

Senator Hardy – Higher Ed Proposal, March 2019
DRAFT – PRELIMINARY ESTIMATES AND METHODOLOGY

Specifications:

Eligible Institutions – Vermont State Colleges (CU, NVU, VTC, CCV)

Eligible Students – Vermont residents taking 6 credits per semester and working toward undergrad degree/professional certificate

- *JFO: assumed that part-time students will receive partial funding*

Eligible Semesters – up to 48 credits over no more than 6 years, goal to cover the equivalent of two full time years of college

- *JFO: 120 credits are typically required for a four year program – full time tuition covers 15 credits per semester for a total of 60 credits over 6 years.*

Eligible Costs – First dollar grant up to \$7,500: the total full-time annual scholarship

Cost Estimates/Data Sources:

The cost to provide a \$7,500 dollar grant, pro-rated for enrollment status to the current freshmen and sophomore classes at VSC is \$34.5 M in the first year.

Class	Eligible FTE Equivalent	Cost (\$M)
Freshman	2,757	\$20.7
Sophomore	1,849	\$13.9
Total	4,606	\$34.5

- Fall 2018 full-time equivalent enrollment for the Vermont State Colleges (VSC). Full time equivalent enrollment accounts for part-time students by allocating them to a fraction of full time. The count does not include students taking just one or two class for “continuing education”. Must be working towards a degree or associates program.
- Fall 2018 Early College (EC) participants were identified in the Freshman enrollment subset – EC participants are provided up to or less than (CCV) \$8,432 in FY18 tuition assistance to VSC. In the fall of 2018, 335 high school students (77 of which were at VAST, 258 at VSC) accessed the program for a budgeted cost of \$2.6M. *Students will have access to two assisted years of aid, if participated in early college or dual enrollment aid will be reduced accordingly. Early college students are not included in the first year degree seeking cohort. If an early college student continued onto a second year they would be counted in the first year cohort.*
- First dollar grant – the full scholarship (adjusted by enrollment status) amount is provided regardless of other federal aid provided

In the second year projections are required to try and anticipate student behavior with the additional support provided. Questions raised include:

1. *Will there be an impact on the number of part-time students? Will more students be able to transition to full-time?*
2. *Ideally, retention between freshmen and sophomore year increase as a function of the additional support. What is uptake?*
3. *Will the grant be inflated by inflation or increases in tuition costs?*
4. *Will the grant attract back any out of state VT students? Out of state VSAC grant recipients?*

The cost to provide a \$7,500 dollar grant (not currently inflated), pro-rated for enrollment status to the current freshmen and sophomore classes at VSC is \$39.8 M in the second year. This estimate includes preliminary assumptions on uptake.

Class	Eligible FTE Equivalent	Cost (\$M)
Freshman Projection (99% of Fall 2018 class)	2,729	\$20.5
New Enrollments	594	\$4.5
Sophomore (Prior year Freshman – increased return)	1,987	\$13.9
Total	5,310	\$39.8

- Year two freshman projection is assumed as 99% of fall 2018 class – declining student population
- American Community Survey microdata (5 year average 2013-2017) were used to determine the potential universe of Vermonters that could take up the scholarship offer. For this exercise this included the percentage of 18-24 and 25-45 year olds that reported having educational attainment of some college and no college. The percentages were applied to single year of age population data provided by consensus JFO/Admin forecast and adjusted to reflect the latest 2018 census estimate. Income distributions were very preliminarily approximated by the income distributions of VSAC grant receiving students at CCV. Take up percentages are a variable currently set a 3% for the lowest income subset of 18-24 year olds falling to 0% behavior change for the highest income subset.
- The current average retention rate based on fall 2018 FTE data is 67%. It is currently assumed that retention increases by 5% for the transition freshman class.
- No adjustments are made for a shift from part-time to full-time since prorated grants are offered.
- No adjustments are currently made to adjust for a possible return of students that are currently attending college out of state or other private institutions.

Possible Options for Cost Containment:

- Limit grant to X family income level? Grant amount- tiered by income level?
- Years of eligibility?

Example: Provide tiered level of support to current class: \$7,500 for family income less than \$50,000, \$4,000 for family income greater than \$50,000.

The cost to provide the tiered dollar grant, pro-rated for enrollment status to the current freshmen and sophomore classes at VSC is \$26.2 M in the first year.

Class	Eligible FTE Equivalent	Cost (\$M)
Freshman	2,757	\$15.7
<\$50,000	1,347	\$10.1
>\$50,000	1,410	\$5.6
Sophomore	1,849	\$10.5
<\$50,000	874	\$6.6
>\$50,000	975	\$3.9
Total	4,606	\$26.2

- Income distribution is estimated from the family income of the VSAC grant recipients for each state college and allocated to the fall 2018 FTE enrollment.

Implementation/Administration:

- Build off of existing VSAC grant program with specifying criteria. *Have VSAC in to explain the specifics of the current grant program.*

FY18 VSAC Grant Summary – One Semester of Grants

Family Income Range	UVM		CU		NVU		VTC		CCV		Total		Percentages	
	N	Amount Awarded	N	Amount Awarded	N	Amount Awarded	N	Amount Awarded	N	Amount Awarded	N	Amount Awarded	N	Amount Awarded
\$0 - \$30,000	400	\$1,310,250	255	\$510,892	537	\$956,893	290	\$659,859	1,716	\$975,149	3,198	\$4,413,043	50%	50%
\$30,000 - \$50,000	267	\$730,032	166	\$321,761	246	\$364,332	173	\$321,215	474	\$271,205	1,326	\$2,008,545	21%	23%
\$50,000 - \$80,000	421	\$880,315	148	\$213,247	196	\$244,620	136	\$208,271	255	\$131,311	1,156	\$1,677,764	18%	19%
\$80,000 - \$110,000	258	\$301,844	96	\$94,132	98	\$84,677	81	\$66,801	43	\$16,341	576	\$563,795	9%	6%
over \$110,000	124	\$101,745	38	\$29,324	7	\$7,650	25	\$17,634	4	\$1,912	198	\$158,265	3%	2%
Totals	1,470	\$3,324,186	703	\$1,169,356	1,084	\$1,658,172	705	\$1,273,780	2,492	\$1,395,918	6,454	\$8,821,412	100%	100%