

Testimony on the Need to Restrict VSAC Portability

Dr. Linda Olson

I would like to thank the House Education Committee for this opportunity to speak. This committee has made funding for public higher education a priority starting with voting in favor of S. 40 which created the higher education study committee of which I was a member. I am Linda Olson VP of Education for AFT VT and a long time faculty member of Castleton University.

The dwindling of state support for higher education since 1980 has made post-secondary education increasingly unaffordable for our students. We currently rank 49th out of 50 states in terms of state support for public higher education. This means our students pay a higher tuition than students in other states (we currently have the second highest tuition for public higher education) and they graduate with more student loan debt. A full 40% of our students do not even go on to some form of post-secondary education. I can't help but think cost is a factor. Research shows that people who graduate from college earn twice the amount as people with just a high school diploma, they have better healthcare and retirement benefits and more fulfilling careers. When Vermont students have no affordable options in higher education we are denying them an easier and better life. While I understand that this problem has been decades in the making, it is time for us to reverse this trend for the health and well-being of our students and our state. Not having an affordable option for our students in Vermont is a social justice issue; it limits their opportunities and reduces their quality of life.

I know it is impossible for the state to just dedicate more and more resources to higher education to dig us out of the hole we are in. AFT Vermont has come up with a plan that will

create more resources for public higher education without diverting resources from other necessary programs. Our “Reclaim the Promise” plan changes how higher education resources are currently distributed, it protects and grows resources we already have, and it proposes alternative revenue sources to support higher education. Today I am here to talk about restricting VSAC portability as one way we can make higher education more affordable for our students and a way that we can keep resources in Vermont for the health and well-being of the state.

AFT Vermont is asking that the state to support investments in the state’s higher education institutions by ensuring that Vermont Student Assistance Corporation (VSAC) grant dollars are reserved for students attending the UVM, the VSC and other accredited independent colleges in Vermont. In 2013, 4.7 million dollars, or 24% of VSAC grants, went out of state. We are one of only two states that have this completely unrestricted portability of state funds. If we were to limit the portability of these funds, we would see a 7% increase in funds supporting Vermont institutions. According to VSAC data, students who take VSAC grants out of state tend to be more affluent and the average grant amount taken out of state is only \$1,200. This means that the average amount going out of state per student is not enough to make or break a student’s decision to go out of state.

Keeping these resources in Vermont could provide much needed assistance to low income Vermonters to attend an in state institution. Keeping these resources in state could be the difference between attending college or not for low income Vermonters. Research also shows that students who attend college out of state are more likely to leave Vermont than those who stay in state. Why should we be supporting this brain drain with our tax dollars?

I have been told that the rationale behind instituting unrestricted portability in Vermont many years ago was that there were few educational options for higher education in Vermont. With UVM, the State Colleges and the many independent colleges available in Vermont this is no longer true. It is time to restrict portability to keep these funds in Vermont to support our low income students here.

Because of the lack of state support for the past 35 years, we need to be very careful stewards of the very limited resources we do have. We need to ensure that the resources we do have are used in a way that is most beneficial to our students and our state. Every other state besides Vermont and Rhode Island has determined that unrestricted portability is not in the best interest of students or the state. It is time Vermont realize this as well.