



FY
22

Testimony before House Education Committee

March 12, 2021

Scott Giles, President & CEO

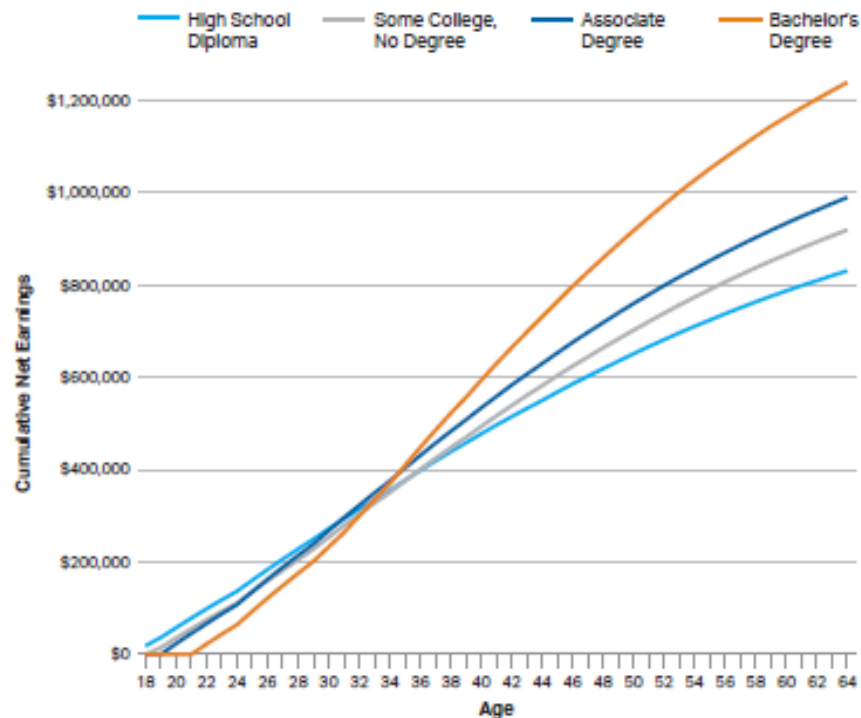
Marilyn J. Cargill, VP OF FINANCIAL AID SERVICES, MARKETING, AND RESEARCH

Vermont Student Assistance Corporation



Education—After Accounting for Student Loan Debt and Cost—The Most Effective Way to Address Multigenerational Economic Inequality

FIGURE 2.2A Estimated Cumulative Full-Time Median Earnings (in 2017 Dollars) Net of Loan Repayment for Tuition and Fees and Books and Supplies, by Education Level



- For the typical associate degree recipient who pays the published tuition and fees and books and supplies at a community college and earns an associate degree 2 years after high school graduation, total earnings exceed those of high school graduates by age 31.
- For the typical student who attends a public college for a year and leaves without a degree, total earnings exceed those of high school graduates by age 36.
- The longer college graduates remain in the workforce, the greater the payoff to their investment in higher education.

ALSO IMPORTANT:

- Figure 2.2A shows the cumulative earnings for full-time year-round workers. Individuals with higher levels of education are more likely to work full time year-round than those with lower levels of education.
- Figure 2.2A shows the cumulative earnings using median earnings and weighted average 4-year tuition and fees and books and supplies. Results using some alternative assumptions are shown in Figure 2.2B.



To ensure that all Vermonters, particularly those who believe the doors of education are closed to them, have access to the financial and educational resources they need to pursue their career, education, and training goals.



State Funding for Higher Education



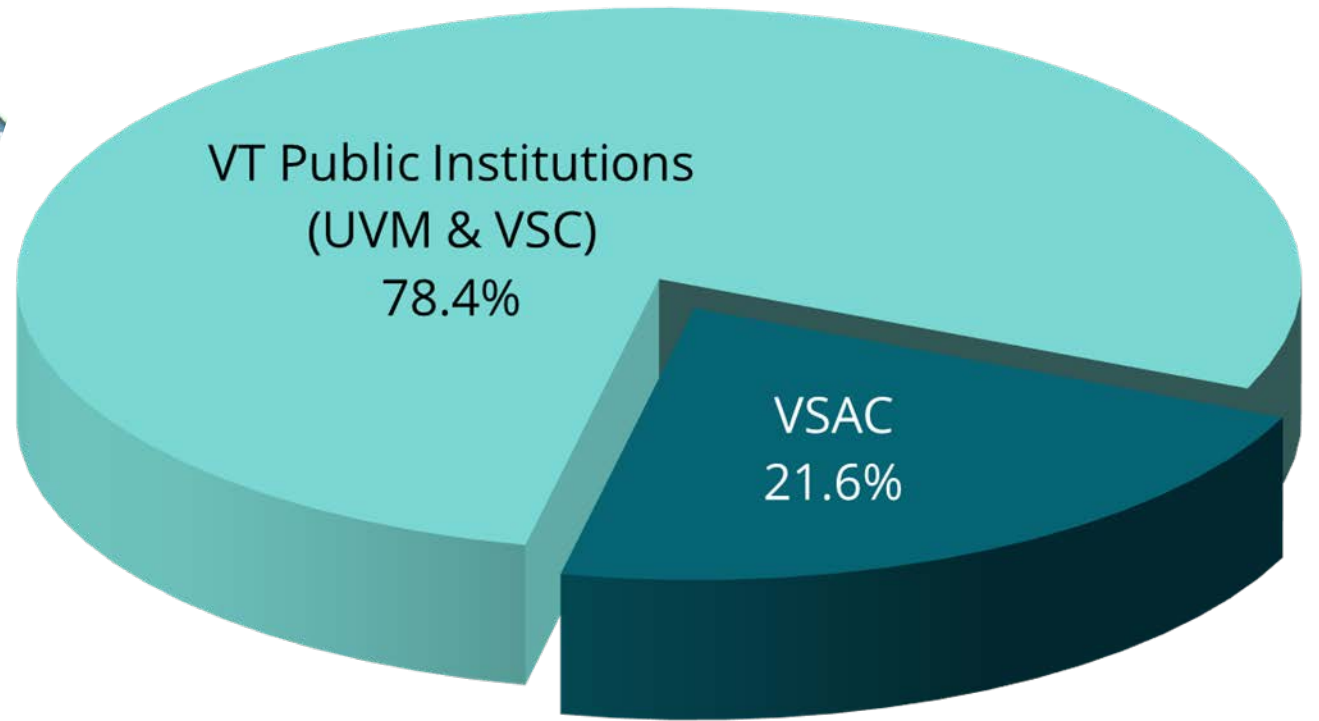
Fiscal Year '20

Total Support
(UVM, VSC & VSAC)

\$94,640,390

Distribution of State Funding for HE

Fiscal Year '20



Vermont State Grant programs

In the 2019-2020 academic year (FY 2020), VSAC awarded 11,806 need-based education grants to students attending school full- or part-time or enrolled in nondegree courses of study.

VSAC Appropriation FY21: \$19,978,588

Unexpected expenses can derail even the most dedicated of students.

In the current fiscal year to date, VSAC has awarded 219 grants totaling \$87,489 in emergency funds to students at risk of dropping out of school.



A small grant of \$400 or less helps address unexpected expenses such as:

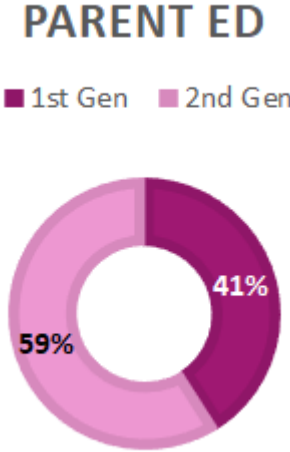
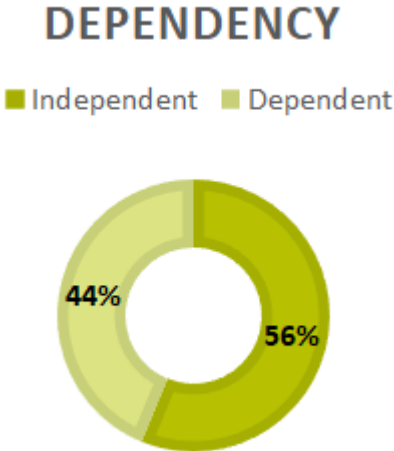
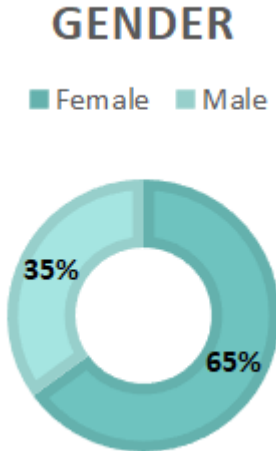
1. Computer issues
2. Car repair/tires
3. Food insecurity
4. Help with housing deposits

VT Grant Program	FY20 Grant Awards
Full-time	7,493
Part-time	2,609
Advancement	1,550
VT Emergency Microgrant	154

Vermont State Grant (all programs)

The average VT Grant recipient in FY20 is:

-  **FEMALE**
- 25.5 YEARS OLD**
-  **HOUSEHOLD OF 3.1**
- \$34,998**
Median family income



VSAC Grant Program is One of the Most Targeted in the Nation

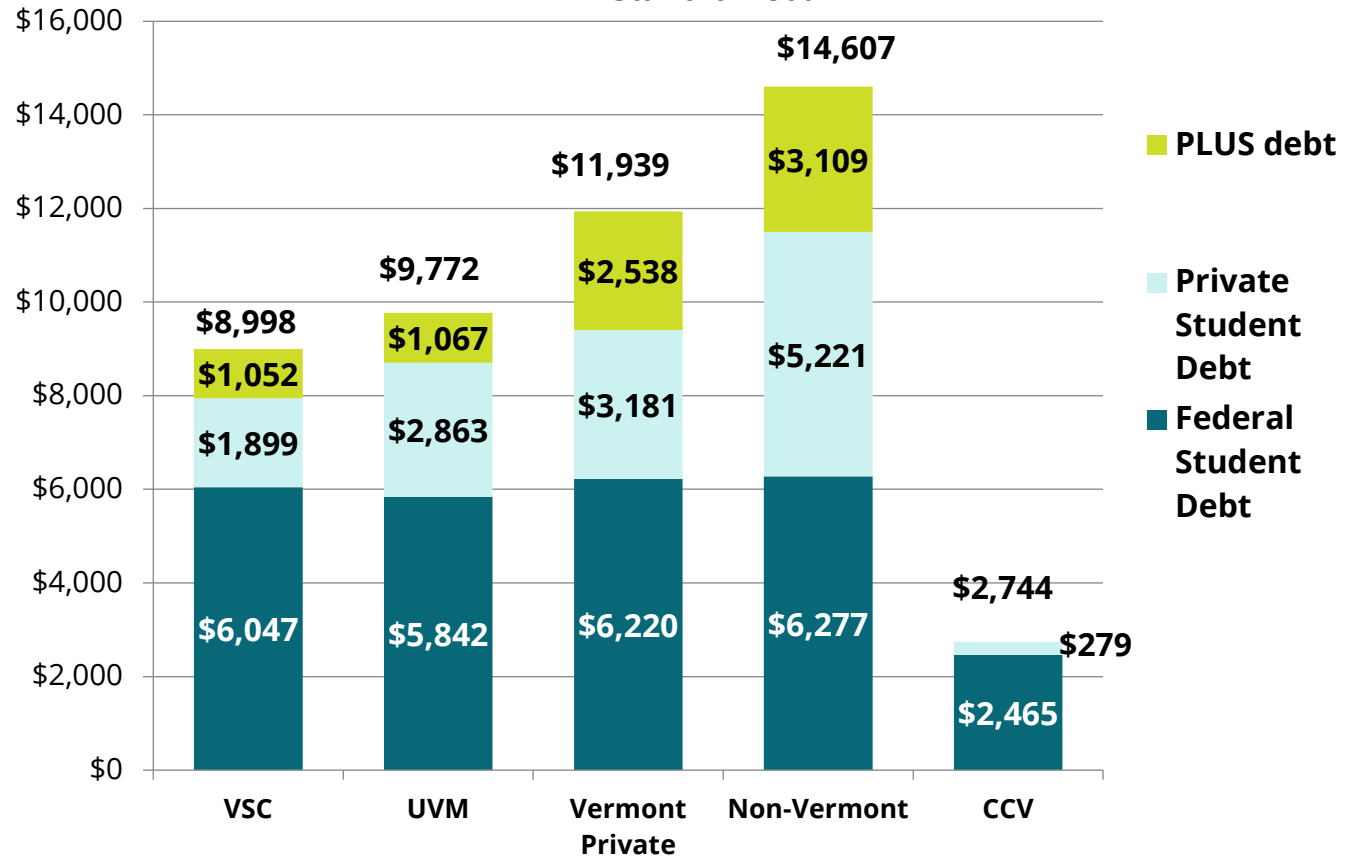
100% of VSAC Grant Funding is Awarded Based on Need

GRANT RECIPIENTS (FULL-TIME, PART-TIME, NON-DEGREE) BY INCOME, FY2020						
INCOME RANGE	NUMBER OF GRANT RECIPIENTS	GRANT RECIPIENTS		DOLLAR AMOUNT OF GRANT AWARDS	GRANT DOLLARS	
		Percent	Cumulative		Percent	Cumulative
\$0 - \$10,000	1,847	15.7%	15.7%	\$3,842,806	19.7%	19.7%
\$10,001 - \$20,000	1,605	13.6%	29.3%	\$3,069,032	15.8%	35.5%
\$20,001 - \$30,000	1,710	14.5%	43.8%	\$2,943,502	15.1%	50.6%
\$30,001 - \$40,000	1,410	12.0%	55.8%	\$2,276,547	11.7%	62.3%
\$40,001 - \$50,000	1,035	8.8%	64.6%	\$1,834,212	9.4%	71.7%
\$50,001 - \$60,000	852	7.2%	71.8%	\$1,456,261	7.5%	79.2%
\$60,001 - \$70,000	758	6.4%	78.3%	\$1,192,158	6.1%	85.3%
\$70,001 - \$80,000	642	5.5%	83.7%	\$803,871	4.1%	89.5%
Over \$80,000	1,916	16.3%	100.0%	\$2,052,310	10.5%	100.0%
TOTAL	11,775	100%		\$19,470,699	100%	

Source: VSAC Grant Files (person/school level)

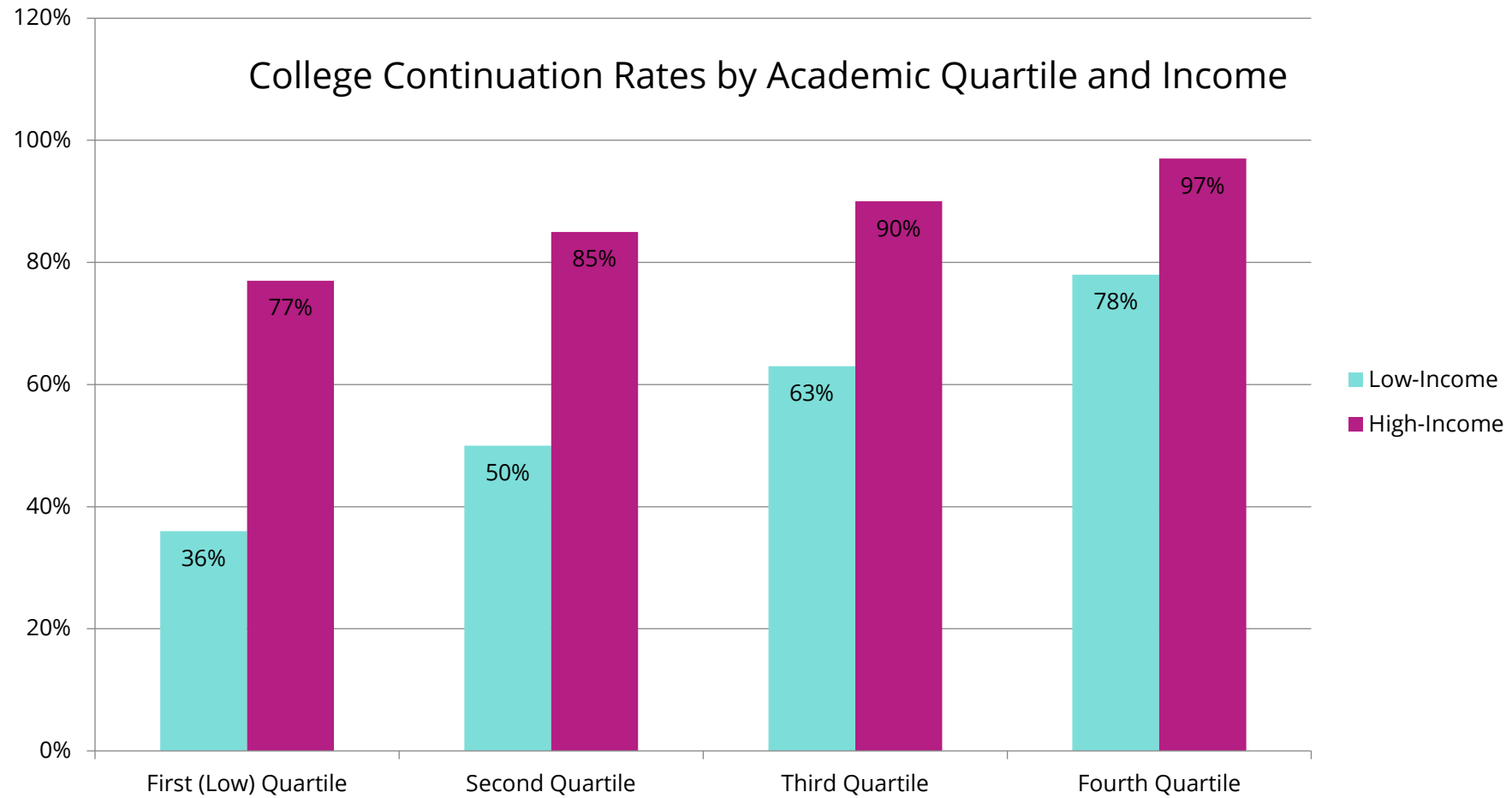
Grant Recipients Attending Non-Vermont Schools Borrow More

Average One-year Debt of Grant Recipients, FY2020
 Full-time, Dependent Grant Recipients Enrolled at 4-year Schools With Stafford Debt



Federal student debt includes subsidized and unsubsidized Stafford loans.
 Private student debt includes non-federal loans from sources such as VSAC and colleges.

The Unspoken Equity Issue



Source: College Board

Our Focus is Student Success

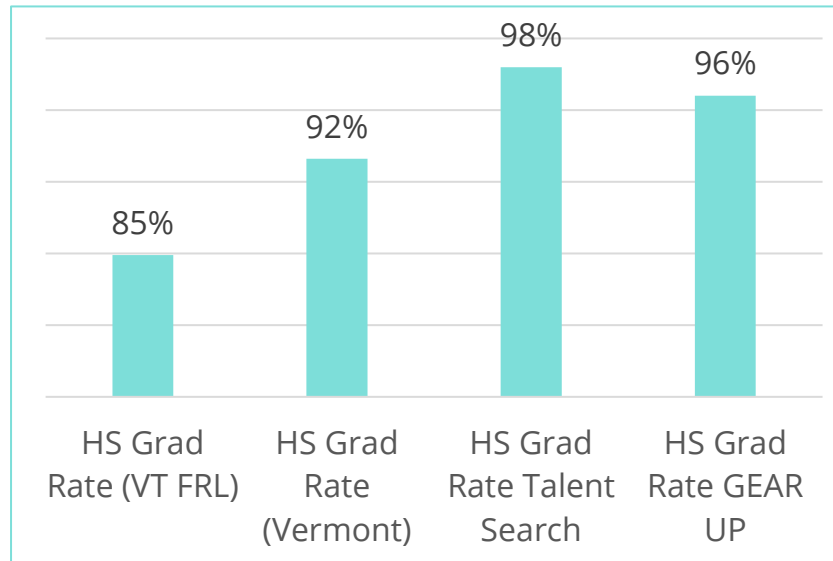
Talent Search & GEAR UP

Serving (AY19-20):

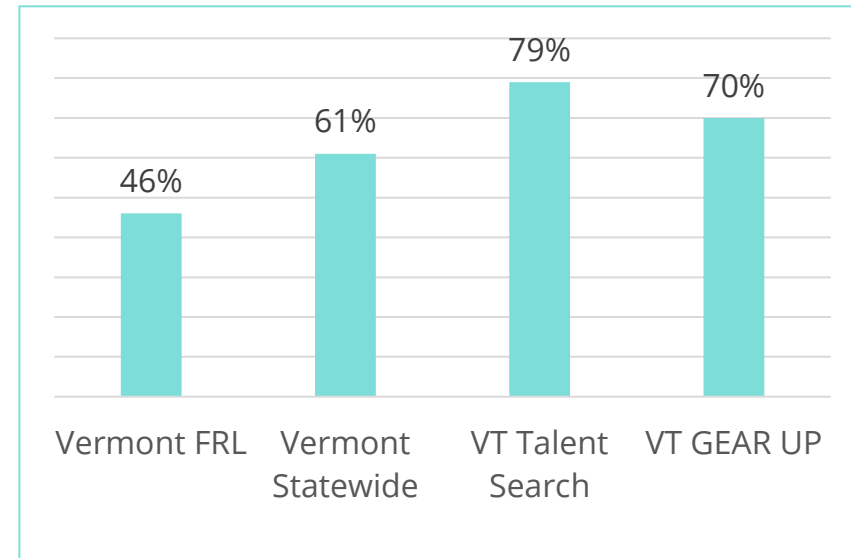
- 75 Vermont schools
- 3,697 middle school and high school students

Demonstrating results:

2019 12th grade Completion Rates

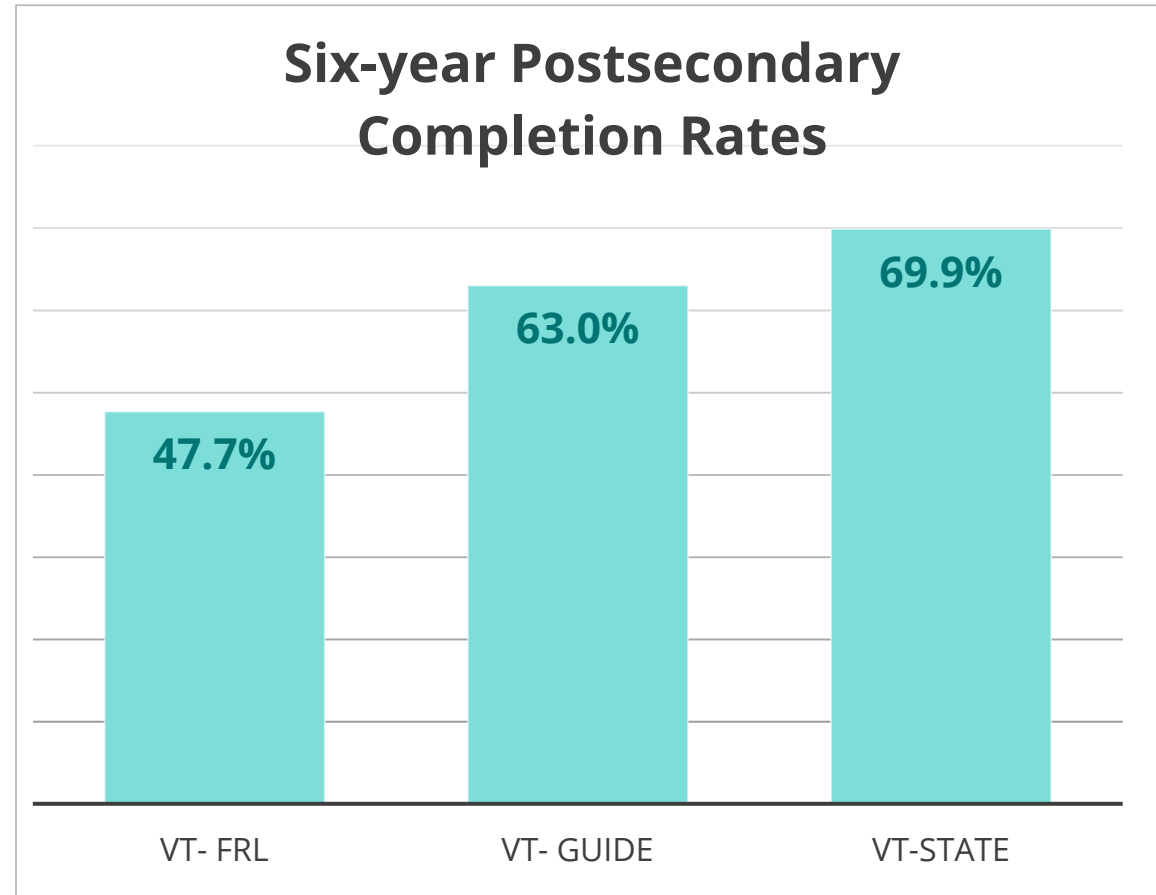


Fall 2019 Postsecondary Education Enrollment Rates



GUIDE: GEAR UP students graduate

GUIDE students who graduated high school in 2013 or 2014 and enrolled at a 2- or 4-year college completed their degrees at higher rates than other low-income students.



Portability: Vermont's Policy

What is it?

“Portability” is a policy that allows low-income grant recipients to choose academic programs that best meet their education goals, regardless of geographic location.

Groundbreaking 1965 state legislation established VSAC's role to specifically serve Vermont's students. Portability became a fundamental principle of the State's need-based grant programs.

By enabling grant recipients to choose from an array of academic programs and institutions regardless of geographic location, portability expands education opportunities for eligible Vermonters far beyond that which a small state of limited resources could offer.

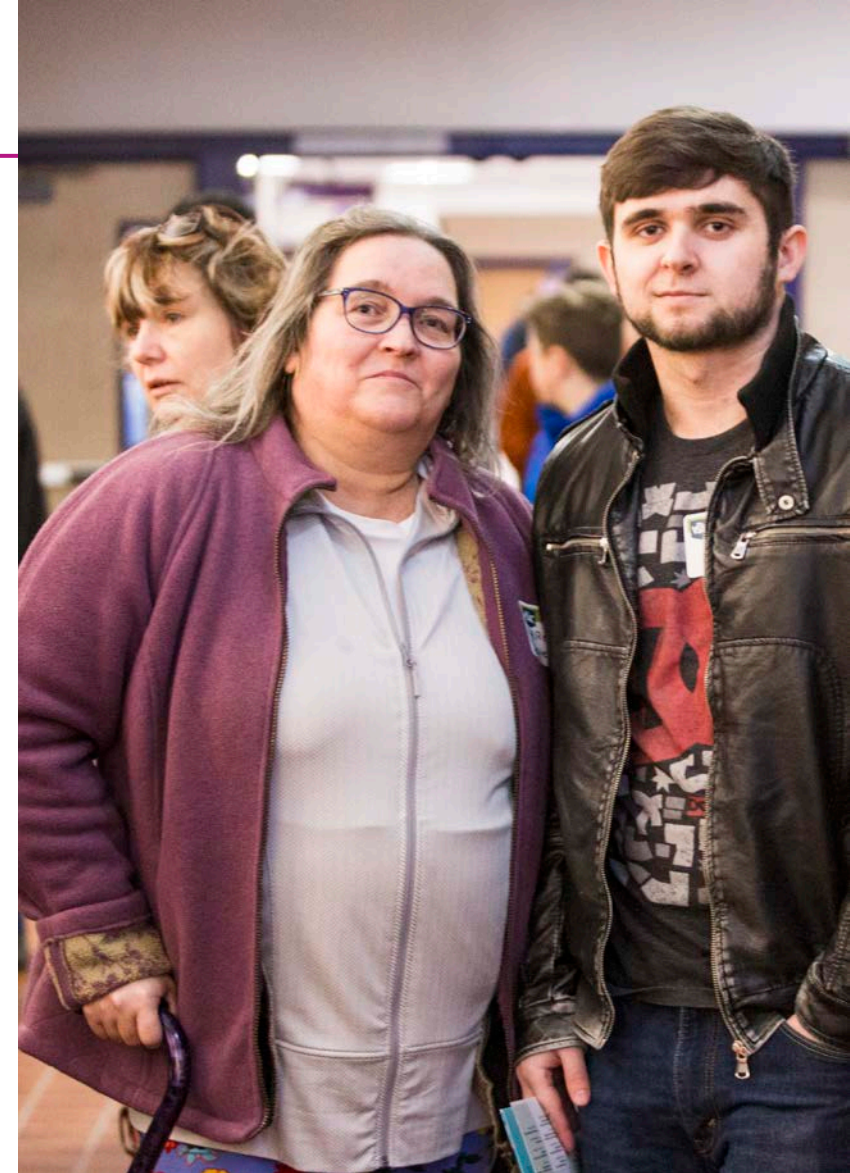
The goal was, and continues to be, to provide these students with the same academic and training opportunities that exist for those who have greater financial means. The student's choices are dependent on ability, aspirations, and preparation.



Portability's Impact

Provides nearly 3,600 low-income Vermonters with:

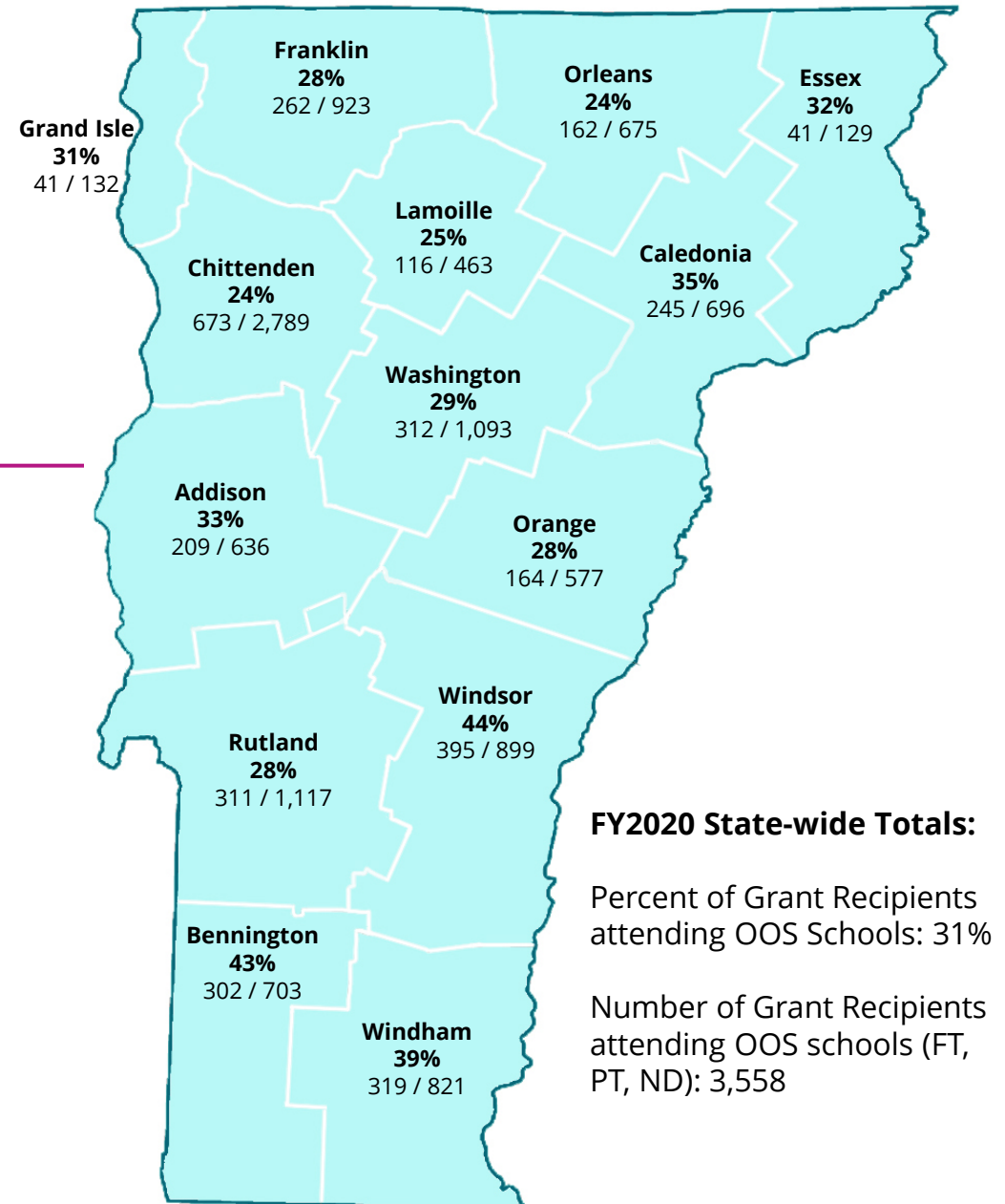
- Access to the nation's most rigorous academic institutions
- Access to programs not available in Vermont
- Access to cultural and urban environments not available in Vermont
- Access, in some border areas, to institutions and programs closer to home than the nearest Vermont institution



Vermont Grant Recipients, Out-of-State Institutions

By county of residence

This map shows the number of low-income Vermonters who used grants to pursue their education goals at out-of-state institutions in FY20 and where they live.



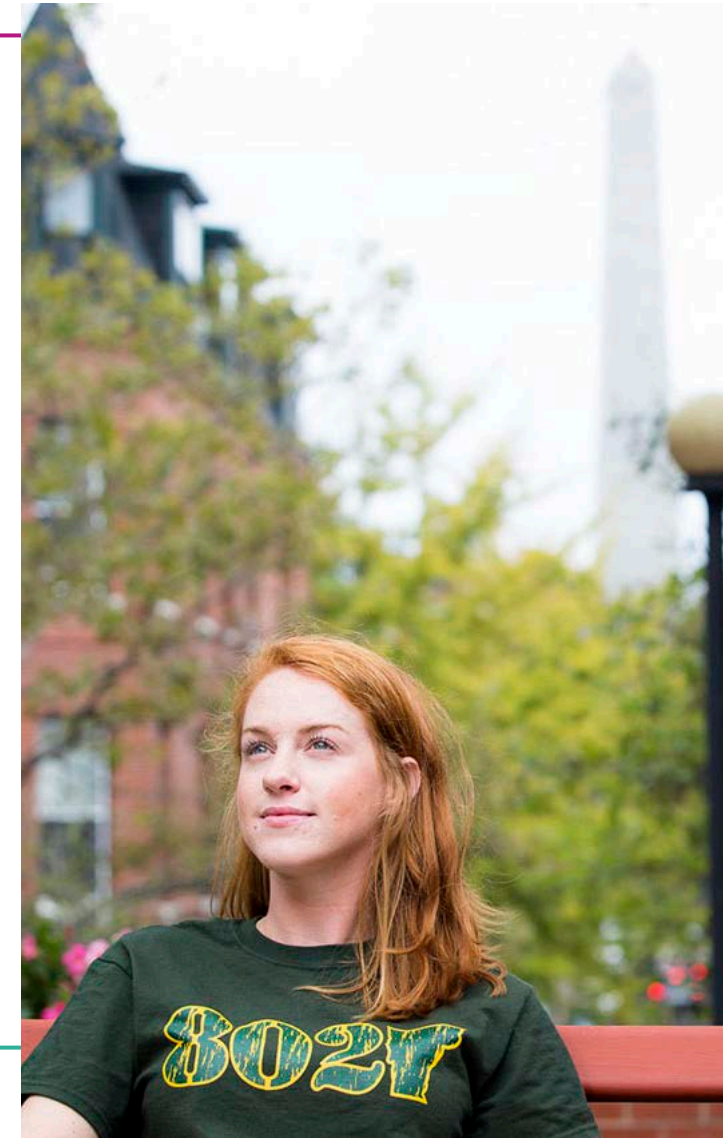
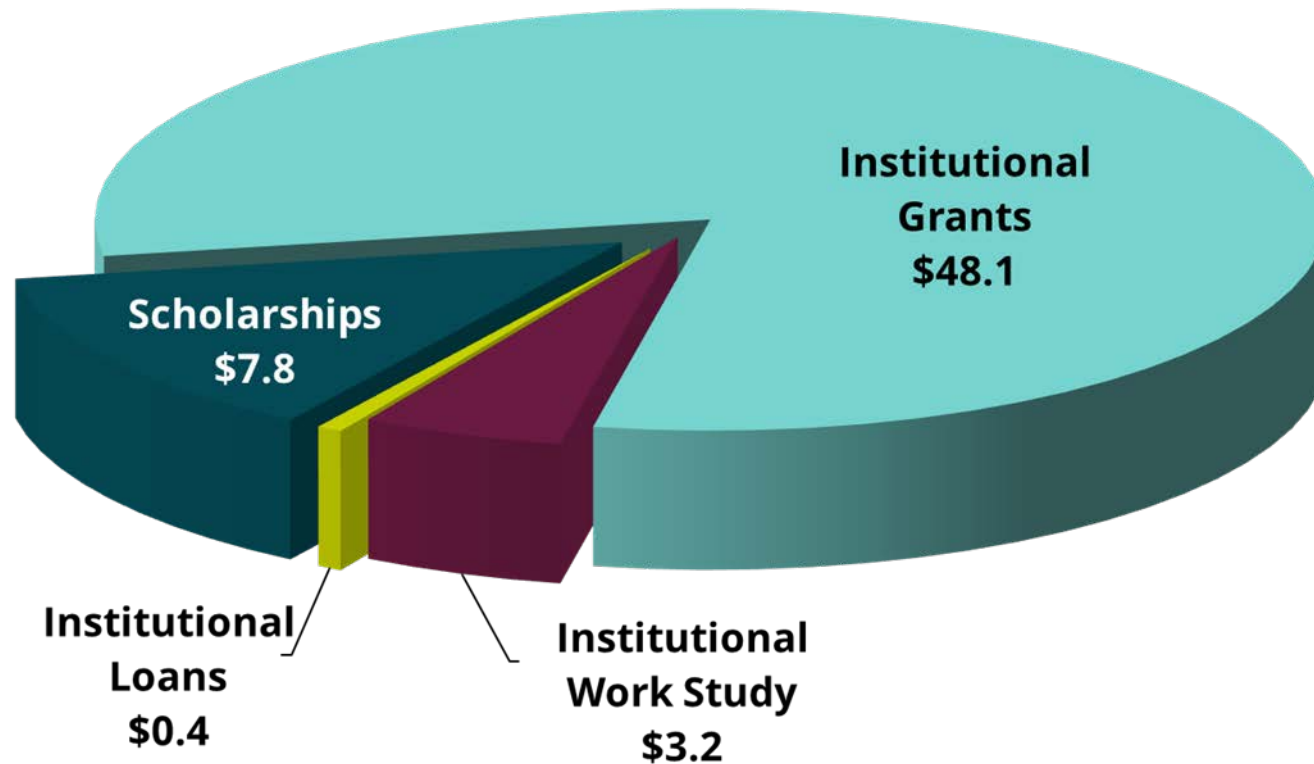
Where Full-Time Grant Recipients Enrolled

- 6 in 10 full-time grant recipients attended schools in Vermont.
- Vermonters who attended non-Vermont institutions remain in the region (other New England states or New York):
 - 29% of full-time Vermont grant recipients attended schools in the region, while 11% attended schools outside the region.

State	FY20 Full-Time Grant Recipients (% enrolled)
Vermont	60.0%
Massachusetts	8.0%
New York	7.9%
New Hampshire	6.9%
Maine	4.1%
Rhode Island	1.4%
Pennsylvania	1.2%
Connecticut	1.2%
Top States	90.7%

Leveraging Additional Aid: \$61M

Additional aid awarded to FY20 full-time grant recipients attending out-of-state institutions



Vermont Leads Nation in Per Capita Importation of Students

- Each year roughly 20,000 non-Vermonters attend a Vermont college or university
- Vermont imports 2.3 students for each Vermont student who attends a non-Vermont institution of higher education
- Vermont grant recipients are less likely to attend a non-Vermont school than their more affluent peers

Misperceptions we hear from time to time

- It is cheaper for grant recipients to go out-of-state.
- Colleges reduce their aid because of the VSAC grant.
- Students attending Harvard don't need VSAC grant dollars.
- Portability is for Chittenden County.
- Vermont students can find whatever courses they need at Vermont colleges.
- Eliminating portability would help the VSC.
- Reducing options for low-income students is the only way to help the Vermont State Colleges.

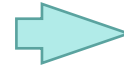


Appendix A

VSAC Services

VSAC Research: Informing Policy

- [COVID-19 Impact on Students' Higher Education Plans](#)
- [Class of 2012 Report Series](#)
- [Non-Degree Survey](#)
- [VSAC Research Minute](#)
- [FY20 County Facts](#)



VSAC Research Brief August 2020

June College Student Survey During COVID-19

The onset of the COVID-19 epidemic has dramatically altered the higher education landscape, affecting students, their parents, and institutions. National surveys, conducted from March to May, reflected on students' intent for fall 2020 enrollment, reaction to online instruction, as well as the financial toll of the epidemic.¹ Economists were predicting record-breaking unemployment and [estimating that as many as 100,000 Vermonters](#) would apply for unemployment benefits, roughly one out of every three workers in the state. That being the case, it was very likely that parents of current and first-year college students would request appeals on schools' financial aid offers and the state's need-based student financial aid program, both of which are based on reported 2018 income, income earned more than a year before the pandemic. The pandemic's impact on employment rates might presage more families applying for student financial aid.

The Vermont Student Assistance Corp. (VSAC) is an instrumentality of the state, and the agency charged with administering student financial aid. In June (June 17-July 2), VSAC surveyed students who had completed the Free Application for Financial Student Aid (i.e., FAFSA applicants made up of rising high school seniors and returning college students) to answer a few key questions:

- Did students' fall plans change because of the COVID-19 pandemic?
- What was the nature of that change?
- What did students say about the effect on their enrollment plans if an institution were to move to virtual learning?

The second aim was to examine adverse economic effects, if any, on students' lives. We looked at these questions through an equity lens: gender, parental educational attainment (i.e., first- or second-generation), family/student income, and race. We have just completed data collection (July 23-August 5) on a second cohort of students to examine changes, if any, over time.

Key Findings

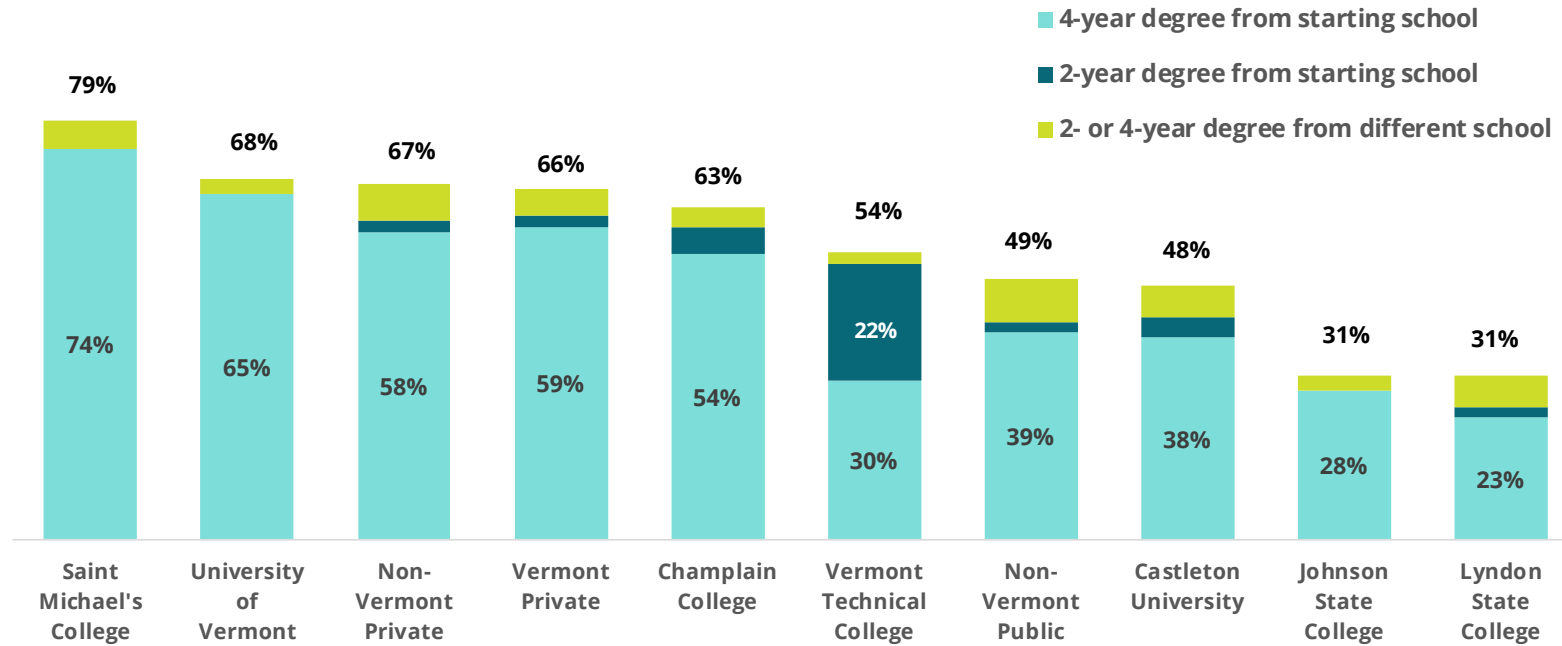
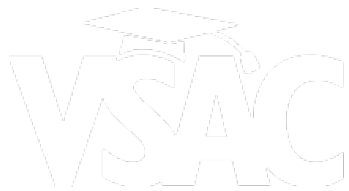
- Most students surveyed in June (whether first year or those returning to college) reported they planned to enroll in the fall of 2020. (Fig.1) There were no differences in plans for fall by gender, parent education, or race. However, independent students (6%) were more likely to report delaying or cancelling enrollment than dependent students (2%).

Fig.1 Fall plan by student type

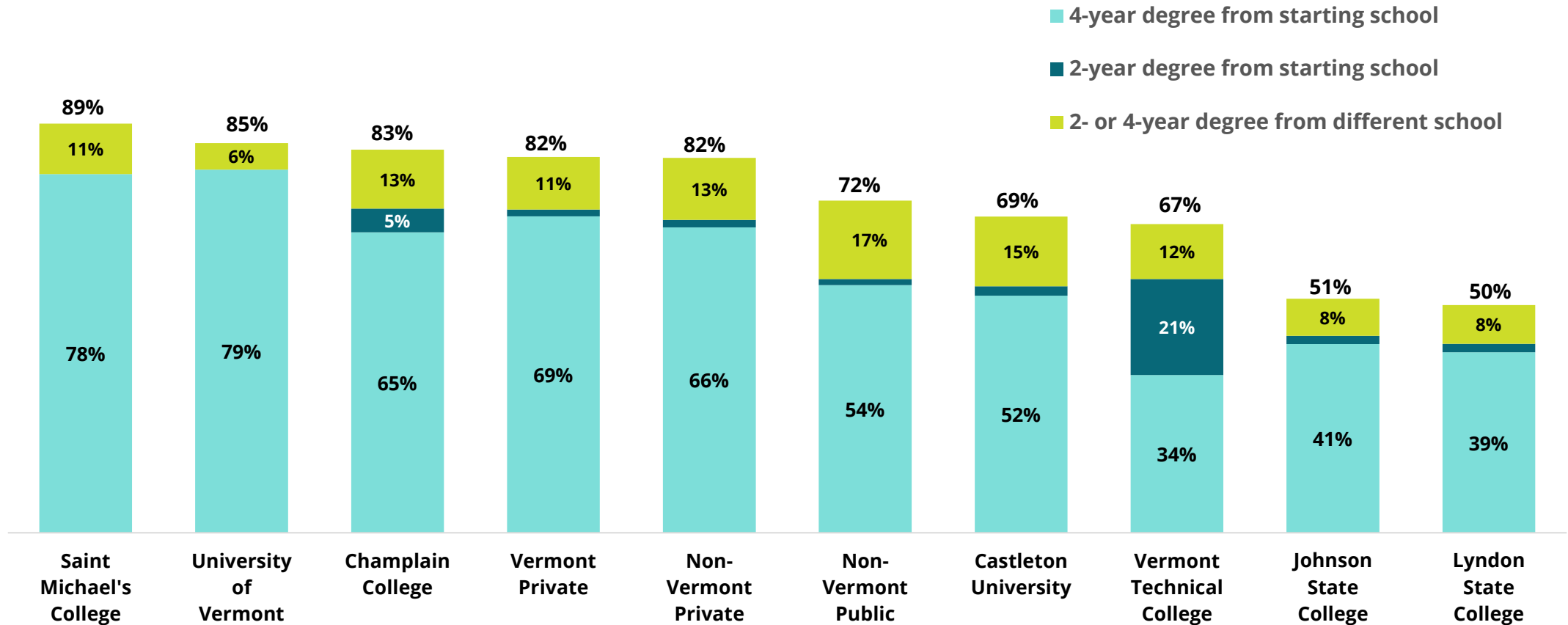
Plan	First-year	Returning College
Plan to enroll in fall	90.5%	84.6%
Plan to delay	4.2%	3.6%
Undecided	5.3%	9.8%

Institution and Degree Completion Within 4 Years

Completion rates for the HS Class of 2012 by Institution and Sector after 4 Years

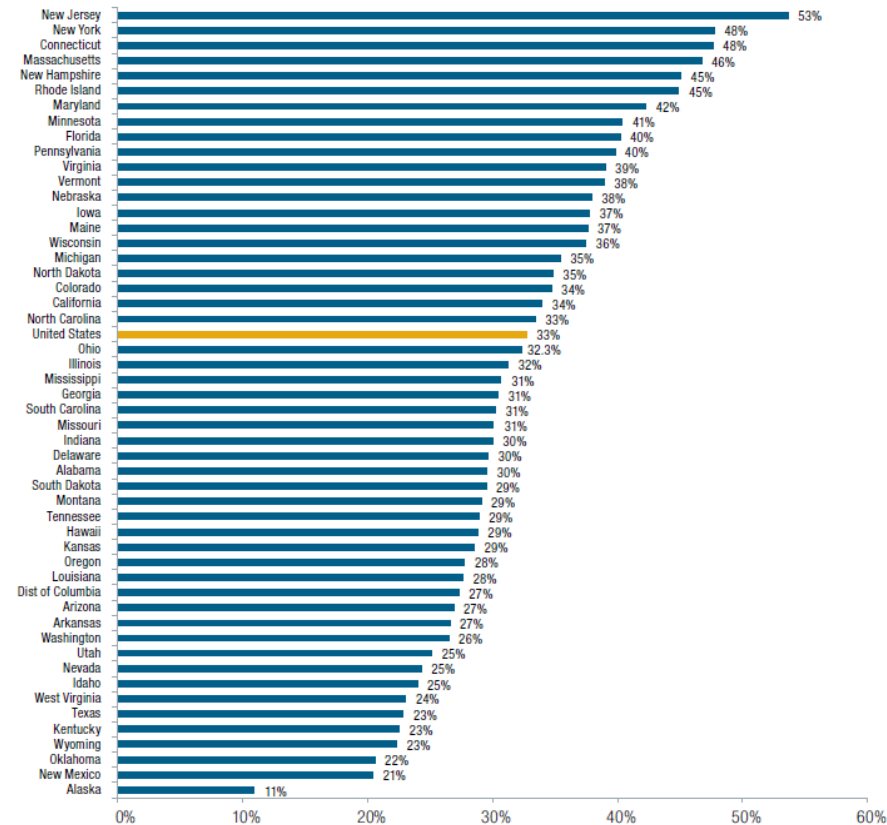


Institution and Degree Completion Within 6 Years



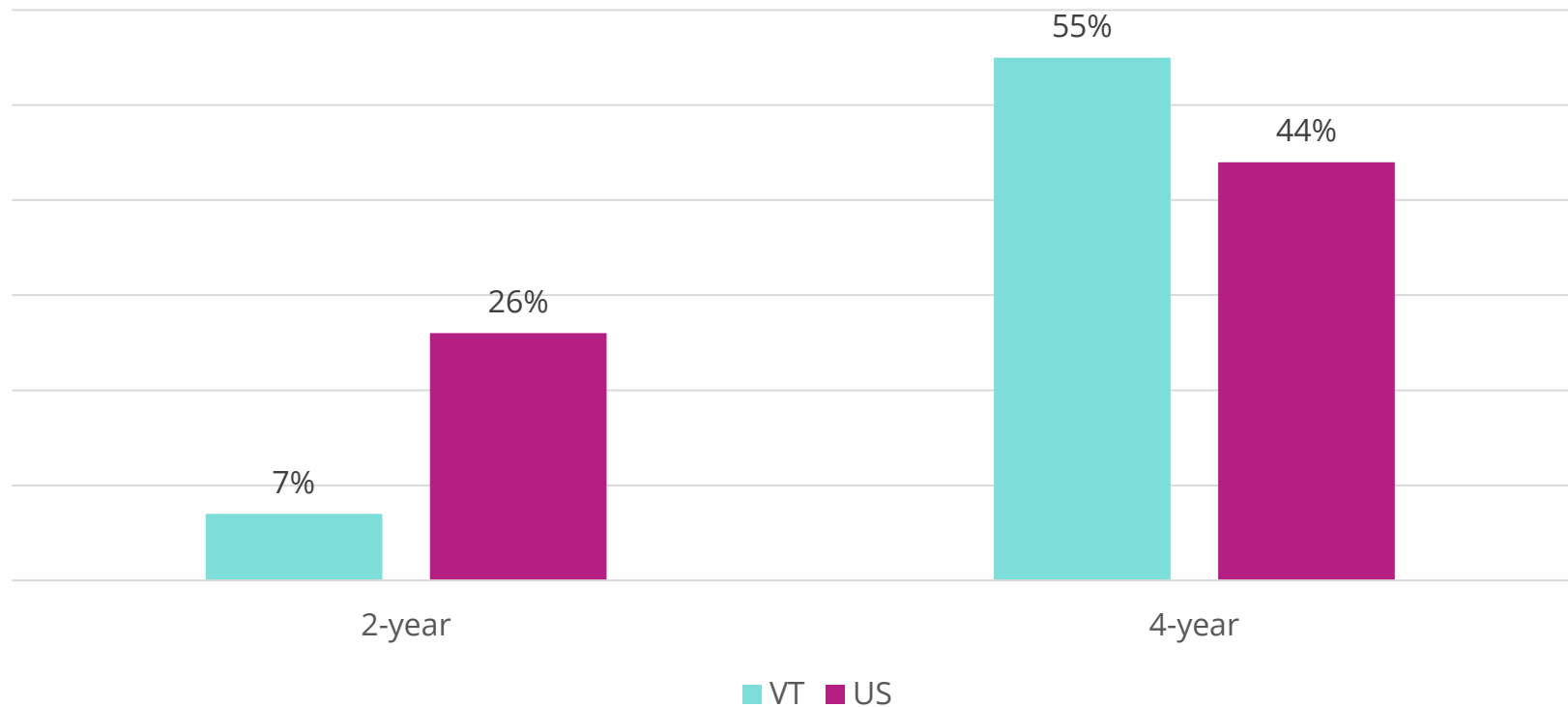
Vermont ranks 12th in Estimated Participation of Students from Low-Income Families

Equity Indicator 11(i): Estimated college participation rates for students from low-income families by state: 2018



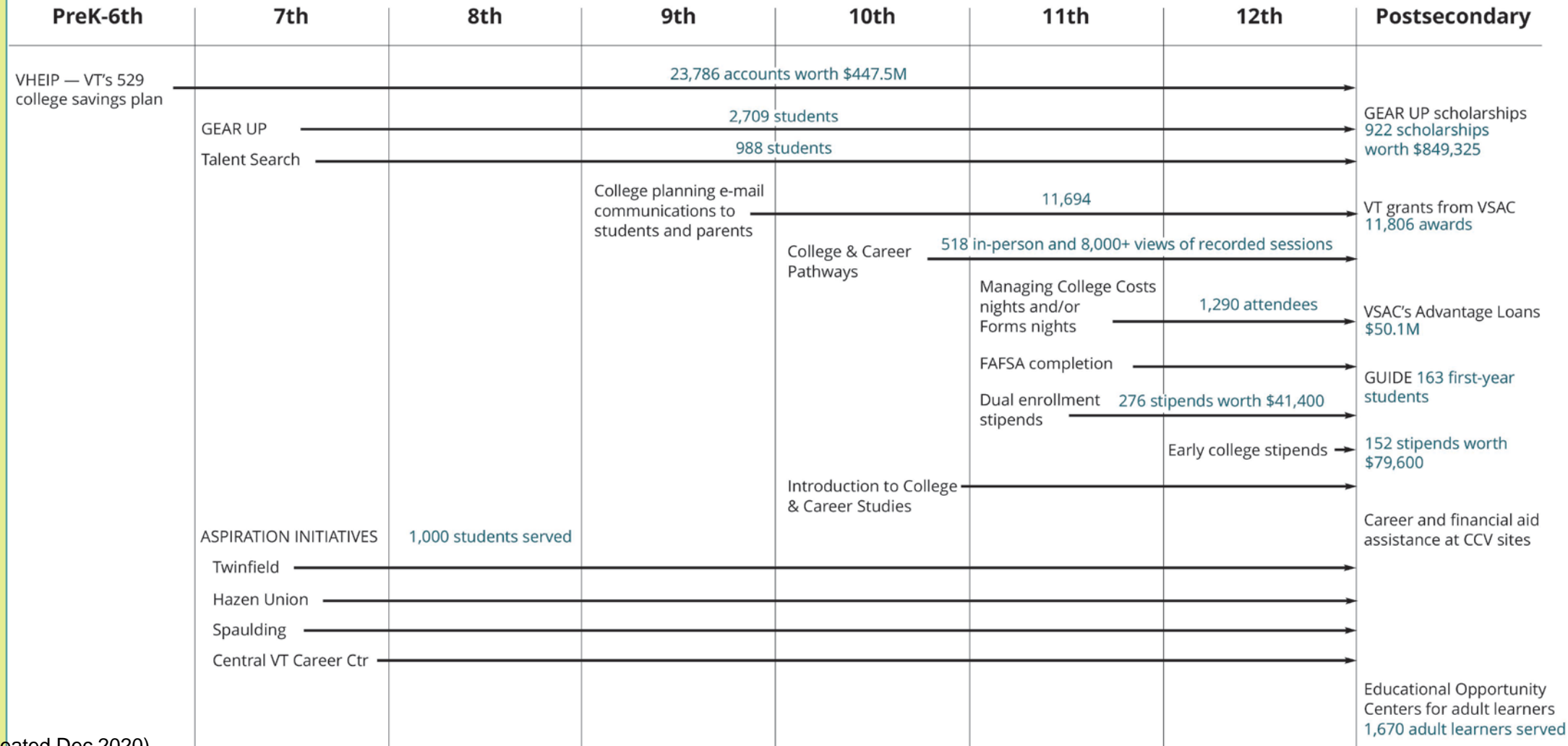
Strategic Opportunity: Vermont students significantly less likely to begin at two-year schools

Percentage of Class of 2018 high school graduates enrolled at two- and four-year colleges in VT and the U.S.





Pathways to Postsecondary Education and Training



Figures as of FY20 end (created Dec 2020)