomplishing additional items; these are enumerated in the report below.

Institutional Overview

On April 14, 2023 System Chancellor Zdatny sent supplemental information to the second progress report notifying the Commission that the Vermont State Colleges' Board of Trustees accepted the resignation of President Parwinder Grewal and appointed Michael (Mike) Smith to serve as the Interim President for six months to oversee the successful launch of Vermont State University, pending a search for a new President. Interim President Smith, a well-respected and dedicated public servant, most recently served as the Secretary of the Vermont Agency of Human Services, in which role he was a key leader in Vermont's nationally-recognized COVID response.¹

Since his appointment, Interim President Smith has re-evaluated two significant decisions taken earlier this year related to student athletics programming and the libraries. Library layoff notices have now been rescinded to allow for sufficient resources to accomplish the work to streamline the library collections and continue building a digital-first approach consistent with progressive library practices and in collaboration with faculty, students, and library staff. A revised athletics plan will extend current participation in existing conferences at the campuses. This summer

¹ See letter of support from Governor Scott in the Appendix.

benchmarks and metrics for all four campuses will be developed in collaboration with the AVP of Athletics and the VP of Business Operations to allow for evaluation of programs over time for long-term sustainability.

Work to finalize VTSU's initial strategic plan by VTSU's senior executive team with Interim President Smith has been completed. The plan was reviewed on May 22 by the Education Personnel and Student Life committee of the board and recommended to the full board for approval at its June 12, 2023 meeting.² Final VTSU and System budgets for FY2024 were reviewed by the Finance and Facilities committee on May 22, 2023, which voted to recommend them to the full Board for approval at its June 12, 2023, meeting.³

Area of Focus 1: Budget and Enrollment Projections for VTSU and Progress Toward Eliminating the System's Structural Deficit and Achieving the Anticipated \$25 Million in Structural Savings

Campus Master Plan

The facilities master plan schedule is designed to inform the System's capital request to the State of Vermont for the 2026-2028 legislative biennium. Using the data derived as part of the master planning effort, the intent is to present a slate of efforts that directly relate to cost reduction, improved access, increased affordability, and enhance the quality of facilities. The System and VTSU recognize the challenges of the legislative process and will prioritize those efforts that lead to financial sustainability.

While it is early in the master planning process, it is clear that Vermont State University's physical footprint is too large. A key element of the master plan will be identifying how the University will reduce the amount of owned square footage in the coming years consistent with the state expectation that the VSC "shall maintain its present campus locations as educational and student-support centers, recognizing that overall campus size, governance and operational structures as well as program and service offerings may change as circumstances require."⁴ Simultaneously, the plan will identify projects that will capitalize on the space VTSU continues to hold through a combination of space improvements and projects to address deferred maintenance.

Historically the Vermont State Colleges System has received between three million and four million per biennium for capital projects in the capital bill. However, in recognition of capital transformation needs, the General Assembly of the legislature has allocated \$9M in the capital bill for FY24 and FY25. These funds will be used for projects in three key areas: transformation capital projects (wayfinding and directional signage), major maintenance (roof repairs and replacements, building envelope maintenance, and similar activities), and a large, deferred maintenance project on the Lyndon campus that increases energy efficiency and has modest space improvements. For the next biennium, we expect to request between ten and fifteen million

² See [EPSL Committee meeting materials, May 22, 2023](#).

³ See [Finance & Facilities Committee unapproved meeting minutes, May 22, 2023](#).

⁴ See [Act 74](#) of 2021 at page 179.

for projects that will allow us to achieve some of the objectives set forth in the facilities master plan and address a sizable portion of our deferred maintenance.

Budget and Enrollment Projections

Vermont State University's proposed FY2024 budget for Board approval on June 12th achieves its deficit target of \$17.6M. As Vermont State University completes its transformation into a single institution, this deficit will be funded through current year and prior year state-provided bridge funding and \$5M in system carryforward from FY2023 related to the State of Vermont's early adoption of the increase to \$45M in base state appropriation. This budget follows VTSU's five-year plan to achieve financial sustainability, which began with the FY2023 target budgetary deficit of \$22.7M and will continue with deficit targets of \$12.1M, \$6M, and \$0.0M in Fiscal Years 2025, 2026, and 2027 respectively. The FY2024 budget incorporates current forecasts in enrollment, tuition and scholarship restructuring, shared services implementation, changes to the appropriation formula, and a pending buy-back of the System's 2013 Series bond.

VTSU is budgeting a year-to-year decline of 8.6% in FY2024 Net Student Revenue (NSR)⁵ compared to current projections of FY2023 NSR. The two largest factors driving NSR in FY2024 are enrollment and tuition restructuring.⁶ Enrollment forecasting for FY2024 was approached in two parts: incoming class enrollment, which is budgeted to be down by 15%, and retained existing students, which is budgeted according to calculations based upon our historical experience. Given year-to-year variability, 50th percentile rates were used to project returning student revenues. Regarding incoming class projections, funnel reports as of June 1st suggest a 19% decline in deposits in comparison to the same time last year. While there are many factors in play that have contributed to the decline in deposits, key components include the demographics in New England, particularly the decline in student population in Vermont and elsewhere, lingering aspects of the pandemic, the turmoil in the last few years regarding various decisions in our system, and the overall impact of our brand change through the merger of the historical institutions. While it is impossible to isolate effects of brand transition, search campaigns typically drive Common App submissions, which were down 45% for the Fall 2023 enrollment cycle. Our search partners expect these rates to rebound over the next two years as the brand and digital identity are built.

As of June 1st, VTSU is approximately 80% through its historic deposit cycle. The FY24 budget is based on the assumption that some improvement in the incoming class over the summer is possible given planned additional marketing investments for the summer unlike previous years; if this assumption proves incorrect and incoming class enrollment is down 20%, net student revenue is estimated to decline from these budgeted figures by an additional \$1.4M. In the event that VTSU is unable to recover ground this summer, a \$2M System reserve approved by the Board is available to mitigate revenue shortfall.

⁵ NSR is comprised of tuition, fees, room, and board, net of all scholarship aid.

⁶ VTSU's tuition restructuring was approved in September 2022. The revised model decreases the base cost of both in-state and out-of-state tuition. Rates can be found here: <https://vermontstate.edu/admission/tuition-and-fees/>. General undergraduate tuition has been set at \$9,984; additional program tuition varies depending on a student's course of study; average sticker price has declined by 18%. The new tuition model will be fully implemented for Fall 2023.

Vermont State University has comprehensively restructured its tuition and scholarship practices for FY2024 as approved by the VSCS Board of Trustees in September 2022.⁷ Simultaneously, VTSU has reorganized its approach to financial aid and scholarship awarding. An aggregated net revenue decline of \$2.7M is estimated as a result of this restructuring and is reflected in this budget. It is anticipated that these changes in the long term will provide transparency in cost, with the goal of supporting affordability and encouraging additional students to enroll as the published cost will be closer to the true cost a student will experience.

The FY2024 budget includes \$70.5M in salary, wage, and benefit expense as well as \$53.3M in other non-scholarship expenses. The largest factors influencing expense structure for FY2024 are inflationary pressure in employee compensation, reductions in the part-time faculty expense pool and planned vacancy rates, the FY2023 buy-back of the System's 2013 Series bonds, and the multi-faceted restructuring of various aspects of the system's shared accounting.

Factored into the FY2024 budget are the assumptions that, over the course of the year, the University will be able to realize savings in two personnel categories. First, it is assumed here that, with depressed enrollment levels, and efficiency to be found by more aggressively managing under-enrolled course sections, adjunct & part-time instructional cost will decline by 20%. The University has, accordingly, budgeted for \$1.3M in reduced adjunct wages. Second, the University has assumed that 5% of all currently held staff and faculty positions will become vacant by the first months of the fiscal year and will be held so for the duration of the year. Of the expected vacancies, approximately 23-29 would be sustained across the University in a combination of staff, faculty, and administrators. Held faculty positions will be determined in alignment with Optimization 2.0 and program enrollment to ensure delivery of the academic curriculum and that student experience is not compromised. The University is confident that it will be able to achieve the vacancy savings given the planned retirements and the current turnover trends. The University has, accordingly, budgeted for \$2.9M in "vacancy" savings. Regarding operational spending, the University has planned for a 6.9% inflation in utilities expense—an increase of \$0.5M—with expectations of level spending in supplies, services, travel, and equipment. The FY2023 buy-out of the 2013 Series bond has reduced FY2024 debt service expense by \$1.0M.

FY2025 – FY2027 Outlook

Recognizing the need for revenue growth in order to achieve financial sustainability, the University is implementing a variety of strategies to achieve revenue growth. Tuition revenue projections are a combination of rebounded and stabilized enrollment, new program development and moderate tuition inflationary factors. These efforts, in addition to the master planning effort to reduce our physical footprint, and adjustment to our total compensation structure, will place us on a path of institutional sustainability and achieve our required balanced budget for FY2027 and include:

⁷ [Board of Trustees meeting minutes \(approved\), September 21, 2022](#)

- Targeted marketing strategy and allocation of resources based on return on investment

As we move forward, significant emphasis will be placed on a robust marketing strategy to increase student revenue in identified academic growth areas, notably online programming, graduate studies, nursing, engineering, and health sciences. The University will evaluate opportunities to reallocate existing resources into programmatic areas realizing or projected to see high demand and growth based on enrollment data and national trends. Through these investments, the University projects realizing additional enrollments and achieving economy of scale in terms of instructional costs per section/program at levels determined necessary for financial sustainability.

- Public/private partnerships for cost-sharing and enrollment sustainability

The University will focus on innovative mechanisms to increase revenue and decrease risk in critical programmatic offerings, including public/private partnerships to create cost-sharing strategies ensuring that critical programs are offered regardless of enrollment. The University successfully launched a cost-sharing partnership with the University of Vermont Health Network. In this arrangement the University of Vermont Health Network provides funding to cover the cost, thereby mitigating the program loss associated with historic under-enrollment and sustaining a pipeline of respiratory therapists in Vermont. Maintaining the Respiratory Therapy program ensures a local workforce pipeline while providing critical revenue outside of tuition to ensure program sustainability. The partnership also provides targeted marketing and career paths for the partner's employees while supporting enrollment. The University anticipates expanding revenue streams such as these, in the coming years to reduce the deficit and mitigate risk recognizing the declining demographics and the rural nature of Vermont.

In addition to growth, efficiencies and optimization will be critical to achieving financial sustainability in the years to come, areas identified for efficiencies include:

- Supplies and Services

Through the implementation of a unified chart of accounts, occurring in the summer of 2023, targeted financial monitoring and optimization will occur across our supplies and services expenditures. In FY2025 the University will undergo a zero-based budgeting exercise in parallel with the unified chart of accounts to identify efficiencies and cost reductions within supplies and services across the campuses.

- Programmatic Optimization

In FY2024 the Provost and the VP of Business Operations will lead "Optimization 2.0" work with the faculty related to its program of studies and general education requirements. Through this optimization effort, the University will utilize data, including, enrollment trends, enrollment projections/targets, FTE ratios, space utilization, critical workforce demands, staffing, instructional costs – inclusive of fixed and variable costs, to analyze the optimal program

offerings, section sizes and makeup of our programs across the campuses. This work will be part of continuous process improvement, in conjunction with continuous improvement of programmatic alignment with the University's mission, vision, and educational trends, and embedded into the University's workflow over time to ensure that offered programs are efficient and maximized.

- Staffing

Vermont State University's historical FTE student to FTE faculty ratios range between 8 and 14 by legacy institution. These ratios are amongst the lowest in the Northeast contributing to high expenditures for personnel costs. Over the coming years the University will work to right-size its full-time faculty through attrition while ensuring that programs are appropriately staffed based on the number of enrollments. Our goal here will be to get to an FTE average ratio between 17-21 by FY2027. In addition to rightsizing our staffing, the University will also enter into union negotiations in Fall 2024 to align personnel costs with market factors and fiscal realities recognizing the significant portion of total compensation associated with benefits.

Vermont State University FY23 Forecast, FY24 Recommended Budget & Projections

Vermont State University (unrestricted in \$1,000's)	2023	2024	2025	2026	2027
	Projection	Budget	Roll-Forward		
1. REVENUES	137,942	114,318	120,049	126,001	132,182
Tuition & Fees	79,757	61,624	65,451	69,425	73,554
State Appropriation	32,215	27,549	28,375	29,227	30,103
Room & Board	20,797	20,314	21,102	21,921	22,771
Sales & Services	2,876	2,632	2,790	2,957	3,135
Gifts	1,055	1,055	1,118	1,185	1,256
All Other Revenues	1,242	1,144	1,213	1,286	1,363
2. EXPENSES	159,038	131,897	132,212	132,081	132,182
Salaries & Benefits	78,929	70,558	70,527	70,496	70,466
Services, Supplies, & Travel	27,015	26,221	25,325	24,399	23,441
Scholarships & Aid	19,582	7,963	8,458	8,971	9,505
Utilities	7,690	8,221	8,714	9,237	9,791
Other Expenses	-	-	-	-	-
Debt Service & Capital Support	6,179	6,304	6,360	6,114	6,109
Shared Services	-	11,658	11,799	11,773	11,714
Chancellor's Office	8,412	-	-	-	-
Other Transfers	11,230	971	1,030	1,091	1,157
NET REVENUE/(DEFICIT)	(21,095)	(17,579)	(12,163)	(6,081)	0
Use of One-Time Funds					
PY Bridge Funding	6,195	3,579	2,163	1,081	-
PY Base Appropriation	-	5,000	-	-	-
CY Bridge Funding	14,900	9,000	10,000	5,000	-
IT Equipment Reserve	-	-	-	-	-
Strategic Reserve	-	-	-	-	-
Total One-Time Funds	21,095	17,579	12,163	6,081	-

Progress Towards Eliminating the System's Structural Deficit

At the May 22, 2023 Finance and Facilities Committee meeting of the Board, a final FY2024 System and institutional budgets were reviewed and recommended to the full Board for approval at its June 12, 2023 meeting.⁸ The FY2024 System budget contains a total system operating deficit, before the use of one-time funds, of \$19.46M. The deficit is comprised of three components: 1) Vermont State University's proposed deficit of \$17.579M⁹, 2) a \$1.2M planned draw from the newly created Information Technology Capital Fund created as part of VSC Policy 403-D: Reserves, Carryforward, and Miscellany¹⁰, and 3) the one-time funding necessary to bridge CCV to the new formula for Shared Services and the change to the VSC Libraries.

⁸ See [Finance & Facilities Committee meeting materials for 2022-2023](#).

⁹ To meet the structural deficit requirements established by the Vermont State Legislature, the Vermont State Colleges must have a budgeted deficit \$5M less than the prior year. The entirety of the structural deficit rests with Vermont State University, therefore the budgeted deficit for FY2024 must be no greater than \$17.673.

¹⁰ The Information Technology Reserve was funded during the January 2023 Board meeting with \$5.2M. The colleges will draw from this fund for three years as they build up to the annual investment of \$2.6M as part of the normal budgeting cycle.

Specific to the modified digital libraries plan, the resulting budgetary change, system-wide, is \$578,574, of which \$443,481 belongs to Vermont State University and \$135,094 belongs to Community College of Vermont. For the FY2024 budget, Chancellor Zdatny has agreed to a one-time no-cost transfer of \$135,094 in FY2024 to CCV for this change. Offsetting these deficits is one-time funding equaling \$16.017M. These one-time funds are comprised of four components: 1) Bridge Funding equaling \$9M, 2) the FY2023 advance on base appropriation equaling \$5M, 3) a draw from the Information Technology reserve fund equaling \$1.2M, and 4) a draw from the Chancellor's Strategic Reserve in the amount of \$817K to fund a one-time transfer to CCV for shared services and libraries. The remaining balance, \$3.443M, shall be covered with unused bridge funding from FY2023 and FY2022.

The System FY2024 budget incorporates state appropriations which were passed by the General Assembly on May 12, 2023. That budget was vetoed on May 27th by the Governor,¹¹ and a veto session of the General Assembly has been scheduled for June 20th and 21st. The appropriations bill fulfills the state's commitment to raising the Vermont State Colleges System's annual state appropriation to \$48,000,000 as recommended by the *Select Committee on the Future of Public Higher Education in Vermont* and endorsed by the Vermont General Assembly in Act 74 of 2021. The state budget also allocates \$9,000,000 in one-time funding to the Vermont State Colleges to supply the system with Fiscal Year 2024 bridge funding and a total of \$9,000,000 of capital funding. Finally, the budget includes one-time funding for several workforce development programs and student scholarships in critical occupations.

Multi-Year System-Wide Forecast Using FY2024

Shown below is the system-wide budget forecast for the Vermont State Colleges based on the FY2024 budget. As shown here, the system anticipates achieving financial sustainability with the FY27 budget cycle.

¹¹ See [Governor Scott's May 27, 2023 letter to the legislature vetoing the budget bill](#).

Vermont State Colleges System-wide Forecast		2023	2024	2025	2026	2027
		Projection	Budget	Roll-Forward		
1. REVENUES		192,142	160,636	167,025	173,644	180,514
Tuition & Fees		102,535	83,735	87,562	91,536	95,665
State Appropriation		61,546	49,586	51,061	52,579	54,144
Room & Board		20,797	20,314	21,102	21,921	22,771
Sales & Services		4,253	4,549	4,707	4,874	5,052
Gifts		1,135	1,135	1,198	1,265	1,336
All Other Revenues		1,876	1,327	1,396	1,469	1,546
2. EXPENSES		183,637	180,104	179,935	179,211	179,027
Salaries & Benefits		108,526	113,163	113,877	113,820	114,097
Services, Supplies, & Travel		38,524	40,653	38,708	37,235	35,675
Scholarships & Aid		20,365	8,133	8,628	9,141	9,675
Utilities		8,116	8,603	9,111	9,649	10,219
Other Expenses		4,406	3,795	3,795	3,795	3,795
Debt Service & Capital Support		8,003	7,865	7,921	7,675	7,670
Shared Services		-	(1)	0	0	(0)
Chancellor's Office		(1)	-	-	-	-
Other Transfers		(4,303)	(2,107)	(2,106)	(2,105)	(2,104)
NET REVENUE/(DEFICIT)		8,506	(19,469)	(12,910)	(5,567)	1,487

Use of One-Time Funds					
PY Bridge Funding	6,195	3,579	1,982	943	-
PY Base Appropriation	-	5,000	-	-	-
CY Bridge Funding	14,900	9,000	10,000	5,000	-
IT Equipment Reserve	-	1,200	800	400	-
Strategic Reserve	-	817	-	-	-
Total One-Time Funds	21,095	19,596	12,782	6,343	-

Area of Focus 2: Development of a Hybrid Operational Model for VTSU

Overall, the functional areas focused on Student Success continue to make significant progress developing the new hybrid operational model for VTSU. Vermont State 101, VTSU's online orientation program, launched in mid-May. It is one of four onboarding activities available to students between May and August – along with Vermont State Summer Days, Vermont State Kick-off Weekend, and Vermont State Welcome Week - all of which are offered both in-person and online. The purpose of Vermont State 101 is to give students the context they need for understanding and completing degree requirements, introduce them to the range of supports and services available, and have them complete the Title IX module. All incoming students are required to complete Vermont State 101 before registering for fall classes.

Starting in March, monthly Student Success staff meetings and individual campus follow-up sessions for all Student Success functional areas have provided information, resources, process

descriptions, and staffing detail about the new experience this summer and fall. Among the functions now established with university-wide digital-first procedures include the advising model, housing sign-up, a single online textbook vendor, the portal, tutoring and academic support, career services, and onboarding programming. An all-day in-person meeting on these topics was held on May 17th with over 70 staff in attendance.

All Student Success Advisors (SSAs) were in place and began a hybrid training program both via Zoom with the entire advising team and in smaller campus groups in mid-April. Training will continue through the summer and focus on both the short-term goal of understanding the tools and procedures for onboarding the incoming cohort and the longer-term goal of developing a culture of holistic, team-based advising based on positive open inquiry with students. Students will be assigned to SSAs based on special population status, such as transfer student, international student, or Early College student, and the campus or modality they are associated with, such as one of our five main campuses, our satellite campuses, or our online programs.

In April, the AVP of Advising and Career Development provided detailed resources to faculty advisors explaining the new model and outlining the roles and responsibilities of the SSAs as part of the team approach and hosted meetings to discuss the transition to the new model. In mid-May, a digital enrollment checklist tool was released to students to kick-off the advising process for the incoming cohort. As students complete the checklist, starting in late May, they will connect with their Student Success Advisor and register for fall classes on a rolling basis.

1. New Scheduling Options for Courses

Registration for Fall 2023 courses began on April 17th for returning students and has just begun for new students, supported by the new Student Success advising model described above. The Fall 2023 course schedule includes a diversity of course modalities as shown in the table below. While the majority of Fall 2023 sections are offered in person (63%), the remainder of the sections are offered in a variety of modalities that don't require a student to be physically in the classroom with the instructor. This increased flexibility is a critical design feature of the VTSU academic program array and is a fundamental feature of the hybrid university.

Modality Distribution for F23 at Five Primary Campuses		
Modality ¹²	Number of Sections	Percentage
In Person	1092	63%
Online	203	12%
Synchronous Remote	165	9%
Face-to-Face +	157	9%
Hybrid	106	6%
Remote Hybrid	13	1%

¹² New modalities adopted by VTSU beyond traditional in-person and asynchronous online instruction include “synchronous remote” instruction offered via videoconference at scheduled times, Face-to-Face Plus, which offers simultaneous in-person and remote synchronous instruction, and hybrid instruction utilizing a blend of in-person and remote modalities.

As an example of how students will access some of our degree programs, the VTSU Math major is available at four of our campuses as an in-person plus program, ensuring access across the state. In-person plus programs require some of the courses to be delivered in modalities other than in-person to ensure efficiency metrics are met. The distribution of math class modalities for Fall 2023 is as follows:

Mode for F23 Math	# of Sections	% of sections
In Person	36	55
Face-To-Face +	17	26
Online	7	11
Hybrid	5	6
Online Synchronous	1	2

Many of the in-person classes are lower-level courses serving the math program, other programs that require these math courses, and the General Education program. The courses taught in all other modalities (45%) are upper-level courses that would be under-enrolled if offered only at one campus.

2. Expansion of the F2F+ Modality

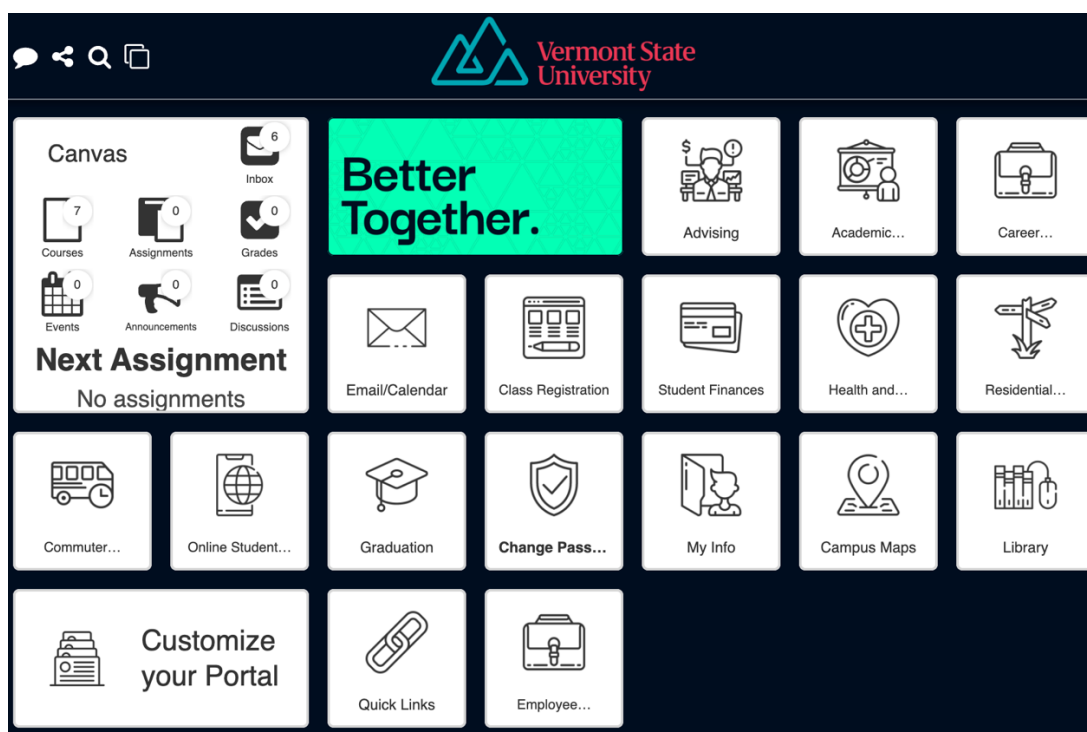
As listed above, there are 157 sections in the Face-To-Face + (F2F+) modality scheduled for Fall 2023 across all five primary campuses. 85 faculty are scheduled to teach these sections. As part of the work to support currently engaged and additional faculty, Vermont State University's Center for Teaching and Learning Innovation held a F2F+ kick-off retreat on May 24. A 4-week Intro to F2F+ Teaching class will also be offered June 3-30, and a professional development series on F2F+ teaching is planned for the Fall 2023 semester. Currently 60 faculty, both full and part time, from all 5 campuses are signed up to participate. Of these, 21 are scheduled to teach a F2F+ class in the Fall 2023 semester; others are preparing to teach in Spring 2024 or beyond. 8 faculty from the 2022-23 F2F+ pilot will be providing ongoing mentoring from July-December 2023 to include small group cohort meetings, workshops, peer observations, and individual consultations.

Resources continue to be developed to support faculty needs, including a teaching guide with suggested technical applications, sample syllabi. F2F+ videos have been created to educate faculty about F2F+ teaching and recruit participants for training opportunities.¹³ To support technology needs with the expanded use of the F2F+ modality, over the summer IT staff are planning upgrades of 11 classrooms across three of the primary campuses to the F2F+ standard for camera, speakers, and microphones. An additional existing 4 F2F+ classrooms will be improved for panel controls, and there are planned audio improvements for at least ten additional classrooms.

¹³ See this [introductory video](#) highlighting experiences of faculty in the F2F+ pilot during 2022-2023 and this video of faculty and staff sharing their [experiences with some of the technology being used](#) and how it has supported learning and accessibility.

3. Implementation of Student and Faculty/Staff Portals

The Vermont State University portal launched on May 8th and is now accessible to all students including new incoming students, faculty, and staff. Existing institutional portals will remain available to continuing students, faculty, and staff through June 30, 2023. The design incorporates digital-first approaches developed by teams including advising, academic support, and career development among others. For example, the Advising area includes the online Vermont State 101 orientation. Organization of resources in the portal was guided by usage data from existing institutional portals and includes curated collections of resources specific to residential, commuter, and online students. Additional resources still under development will launch effective with VTSU's official start on July 1, 2023, for example the Handshake site for job and internships.



4. Planning and Implementation for the Digital Library

The new single website for the Vermont State Colleges System libraries (VSCS Libraries) officially launched on May 15th after a “soft launch” period of orientations and testing during the spring semester.¹⁴ The VSCS Libraries website features Open Athens authentication, EBSCO Discovery Search, instructional tools and resources for faculty, and unified reference services including a monitored email address, 1-800 phone line, chat service, and reference librarian appointment scheduling. During the past spring, the VSCS Libraries offered Zoom drop-in clinics and recordings to introduce faculty to the new website, systems, and services. To date clinics have supported 32 live attendees and 34 additional viewers of the recordings with an orientation to the new website, an introduction to Credo Information Literacy resources, and guidance on using an automated tool to updating link to library resources from legacy college library resources.

¹⁴ Available directly at <https://libraries.vsc.edu/home>.

The VSCS Libraries catalog search provides access to the full print and reserve collections for all campus library locations. With Interim President Smith's decision to rescind layoffs, library staff are moving forward together this summer to continue digital-first planning to streamline the library collections and circulation processes over the next academic year and in collaboration with faculty.

Updates on Progress

1. Implementing the leadership structure for VTSU, including transition of staff in functional areas and the status of the presidential search

In March, VTSU leadership communicated an adjustment to the new organizational structure. The purpose of these changes was to reduce the number of executives reporting directly to the president, thereby improving oversight, authority, and accountability of the senior leaders of the institution. The new organizational structure is represented in the Appendix. Interim President Smith maintains a primary office on the most centrally located Randolph campus, while other senior leaders are distributed across other campuses: Provost Atkins at the Lyndon campus, VP of Business Operations at the Randolph campus, and the VP of Student Success and VP of Enrollment at the Castleton campus. The Dean of Students will spend time on all campuses with the Johnson or Randolph campus as a primary office location. Similarly, there has been attention to distributing primary office locations of Deans of the cross-campus academic schools to the extent possible, with the Dean of Nursing and Health Sciences based centrally in Montpelier while traveling across the state; and Business and Professional Studies at Castleton; Science, Technology, Engineering and Math at Johnson. Final placement of the Dean of Arts and Communications and Ed, Psychology, and Social Sciences is pending.

Regarding functional departments, the staffing plan for all units, including most recently Campus Operations, Academic Administration, Finance, Workforce, and Student Success (with the exception of Athletics), have been finalized and changes have been communicated to staff. All athletic directors for each campus now report to the Associate Vice President of Athletics for VTSU. Athletic programs by campus will not be changing for the coming academic year, so those coaching and staff positions will remain in place and transition to the new organization this summer.

When appointed, Mike Smith agreed to serve as the Interim President for six months, through October 31st, 2023. At its meeting on May 23, 2023, the Board's Executive Committee approved the creation of a search committee. The committee will be composed of 5-6 trustees who will lead the search for the next President of Vermont State University, given the short period of time in which to identify and hire the next President and the non-alignment of the search with the academic year. The search committee will be seeking a longer-term interim President to lead the university for 18 months-two years, with the flexibility to extend the appointment period based on the progress of the multi-year transformation. The Executive Committee will provide an update on the search to the full Board at its June 12, 2023 meeting.

2. Establishing a unified faculty governance structure with anticipated timelines for implementation

As of the end of the Spring 2023 semester, all four Faculty Assemblies reviewed a final plan for completing work on a unified faculty governance structure prior to the launch of VTSU on July 1. A poll soliciting feedback broadly from faculty on a governance document that was circulated by faculty leadership last fall was conducted during the week of May 8-12. The purpose of the poll was to provide the drafting group with general guidance for what VTSU faculty governance should include, or not.

A group of 35 faculty assembled into two working groups have been working during the latter half of May to create a VTSU faculty governance draft. A smaller “drafting group” consisting of two full-time faculty members per campus have been tasked with creating an overall 1,000-foot narrative plan for governance committee descriptions, levels of committees, and representational equity. The drafts will be shared with a larger “discussion group” and administration for feedback and guidance. The larger discussion group is comprised of about 20 faculty equitably representing the three legacy institutions. A final draft of the governance narrative and bylaws is expected to be completed by June 5th. The existing faculty Executive Councils will take a provisional vote on the model and report the results to the Administration. On June 6th, a special Faculty Assembly meeting will be scheduled to present and discuss the co-governance model, with a straw poll of all members of the bargaining unit to be taken by the Faculty Federation. A formal final vote and full implementation of the model will commence early in the fall semester with elections to place faculty on the newly formed committees and in governance leadership positions.

3. Transferring specialized accreditations to VTSU

School Deans have been working with faculty to ensure externally accredited programs are approved under VTSU after July 1, 2023. All external accrediting bodies have been notified of the institutional change and have either given program approval or indicated that they are on track for approval. Faculty and Deans are currently collecting written verification of program approval or timeline thereof with the goal of compiling this information by mid-June for updates to the website.

4. Completing the Unified University Handbook, website, and catalog

The unified University website, <https://vermontstate.edu/>, continues to expand with content as it is developed and in preparation for a transition to a new permanent website design planned for later in the fall of 2023. Existing institutional websites all include notifications of the merger and direct students to the VermontState.edu site for more information. The undergraduate academic catalog was completed on May 23rd and is accessible via the website.¹⁵ All graduate catalog program and course information is complete, and final completion of graduate policies and publication of the graduate catalog is expected by late June. The unified University Handbook is also now complete and is published directly on the website.¹⁶ The Handbook and catalogs will also be made accessible through links within the portal for ease of access for students, faculty, and staff.

¹⁵ See <http://catalog.vermontstate.edu/>.

¹⁶ See <https://vermontstate.edu/student-life-at-vermont-state/vermont-state-university-handbook/>.

5. Securing Title IV approval for VTSU

Since spring of 2022, the institutions that will form Vermont State University have worked closely with an assigned Institutional Review Specialist at the United States Department of Education (USDOE) to successfully merge the institutions into a single entity. All necessary pre-work is complete, with program participation agreements fully reviewed by the USDOE and all academic programs updated within the department's systems. The remaining action items, other than receiving formal approval by NECHE that Vermont State University be granted initial accreditation effective July 1, 2023, are technical in nature. These include the following items:

1. Finalizing the assignment of Perkins Loans from the institutions to USDOE;
2. Closing out campus-based programs, including final postings, reconciliations, and drawdown of federal funds;
3. Coordinating with USDOE to move all existing students with active programs to the new Office of Postsecondary Education Identification (OPEID) number in the National Student Loan Data System (NSLDS); and
4. Notifying the Clearinghouse of each student's move to the new OPEID.

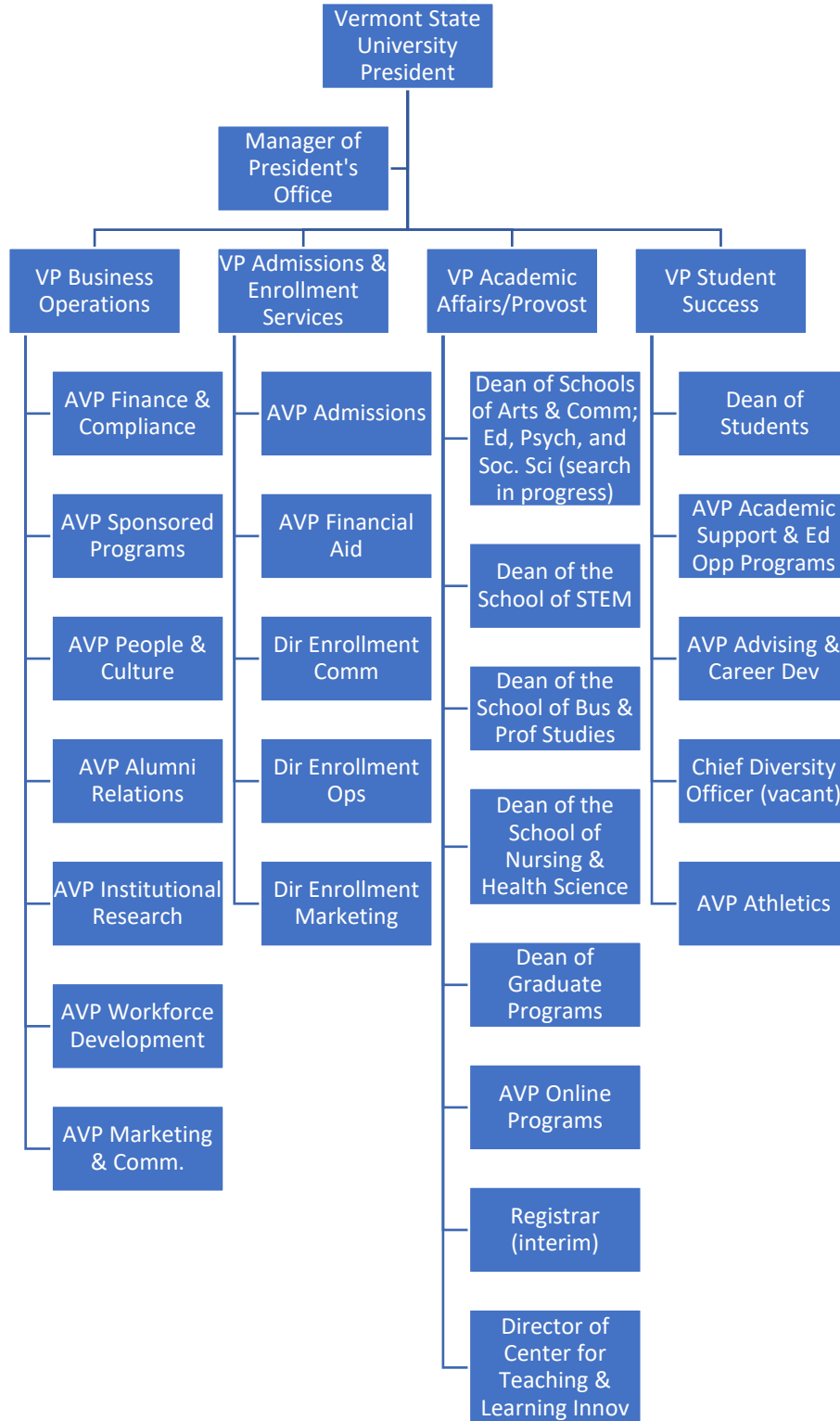
Final approval of the merger by the USDOE is wholly dependent on VTSU receiving formal approval from NECHE. If approved, the department requests acknowledgement of approval as soon as possible so they may appropriately schedule resources to conclude the merger activities within their systems. As of a May 10, 2023 meeting with VTSU's assigned Institutional Review Specialist, the USDOE sees no barriers to VTSU receiving approval to issue Title IV funding as the merged institution.

Conclusion

The work to create Vermont State University has involved unprecedented effort and collaboration by faculty, staff, and students, significant and sustained oversight by the Board, and historic levels of support from the state. As VTSU welcomes its first incoming class of students in the fall, VTSU's Dean of Students will lead continued development of student governance and activities. Faculty will return in the fall and elect leaders and fulfill committee assignments in their new governance model. "Optimization 2.0" of academic programs will launch, and campus master planning work will continue. With all necessary content established on the current VermontState.edu microsite, efforts of marketing and communications will be focused on transferring this content and launching a new permanent website. As a longer-term Interim President is appointed by October 31st, Vermont State University will carry its mission and vision forward with the initiatives and projects identified for the next two years in its initial strategic plan.

Appendix

Vermont State University Leadership Structure





State of Vermont
OFFICE OF THE GOVERNOR

May 31, 2023

New England Commission of Higher Education
301 Edgewater Place, Suite 210
Wakefield, MA 01880

Dear Commissioners:

I write to express support of Mike Smith's leadership as interim president of the Vermont State University during their transition to a stronger institution of higher education. I'm encouraged by the Vermont State College system's progress towards enhancing the post-secondary educational and training needs of Vermonters and all students. In fact, based on my previous experience working with Interim President Smith, I'm more optimistic than ever that this unification will be successful.

While our demographic trends were putting pressure on the Vermont State College System well before COVID-19, the economic toll of the pandemic exacerbated the challenges and drove increased focus on shoring up our rural institutions of public higher education. This has been a collaborative effort between the State and the VSC system, including the work of the *Select Committee on the Future of Public Higher Education in Vermont*, the increased accountability and reporting required of the colleges in Act 74 of 2021, and additional financial support from the State.

As you may know, Mike led the Vermont Agency of Human Services—the largest agency in Vermont state government—and was part of our senior leadership team responding to the pandemic. While there was no road map for this once-in-a-century public health crisis, our state response in Vermont is widely regarded one of the best in the nation, and Mike's leadership, poise, courage, and nimbleness were essential to our success. In addition to this work, he is a former Navy SEAL, has a long career in public service, and ample experience in the private sector as a change agent and transformational leader at critical junctures in organizations' life cycles. I have the utmost confidence he will bring these same skills to the launch of Vermont State University.

We look forward to working with the system, the institutions, and their leadership to ensure we are providing Vermonters with the education and training they need for successful careers.

Sincerely,

Philip B. Scott
Governor

A handwritten signature in dark ink, appearing to read "P. B. Scott", with a long, sweeping horizontal line extending to the right.

PBS/kp