



FY  
22

# Testimony before House Appropriations Committee

February 2, 2021

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**Vermont Student Assistance Corporation**





Creating opportunities  
for all Vermont  
students,  
but especially for  
those  
—of any age—  
who believe that  
the doors to  
education and training  
are closed to them.



# VSAC Programs

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- ❑ Vermont's 529 plan
- ❑ Career and Education Outreach Services
- ❑ VSAC Guide—Retention and Graduation Support
- ❑ Scholarships
- ❑ VT State Grants
- ❑ State Student Loans
- ❑ Research and Policy

# Saving for the future generation

- The **Vermont Higher Education Investment Plan** seeks to help families begin to save early and reduce their need for borrowing when the time comes to pursue postsecondary education or training.
- As of June 30, 2020 VHEIP had 23,786 active accounts and \$447.5 million in assets.
- Since its inception, VHEIP families have withdrawn more than \$230 million to help nearly 9,000 students pay for college.
- Vermonters used over \$41 million in FY20 to cover education and training costs.



# VSAC's student outreach:

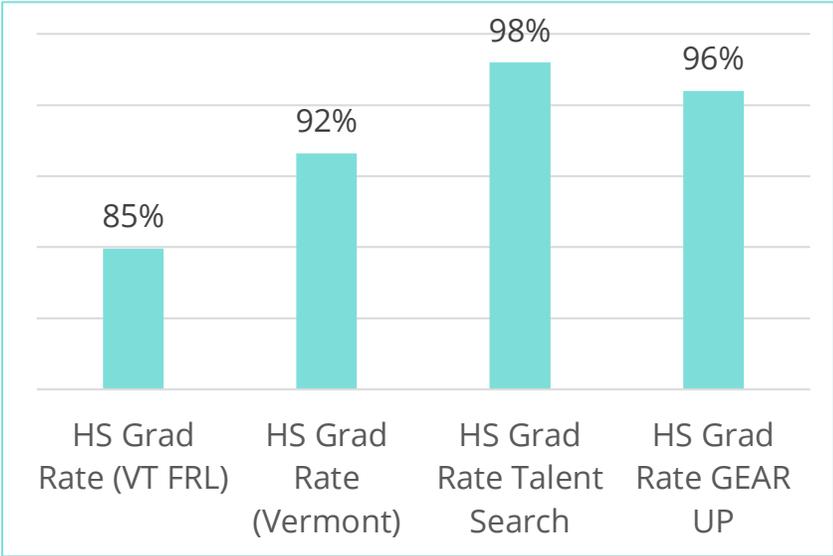
## Talent Search & GEAR UP

### Serving (AY19-20):

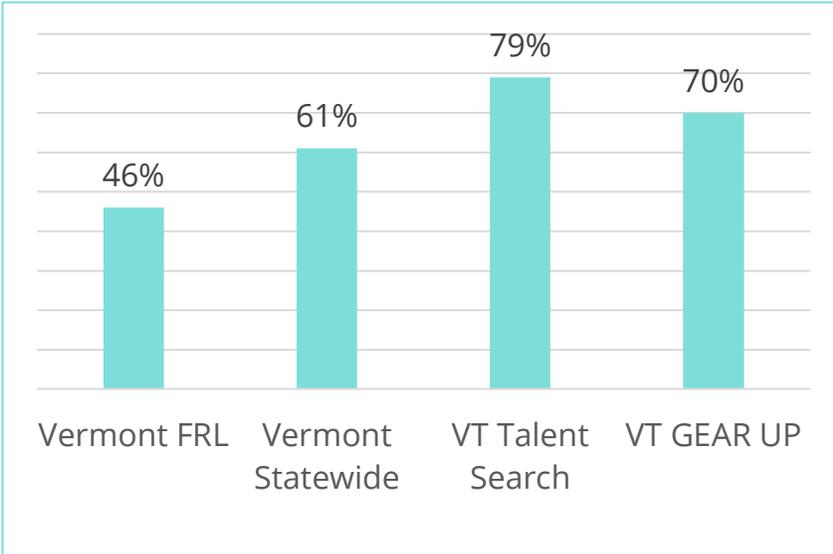
- 75 Vermont schools
- 3,697 middle school and high school students

### Demonstrating results:

2019 12<sup>th</sup> grade Completion Rates



Fall 2019 Postsecondary Education Enrollment Rates

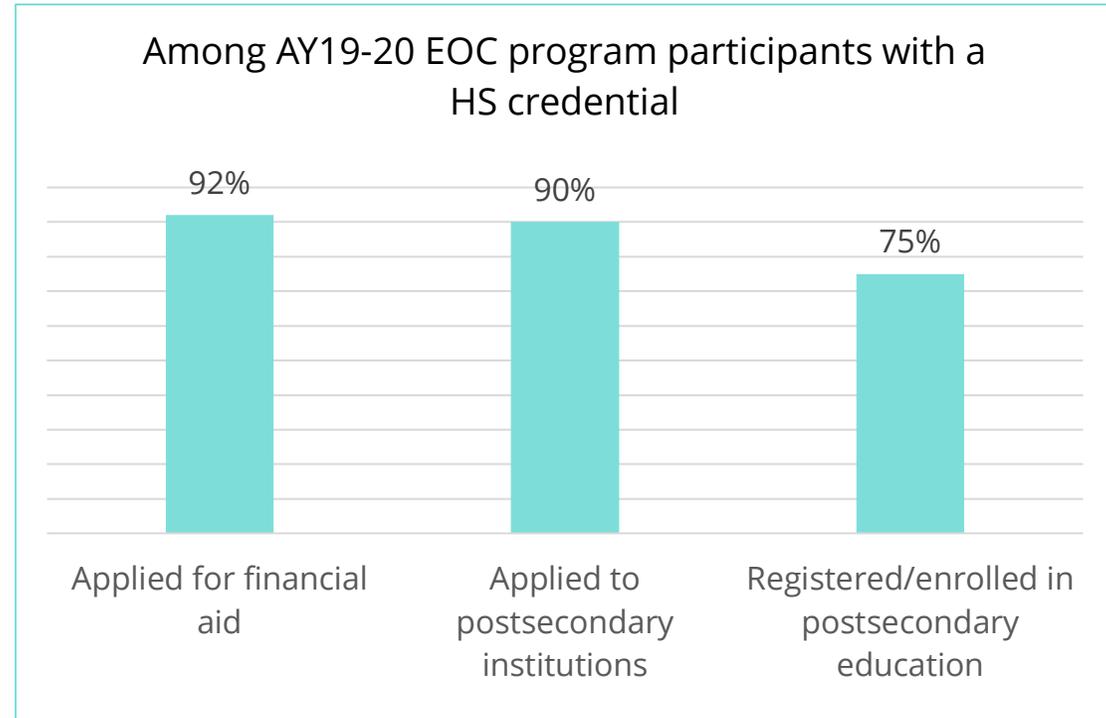


# Educational Opportunity Center – Opening doors for adult learners

Partially funded by a federal **Educational Opportunity Center (EOC)** grant , VSAC provided targeted information and counseling services to 1,670 low-income and first-generation adult students in AY19-20.

Program outcomes:

- 84% of participants without a HS credential completed their HS credential



# VSAC working with partners

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New vital collaborations that are made possible with the support of the Vermont Community Foundation:

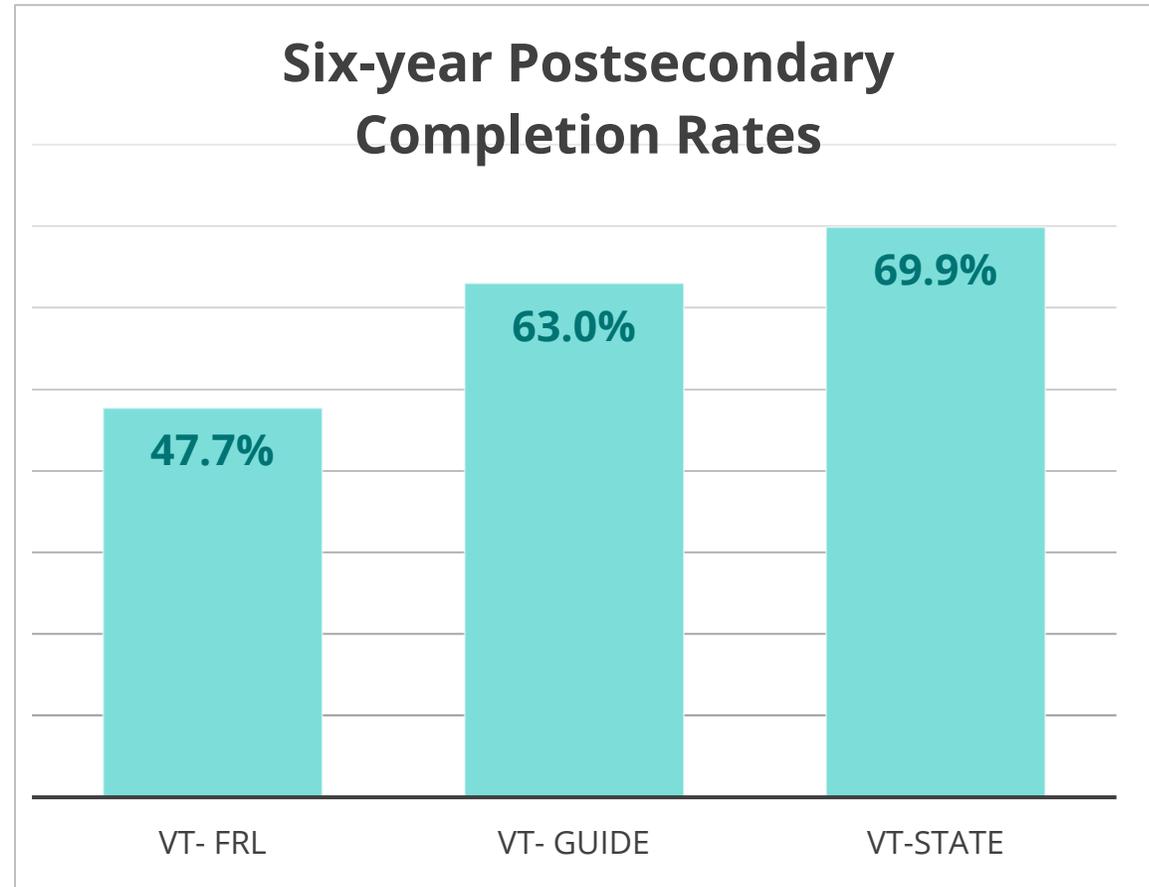
- Working with AOE, the VSCS, and Vermont's postsecondary institutions to allow more seamless data sharing around Early College & review the first 5 years of the program to inform future directions
- Deep partnership with CCV to promote Early College enrollment aligned with specific 1-year academic programs, utilizing our experience and success with the Guide program.

Continuing our efforts to partner with employers across the state to provide our "Career and Education Wellness" benefit to more Vermonters

EMC2 Program to address barriers to access and success created by low math proficiency

# 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.

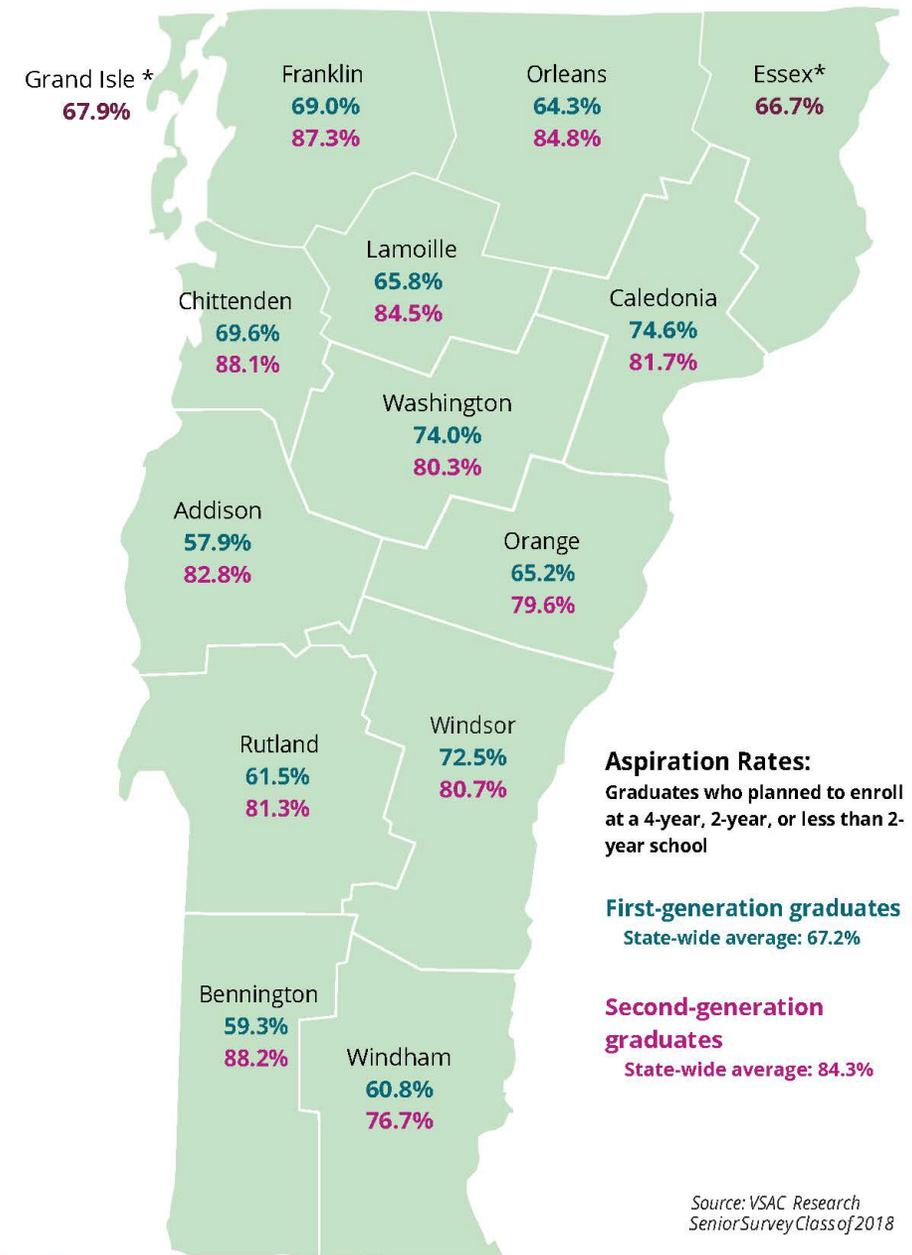


# Aspiration Partnerships

Aspiration Partnerships work with schools to build their capacity to graduate every student with a plan for their future.

In FY20, over 1,000 middle and high school students were served by the project at the following schools:

- Hazen Union High School
- Twinfield Union School
- Spaulding High School
- Central Vermont Career Center



Source: VSAC Research  
Senior Survey Class of 2018

\*Small sample size

# 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 Advancement Grant

The average Advancement Grant recipient is:

**35**  
**YEARS OLD**



**FEMALE**



**HOUSEHOLD  
OF TWO**

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**\$21,000**  
AVERAGE ANNUAL INCOME

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Adult Vermonters increasingly turn to the Advancement Grant to grow and develop new skills.

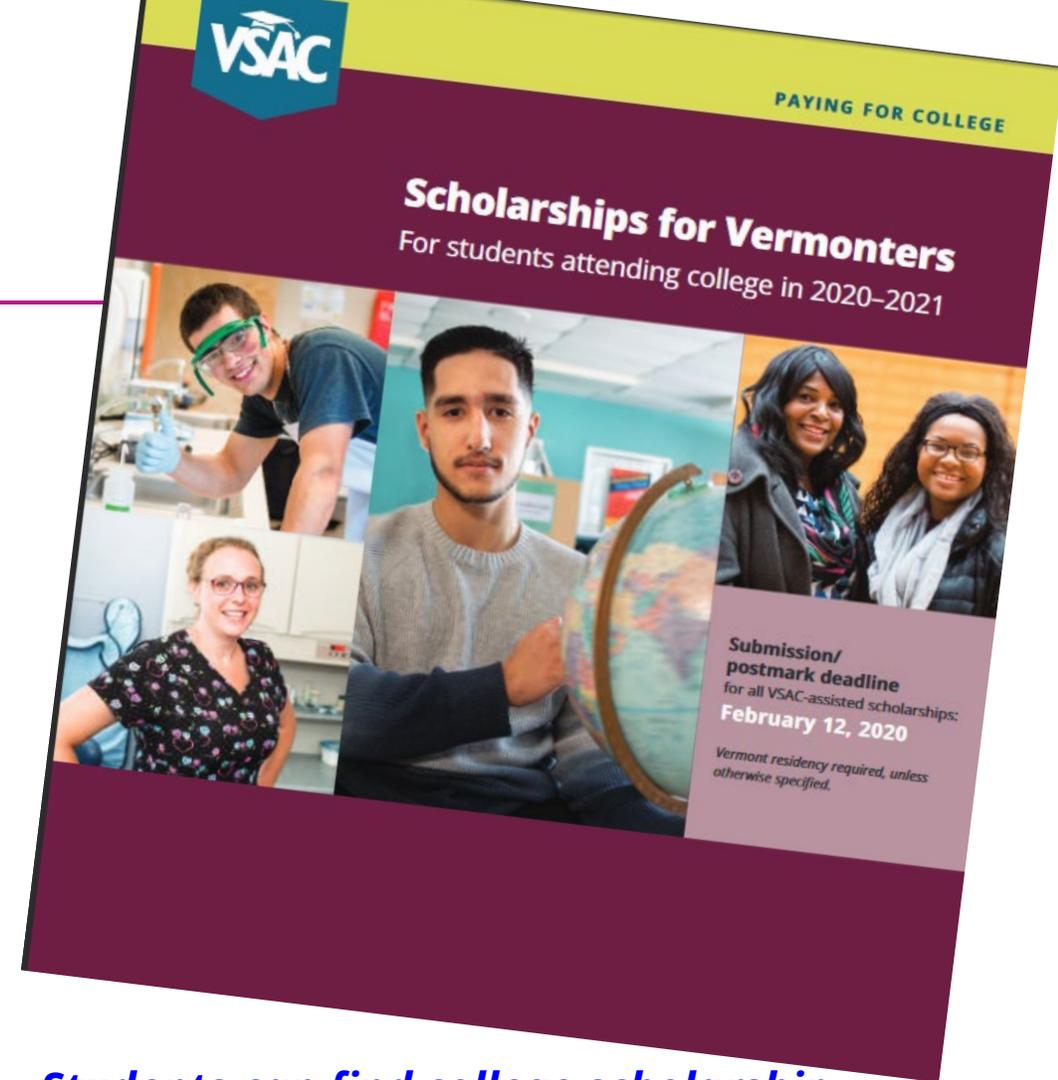
In recognition, the Vermont Legislature approved additional one-time funding in the program for FY20.

# Scholarship Program

VSAC administers 121 scholarship programs that help Vermonters pay for school.

In FY20:

- 3,493 scholarship awards were disbursed
- Worth \$6.1 million dollars



**[Students can find college scholarship information through VSAC's scholarships booklet or online](#)**

# Credential of Value Scholarship

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Established in FY2019, this scholarship was created by ***The Curtis Fund*** to support students pursuing certificate programs.

***The Hoehl Foundation*** added \$300,000 over 3 years to the program in FY2020

## Scholarship's Priorities:

- Lead to high demand/livable wage jobs as identified by the McClure Foundation
- Statewide geographic diversity
- Stackable credentials
- Gender diversity
- Field of study diversity

## Outcomes:

- 95 students awarded
- 39 fields of study in FY '20

# FY20 State Loan Program by the numbers

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- VSAC issued \$50.1 Million in Parent and Student Loans
- Loan counseling and borrower support result in low delinquency rates
- Borrower Benefits – loan forgiveness and rate reductions
  - Borrowers saved \$715,000 in FY '20
  - \$181.2 million saved since 1995

# 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.<sup>1</sup> 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

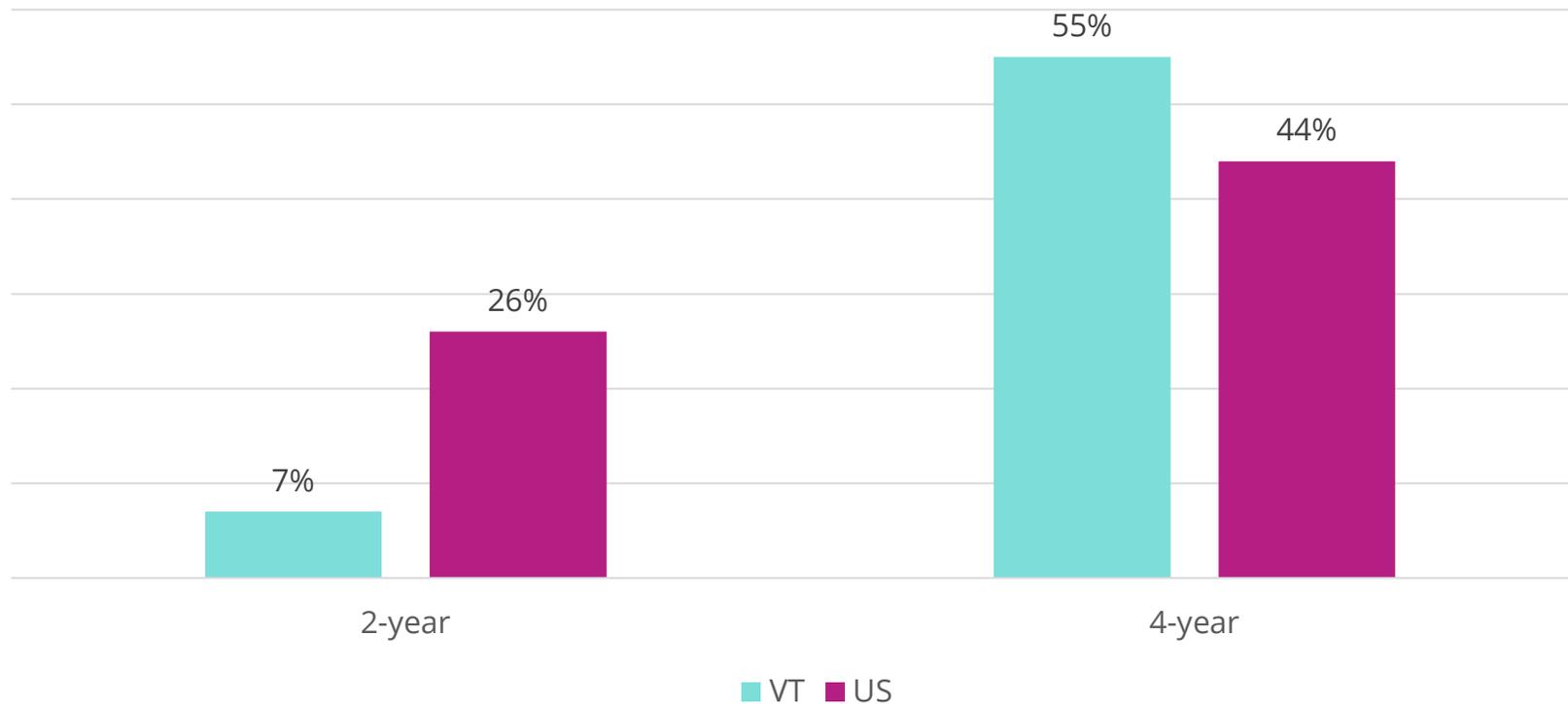
- Most students surveyed in June (whether first year or those returning to college) reported they planned to enroll in the fall of 2020. (Fig.1) There were no differences in plans for fall by gender, parent education, or race. However, independent students (6%) were more likely to report delaying or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

# Vermont students significantly less likely 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.



# VSAC's FY22 request

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These investments in Vermont's support to students and adults would result in an FY2022 base appropriation to VSAC of **\$22,478,588**.

This request builds on our FY21 appropriation and includes:

- \$1,900,000 for 802 Opportunity (new)
- \$500,000 for Advancement Grant (renew)
- \$300,000 for Aspirations Program (increased funding and new appropriation)

In addition, we request level funding of \$85,000 for the Dual Enrollment Stipend Program.

# 802Opportunity: Free Tuition at CCV

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VSAC requests \$1.9 million to create a free tuition program, for students with family income of \$50,000 or less

Impact: 30% of Vermont families have incomes of \$50K or less

**802Opportunity** will open doors for students seeking:

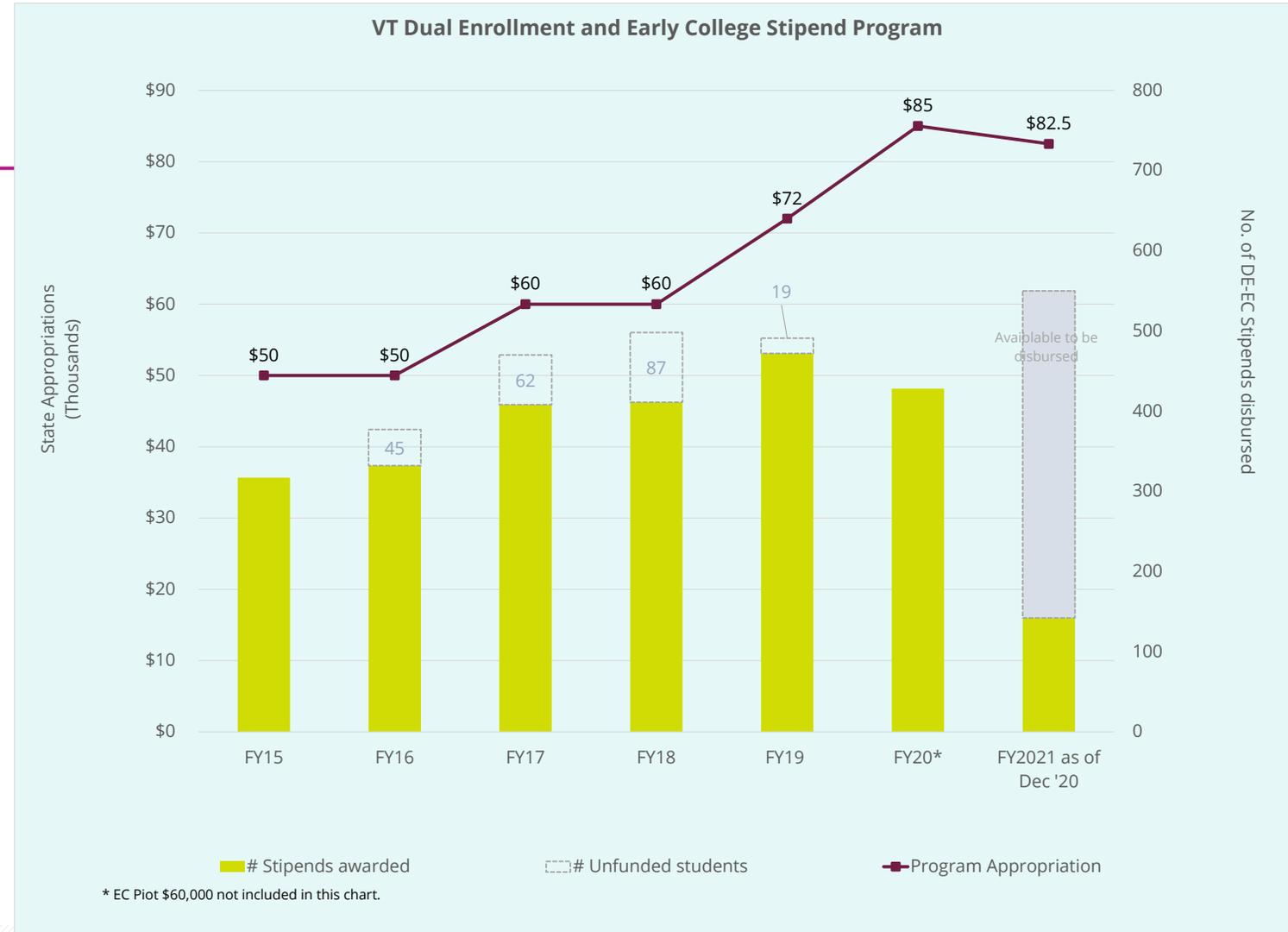
- professional certificate programs,
- an associate degree, and
- to transfer to four-year degree programs.

# Dual Enrollment & Early College Stipend

- A need-based stipend for high school juniors and seniors who enroll in early college or on-campus dual enrollment classes.
- Awards \$150 to cover the expenses of books, fees, and/or transportation
- This program's FY21 appropriation was reduced to \$82,500.

To date:

- Dual enrollment stipend awards are holding steady compared to FY20.
- Early college stipends are down by 33% over the previous year, probably related to COVID-19.



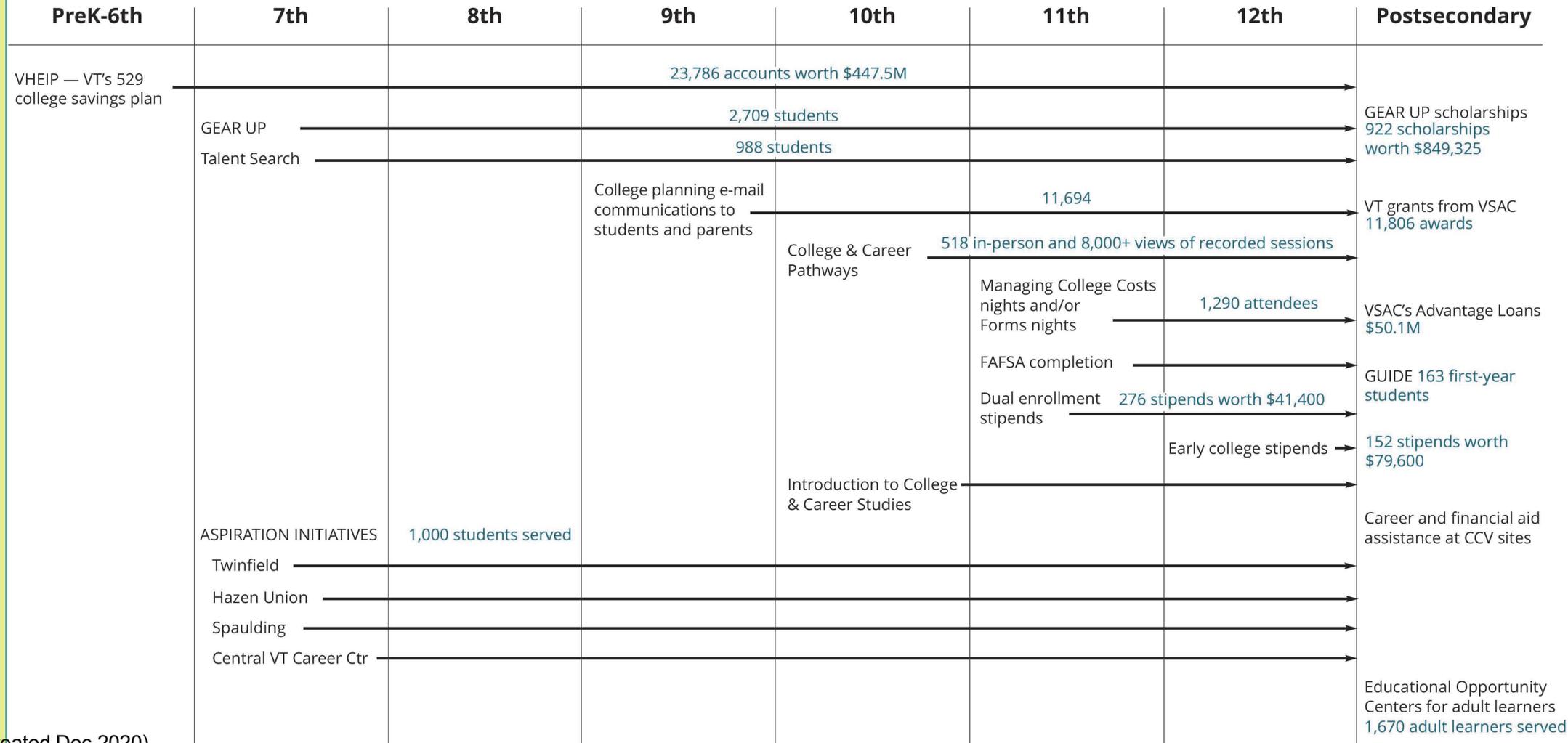


# Appendix A

## VSAC Services



# Pathways to Postsecondary Education and Training



Figures as of FY20 end (created Dec 2020)

# VERMONT's Education Pipeline

Our Class of 2012 Senior Survey findings show that we are losing human capital at every point along the path to higher education.

**Four years after graduating from high school, 3.4 out of 10 Vermont students have earned a two- or four-year degree.**

These numbers, however, vary considerably when we consider gender, first-generation status, academic preparation and geographic region.

Class of 2012  
at high school  
graduation



Students who at  
some point thought  
they would enroll in  
the fall of 2012



High school  
graduates who  
planned to enroll  
in the fall of 2012



High school  
graduates who  
enrolled at a 2-  
or 4-yr college



First-year college  
students who  
enrolled for a  
second year



Fall 2012 enrollees  
who obtained an  
associate or  
bachelor's degree  
in 4 years



# VSAC responds to Coronavirus Crisis

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In addition to disbursing Federal CRF assistance to students and their families, VSAC deploys its highly trained customer relations staff to assist borrowers in repayment during the COVID-19 crisis.

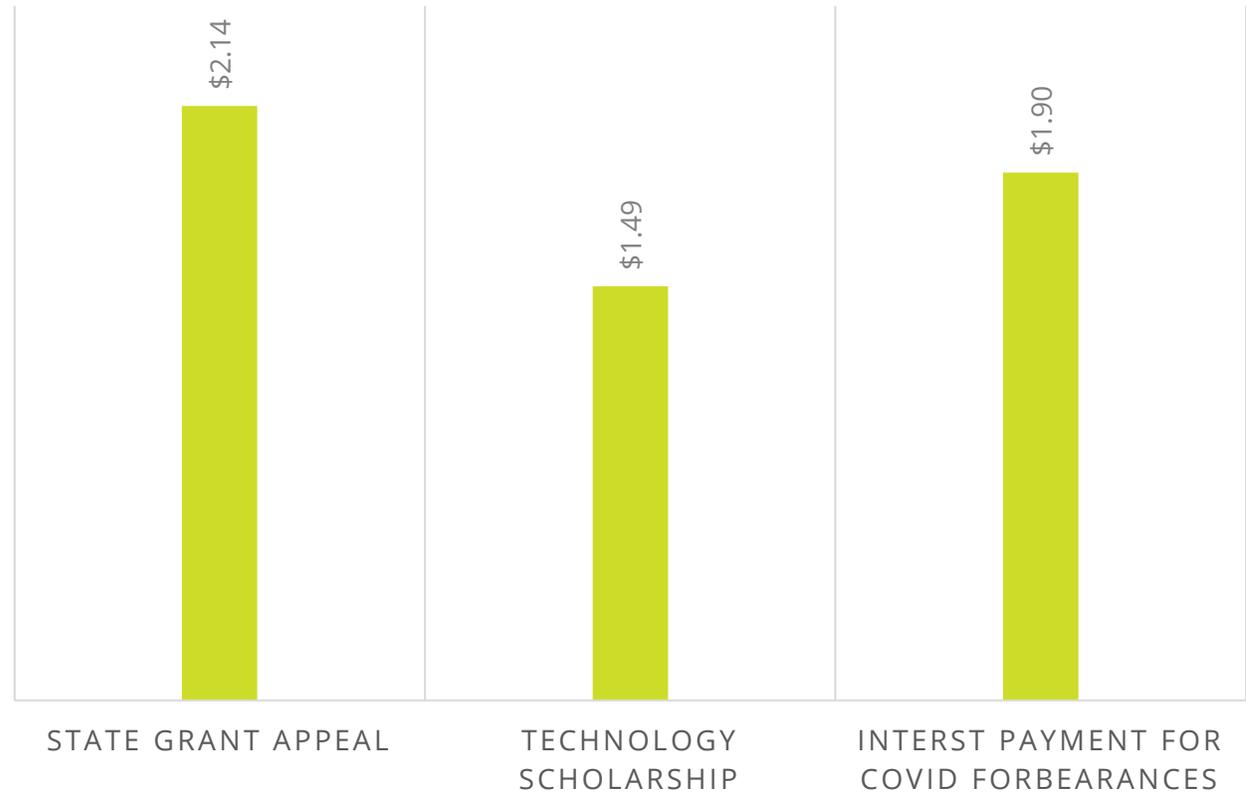
## VSAC Customer Service:

- Partnered with Department of Financial Regulation to lead multi-state borrower relief effort
- Responded to 19,838 calls from borrowers looking for help during the pandemic
- Used state-provided CRF funds to provide financial relief to borrowers using forbearances based on a COVID related event

# FY 2021 CRF: Coronavirus Relief Fund

Total distributed: \$5,500,701

## CRF FUNDS DISTRIBUTED BY VSAC (IN MILLIONS)



# Customer Calls to Communicate Trouble Making Their Loan Payment



Call VSAC - ID verification - confirm speaking with borrower and not a third party company trying to act on behalf of borrower - obtain SSN or account #, full name, address, phone #s, email

Is this a short-term situation where you need only a temporary option, or do you anticipate this amount to be unmanageable moving forward?

Long-term

Evaluate eligibility for IDR (federal, non-parent loans)

- What is your family size?
- What was your AGI from your most recent Federal Income Tax Return (within the last 2 years)? Did you file single or joint?
- Does the AGI reflect your current income situation - if not, obtain current income for borrower (and spouse if applicable)
- Do you have outside federal education debt with other lenders?

If they qualify for IDR, counsel on the plan, including their estimated PFH and Permanent-Standard amounts, review of the forgiveness component, explanation of the annual renewal, and how to apply (including income docs required).

If IDR is not an option

Provide estimates for their federal loans if they switched to one of the following:

- Graduated Repayment
- Extended Repayment\*
- Graduated Extended Repayment\*

\*If they have a current principal balance greater than or equal to \$30,000

Also discuss consolidation to potentially extend term, lower monthly payments, and possibly give additional repayment options.

If they've indicated they are working

Where do you work?

Counsel on Public Services Forgiveness and/or non-PSLF Forgiveness Programs (e.g. Teacher Loan Forgiveness) if they indicate they are employed in a job that is eligible for forgiveness and they have federal loans.

Where do you work?

Counsel on Economic Hardship (assuming eligibility remains) for federal loans - this includes how to apply, how long the option is for, and what happens to their interest - if they have private loans, assess potential for lender discretionary options (no-pay or reduced-pay forbearance).

Do you receive any taxable income? If yes, what is your GMI? What is your MLP for any federal loans with other lenders? Calculate eligibility for Excess Debt Burden Mandatory Forbearance (MLP must be greater than or equal to 20% GMI). Do they qualify for EDB MFA based on calculations?

If they don't qualify for entitlements on federal loans, assess eligibility for a lender discretionary option (such as a No-Pay Forbearance) - this includes a review of past forbearance use - to determine whether a forbearance can be offered.

Counsel on EDB MFA (assuming eligibility remains) for federal loans - this includes how to apply, how long the option is for, and what happens to their interest - if they have private loans, assess potential for lender discretionary options (no-pay or reduced-pay forbearance).

Short-term

Are you working?

Yes

Do you work more or less than 30 hours per week?

More

What is the AGI from your most recent FITR? What is your GMI? What is your family size? Calculate eligibility for Economic Hardship Deferment. Do they qualify based on calculations?

Yes

Are you registered & seeking FT employment in any field/ salary OR receiving unemployment benefits?

No

Do you receive any types of public assistance?

No

Counsel on Unemployment Deferment (assuming eligibility remains) for federal loans - this includes how to apply, how long the option is for, and what happens to their interest - if they have private loans assess potential for lender discretionary options (no-pay or reduced pay forbearance).

Counsel on Economic Hardship Deferment (assuming eligibility remains) for federal loans - this includes how to apply, how long the option is for, and what happens to their interest - if they have private loans, assess potential for lender discretionary options (no-pay or reduced-pay forbearance).