

## 1. VSAC Grants

In 1965 Vermont became a national leader in providing financial aid to low-income students. Funding was provided to VSAC for the purpose of providing need-based grants to Vermont's low-income students. These funds are awarded to the student to allow them to select the program or institution that best meets their needs, regardless of type of institution, program or location. Funding for the grant program constitutes approximately 23% of funding for higher education.

This policy was rooted in a commitment to social justice--to ensure that low-income students had the same education opportunities as their middle and upper middle class peers.

Several states subsequently followed Vermont's lead but our policy was based on our commitment to social justice for students not the programs or policies of other states. Other states have started and closed and restarted their grant programs and changed their eligibility requirements. We know this pattern will continue. New Hampshire, for example, recently eliminated funding for its grant program entirely.

### Portability FAQ

- a. **Students attending out of state education and training programs have their full-time grant capped at the Vermont State College level.** The average grant for a student attending an out-of-state institution is \$1154. The average grant for a student attending a Vermont institution is \$2037. For reference, these students receive the same size grant they would receive if they attended one of the Vermont State Colleges. They would receive a larger grant if they attended UVM or one of the Vermont independent colleges.
- b. **Low-income students are less mobile** than their middle class peers. While 50% of Vermont HS students attend an out-of-state institution their first year, only 29% of grant recipients attend a non-Vermont institution. This percentage has been declining since 2007. Because their grants are lower than if they attended a Vermont school, this constitutes less than 23% of grant funds (\$4.4 million).
- c. VSAC surveyed **the top 20 schools** attended by Vermont grant recipients. 18/20 indicated that they **used the VSAC grant to reduce unmet need or the amount of the student loans.** Non-Vermont institutions provided VSAC grant recipients with more than \$49 million in non-loan student financial aid.
- d. **Vermont grant recipients attending non-Vermont institutions have a 66% six-year graduation rate.** This exceeds the institutional graduation rate of every public institution except UVM.
- e. **Restricting the choices and opportunities of low-income students will not result in more money for the Vermont State Colleges.**

If portability were eliminated and the affected students continued to attend a non-Vermont school, the average grant for students attending Vermont institutions would rise by roughly

\$580. Because this money goes to the student, this money would be used to meet their unmet need or reduce their debt. It would not increase the VSC revenue unless the state colleges reduce their aid to these students by a corresponding amount.

In response to these facts, some argue that elimination of portability would incent students to return to Vermont and attend one of the Vermont state colleges. This is, of course, highly speculative—they have made their choices for complex reasons.

These students have significant need (they are receiving \$49 million in non-loan aid from their schools) and the average grant for a student attending a Vermont institution is larger than the grant a student receives for attending a non-Vermont institution. **If they return, unless appropriations for the grant program are increased, because the average in-state grant is larger, the average grant for all students will have to decline by a corresponding amount.** The alternative would be to reduce the total number of students to whom grants are awarded.

f. Brain Drain

Vermont has been concerned about the mobility of its young people since the late 19<sup>th</sup> century. Each year roughly 2,100 Vermont HS graduates attend their first year of college at an out-of-state institution. A majority of these are students from families who are not eligible for VSAC grants. Vermont institutions, however, attract over 4,900 non-Vermont first-year students every year. **Vermont annually imports more than twice the number of students it exports. Each year there are roughly 25,000 students from out-of-state attending Vermont colleges and universities.**

A study commissioned by the Vermont Department of Economic Development (conducted in partnership with the UVM Center for Rural Studies) asked Vermont and non-Vermont graduates of Vermont colleges who resided out-of-state whether they had ever considered returning to Vermont.<sup>1</sup> Over 40% indicated they had thought about moving back (67% of non-Vermonters). Cost of living, job opportunities and salaries were cited as the primary reasons they did not return to Vermont. Graduates who had returned to Vermont cited being “close to family,” “small towns,” and “recreational activities” as primary reasons for their return. **The study argued for replacing the notion of “brain drain” with “brain circulation:”**

“Under this approach “brain drain” is replaced with the concept of “brain circulation.” This perspective recognizes the benefits of allowing young talent to circulate. It emphasizes the capture of new talent and the recapture of native talent after they have experienced other places. We believe approaching the issue from this perspective can benefit Vermont. The alternative—to build a (figurative) fence around the state to prevent out-migration—is neither feasible nor desirable. It is not feasible because it runs counter to the impulses of young people. And it is not desirable because fresh ideas are among the many benefits of brain circulation. Trying to keep

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<sup>1</sup> [Growing Vermont’s Next Generation Workforce](#), TIP Strategies, Next Generation Consulting, Inc, The Vermont State Data Center, and the UVM Center for Rural Studies, April 2008.

Vermont's young people from leaving is, in other words, an exercise in futility. On the other hand, bringing them back—and their friends with them—is of demonstrable benefit.”<sup>2</sup>

Consistent with these findings, a recent survey of VSAC grant recipients indicated that **40% of grant recipients who attended an out-of-state college had returned to Vermont**. Similarly, 32% of grant recipients who attended a Vermont institution pursued work in other states.

g. Reasons Students Attend Out-of-State Institutions

The reasons are varied and depend a great deal on the student's areas of interest and social and economic situation. For some students, the program they seek to pursue is not available in Vermont (for example, NEBHE has identified over 160 BA/AA programs not available in Vermont and there are no air conditioning/heating tech programs available in Vermont).

For other students, particularly in border counties and in the southern counties where portability is most utilized, the closest affordable institution is just across the border. This is particularly true for working parents and students who must work to both support their families and pay for college. Some students choose based on quality, some want to experience a city, diversity or a different culture, others want expanded opportunities for co-operative education.

### A Story to Put This in Perspective

Martha Nussbaum, one of my favorite philosophers and ethicists, reasoning from an Aristotelian position, argues that the proper discussion and analysis of ethics is done through well-crafted stories (particularly novels by James and Dickenson). She argues that the particular is prior to the general or universal—that stories are richer than abstract rules and principles. She calls upon us to be “richly aware and finely responsible.” As an aside, in this regard she has a fondness for certain forms of legal reasoning.

I want to share the story of a young woman and her mother that I met down at our College Pathways event on the campus of Castleton State College this past April.

She is one of our outreach students and has been working with a VSAC counselor since middle school. She is so excited—she recounted that it was a revelation to her when she was told in middle school she could go to college. She has been working hard—doing everything right. She can't wait to go to college—she has applied to schools both inside and out of Vermont.

Her mother—who has done an amazing job with her daughter—told me the other part of the story. She (mother) was a 4.0 student in high school, her parents moved away to Florida when she graduated high school, left her behind, and no one told her she could go to college by herself. The discovery that her daughter could go was a revelation to both of them. It has opened up a light in their lives. Her 11-year old son is already picking programs and schools. She has an 8 year-old son with severe epilepsy. She

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<sup>2</sup> Ibid, p 2.

can't work because of the care that she needs to provide her son. She wants to go to school herself and dreams that maybe once he is in a better care situation this will be possible. Her daughter wants to become a psychiatrist because of her younger brother.

This young woman and her mother dream of her attending the best program they can get into and afford. They have made many sacrifices to get to this point. I don't know where they will go. I am certain that the mother (now working with one of our adult outreach counselors), given her responsibilities, will attend the institution that is most affordable and convenient. It could be a Vermont college or a program nearer to them across the border.

The question I wrestle with is this--do their dreams and opportunities count any less than the dreams and opportunities of my children and their friends? Is their effort worth any less than the effort of other children fortunate enough to have been born into middle or upper middle class families?

Put another way, do we really believe that we have reached a point where we believe that the only way we can help the Vermont State Colleges is to reduce education opportunity for low-income students?