

Senate Ed Goals for Free Tuition Scholarship Options

- A. Expand Access
- B. Remove Financial Barriers
- C. Support Vermont State Colleges or all VT postsecondary public institutions
- D. Cap spending at \$7 to \$10 million

VSAC's observations and questions:

A. Access:

1. Educating students and families as early as possible that there is a guaranteed financial path for paying for college is believed to increase aspiration and expand access. Does the cost of the marketing campaign/materials fall under the \$7 to \$10 million dollars?
2. Or is there an expectation that the identified benefiting institutions would pay any costs incurred in marketing this new program?
3. Are we looking only at conventional postsecondary programs, i.e., degree programs?
4. Do institutions have any obligation to contribute and/or maintain current aid?

B. Financial Barriers:

1. How is the committee envisioning "financial barriers" when you set this goal?
 - a. For some families the financial barrier might be the initial sticker shock. The cost of college may seem overwhelming to low and lower middle-income families, who likely don't understand the complex world of financial aid, and who assume they can't afford college so consequently don't consider pursuing it. Is removing "financial barriers" about the perception of the cost. By saying it is "tuition free" families will perceive that it is affordable.
Or:
 - b. Does removing financial barriers mean that you want to reduce student loan debt for all students; for low income students; for students up to some income cap?
Or:
 - c. Or are you targeting the out-of-pocket expense for families who have an expected family contribution? As we discussed in committee on Feb. 26th – families with incomes \$30,000 or less do not have an expectation that they can put any out of pocket money towards college although there is an expectation that they can and will take out loans.

C. Support Vermont State Colleges or All VT postsecondary public institutions:

1. Depending on the structure of the program, shifting the money paid from families, aid programs, and loan programs to a tuition scholarship for existing students will benefit individual students but will not change the financial position of the institution. In order to provide assistance to schools this policy must either significantly increase the number of students attending these schools or increase the retention rate of the students who do attend or, preferably, both.
 - a. Are you counting on the availability of the program to increase enrollment at identified schools and that is the means to support the identified institutions?

Or:

- b. Should the scholarship incent retention? Incent on-time graduation?
- c. If you want to support 2 years of college then you may want to consider increasing from 48 credits to 60 credits. A student who completes 48 credits in two to six years will still be one full semester (12 credits) from an associate degree or achieving Junior standing in a four-year program.

D. Cap Spending:

1. In order to meet your funding cap, which options are the committee willing to consider and in what priority order:
 - a. Income caps – i.e., fund families with incomes up to the highest figure we can reach while still meeting the funding cap.
 - b. Reduce the number of eligible institutions – this will reduce the number of students eligible for the program.
 - c. Scholarship caps – Forgo the concept of free tuition and determine the largest scholarship that could exist with all identified public institutions in play or with only some public institutions in play.
 - d. Last-dollar-in versus first-dollar-in. As demonstrated in committee this will limit the spending but has the outcome that wealthier families will receive more benefit from the program than low income families.
 - e. Add additional criteria – minimum high school GPA, number of credits required, minimum college GPA

2. As recently as the 2007-2008 academic year, Vermont grants in combination with the Federal Pell Grant were covering 100% of tuition at Lyndon, Johnson, Castleton and CCV for Vermont's neediest families. These grants were also meeting roughly 90% of tuition at VTC and UVM for families in similar financial situations. Currently, Vermont grants and Pell grants are meeting 100% of tuition and fees at CCV, less than 82% of tuition at Castleton and Northern Vermont University, and roughly 70% at Vermont Technical College and UVM. Another way to achieve the Committee's goals, rather than creating a new grant program, might be to add funding to VSAC's existing grant. As we discussed, VSAC is a means tested program so this would not provide free tuition to all Vermont families, but we could increase the definition of "neediest" to a higher income figure than is currently the case. If the committee is interested in seeing the income cutoff, we can model this option when we submit ideas for the committee consideration. Please let us know if you want us to pursue this.