

Thank you to the Chair for inviting me to testify before the Committee in support of legislation S. 38, the Vermont Promise Scholarship Program

My name is Allison Aguilar and I am a senior research associate at the American Federation of Teachers. My organization represents 1.7 million members in more than 3,000 local affiliates nationwide, and we represent higher education faculty (including both full- and part-time), professional staff and graduate employees, in all sectors of higher education—public and private, two-year and four-year institutions.

..

The promise of higher education is that through attaining a degree, Americans have a better chance of securing a decent career and obtaining upward mobility. Today, due to the debilitating cost of tuition—which is spurred by underinvestment in our public colleges and universities—that promise is now out of reach for many Vermonters, and has resulted in a mountain of student loan debt that inhibits individuals’ and the state’s economic prosperity.

In Vermont, state funding for higher education remains 15.8 percent below pre-recession levels; meanwhile, since that time, tuition has increased by 29.4 percent at state public institutions.<sup>1</sup> This means individuals have increasingly had to rely on loans in order to finance their education. In Vermont over 74,000 individuals hold an accumulated balance of \$2.6 billion in student loan debt.<sup>2</sup> Although it doesn’t absolve the state of its responsibility to fully fund public institutions, we are relieved that the legislature is considering this program as a means of lessening the burden of student debt on residents.

The Vermont Promise Scholarship Program is a necessary step in the right direction of providing affordable higher education for thousands of Vermonters. In 2014 the Vermont high school graduation rate was 91.6 percent,<sup>3</sup> but the college-going rate directly from high school was 54 percent.<sup>4</sup> As I’ve discussed, the increasing cost of tuition, coupled with years of disinvestment has created a barrier to attendance. Students that attend college in Vermont tend to remain in-state to contribute to the economy and social fabric of their communities. This program would promote more of that trend.

..

---

<sup>1</sup> Mitchell, Michael, et. Al. Center for Budget and Policy Priorities. “Unkept Promises: State Cuts to Higher Education Threaten Access and Equity.” Oct. 4, 2018. <https://www.cbpp.org/research/state-budget-and-tax/unkept-promises-state-cuts-to-higher-education-threaten-access-and>

<sup>2</sup> Department of Education. “Federal Student Loan Portfolio by Borrower Location.” Enterprise Data Warehouse. Sept. 30, 2018. <https://studentaid.ed.gov/sa/sites/default/files/fsawg/datacenter/library/Portfolio-by-Location.xls>

<sup>3</sup> Education Week. “Data: U.S. Graduation Rates by State and Student Demographics.” [https://www.opendatane트워크.com/entity/0400000US50/Vermont/education.graduation\\_rates.percent\\_high\\_school\\_graduate\\_or\\_higher?year=2014](https://www.opendatane트워크.com/entity/0400000US50/Vermont/education.graduation_rates.percent_high_school_graduate_or_higher?year=2014)

<sup>4</sup> The National Center for Higher Education Management Systems. <http://www.higheredinfo.org/dbrowser/index.php?measure=32>

We do hope, however, that Senate Bill 38 in its current form is a first draft to a more comprehensive free tuition program. Those who stand to gain the most from higher education— the working poor, non-traditional students and people of color—must be considered as you construct this policy.

Our affiliate, AFT Vermont has made free tuition for all Vermonters a priority, and the AFT supports their vision. To that end, we believe that the Vermont Promise Scholarship Program should be available to all students, whether enrolled full-time or part-time. Non-traditional students' tendency to enroll part-time reflects their need to care for dependents and participate in the labor force in order to shoulder the cost of attendance. We also know part-timers are at an increased risk of attrition.<sup>5</sup> The Vermont Promise Scholarship program should not make the same mistake that half of statewide Promise programs make—to exclude non-traditional students by writing out part-timers.

Furthermore, the Vermont Promise Scholarship Program should be available to full- and part-time students of the University of Vermont. Only one other statewide Promise program (New York's Excelsior Scholarship) offers assistance to students enrolling in 4-year colleges; most are geared only to community colleges. This proposed program does well to include all Vermont State Colleges but can do better by including UVM.

Additionally, we hope that Senate Bill 38 in its current form can evolve from being a last-dollar program to adopting a first-dollar approach. This policy choice has implications for how equitably the Vermont Promise Scholarship Program operates. Last dollar programs, like those seen in 11 of the statewide Promise programs across the country, first exhaust Pell grants, scholarships and other financial aid before offering assistance (as defined in sections (b)(4) and described in section (c)(4) of S. 38). But according to the Century Foundation—which has studied the differences between Promise programs across the nation,

A last-dollar program will send fewer state resources to low-income students by virtue of the fact that Pell grants or other programs may already cover part of their tuition... In contrast, a first-dollar program would cover tuition and fees regardless of other aid, allowing low-income students eligible for Pell or other grant aid to use those dollars to cover books, transportation, housing, and other costs that students must finance while studying. Paying for living costs is likely to pose a bigger barrier to college access and reducing debt for a low-income student than paying for tuition costs might pose for wealthy students.<sup>6</sup>

The proposed Vermont Promise Scholarship Program does well to include an additional \$200 annual grant for books; however, that doesn't begin to cover the astronomical costs of housing, transportation, and even most textbook requirements for a given semester. Pell is part of a vanishing safety net for college students; it allows them to cover basic needs so that they don't become impoverished while in

---

<sup>5</sup> National Center for Education Statistics. "Nontraditional Undergraduates / Definitions and Data." <https://nces.ed.gov/pubs/web/97578e.asp>

<sup>6</sup> Mishory, Jen. The Century Foundation. "The Future of Statewide College Promise Programs." <https://tcf.org/content/report/future-statewide-college-promise-programs/?agreed=1>

school. We should not structure Vermont's Promise program in such a way that captures Pell grants from low-income students and offers a greater discount to middle- and upper-class students.

..

With these three adjustments: 1) inclusion of part-time students, 2) inclusion of UVM, and 3) a shift towards a first-dollar approach, the Vermont Promise Scholarship Program can become a more perfect policy for providing affordable access to higher education and lessening the burden of astronomical student debt. To the extent that these changes can't be made, the AFT is still pleased to endorse this bill, but will continue to support AFT Vermont in the effort to ensure access to universal, free, high-quality higher education for all Vermonters.