

To: Education Committee, Vermont House of Representatives
From: Brian Prescott, Vice President, NCHEMS
Date: February 9, 2022
Subject: H.456 Commentary

Once again, thank you for the opportunity to appear before the House Education Committee as it considers H.456. In setting out a broad set of strategic goals for the Vermont State College System, this bill fills an important gap in the policy environment concerning the state's investments in public postsecondary education, which in NCHEMS' view has contributed to drift in policy concerning higher education in the state. Additionally, this bill also implements other key recommendations of the Select Committee on the Future of Public Higher Education in Vermont, which NCHEMS was privileged to support during its activities.

The strategic goals that this bill lays out—access, affordability, equity, and relevance—closely mirror the broad statements incorporated in the Select Committee's final report. NCHEMS also finds it valuable that the bill requires VSAC to work alongside the VCS system office to develop metrics that will allow for VCS's success in making progress against those goals to be monitored. (Naturally, it is worth noting that the VCS system is not solely responsible for achieving these goals; state investment, the engagement of the employer community, and collaborations across state government will be vital as well.) Moreover, given VSAC's expertise and its own data resources, it makes sense to assign it the task of reporting on these goals. It is as important, however, that VCS's system office retain its responsibility for providing statewide policy leadership.

In addition to specifying priority goals, the legislation provides a means by which the legislature can get regular updates on student affordability against a clear, understandable, and defined standard. This is an essential tool for legislatures for making resource allocation decisions in the full light of information about how prior decisions by the legislature and by public institutions have impacted students' ability to pay.

After expressing NCHEMS' general support for the bill, Committee members asked if there were any missing elements or improvements we might suggest. I described the following possible considerations:

- With respect to monitoring affordability:
 - Given the degree to which affordability challenges are quite different for students from different income levels, performance against the affordability standard should be calculated separately for students from different income levels. Failing to require that this information be provided could mean that the resulting reporting lacks critical context and could create perverse incentives for institutions.
 - With respect to language relating to “all students,” the legislature might consider give some direction that reporting be appropriately disaggregated to ensure the legislature and public are cognizant of impacts on specific subgroups, such as: Vermont residents vs. non-residents, part-time students, adults vs. traditional-age students.
 - For ease of reference, the reporting should specifically show changes over time in the colleges' performance against the affordability standard.
 - It is worth noting that the term “unmet need” as defined by the bill differs from more common usage, but the bill's definition fits the Vermont context. A more

common usage is not to include an amount linked to reasonable borrowing, as the bill would do. It will be important that the legislature understands the manner in which the debt level is calculated and that it is consistently used in any trend analyses.

- Since defaults and repayment issues tend to be related to low loan balances among former students who do not complete a program of study, the committee may want to consider how it stays informed about the cumulative debt levels of students who do not complete. Similarly, students who take an excessively long time to complete a degree or certificate can accumulate more debt than desirable, so some assessment of debt loads relative to time to degree may be useful to monitor as well.
- Finally, it is appropriate to acknowledge that the legislature (and VSAC and VSC) will want to ensure that the resulting report(s) effectively balance simplicity and complexity—it is of little use if the report is too dense to be digested. One suggestion is to focus an annual report on the key metrics related to the affordability standard broken down by income group, and to otherwise provide periodic studies focusing on these other issues, e.g., every 2-3 years.
- With respect to relevance:
 - As VSAC and VSC consider how to report on this goal, they could perhaps use some assistance from the legislature, which can direct them to provide information about the number of recent graduates who are employed in Vermont based on administrative data linkages between the VSC's (or VSAC's) student-level databases and the state's Unemployment Insurance (UI) wage record files. UI data has some holes—it does not include employment information about self-employed workers or those employed by the federal government or the military, among other categories. Thus it cannot be used for a comprehensive employment rate. But both datasets are owned and managed by the state, and many states have successfully forged data sharing agreements between agencies to track employment outcomes of public institution graduates. The combined data are used for multiple purposes, including program development, design, and evaluation; consumer information portals for prospective students; economic development; and other applications. Most states have link these and/or report on this information; a good starting place for identifying states that have done so is SHEEO's *Strong Foundations* report, available at <https://postsecondarydata.sheeo.org/data/>. Given Vermont's need to attract and retain talent, such a tool could be valuable in providing clues about how well both residents and nonresidents are able to find work and settle after college in the state.
 - UI wage record matches can provide some information about post-collegiate wages (within a year of graduation and five years' out, for example). If linked to records on student debt, information about how the state's resource allocation strategies are leading to reasonable vs. burdensome debt levels.
 - Some states, systems, and institutions have been working with the U.S. Census Bureau to track graduates' employment outcomes and mobility post-college by institution and program—a capability that could be extremely informative in a small state facing demographic challenges like Vermont. The U.S. Census Bureau's tool (which de-identifies all of the underlying data) can be viewed at https://lehd.ces.census.gov/data/pseo_experimental.html; an interactive version of the tool by clicking on the “Start PSEO Explorer” button on the right.

- NEBHE has shown some interest in current and previous efforts to develop a multi-state way to track employment outcomes across the region. They may have additional resources worth reviewing.
- Lastly, we were pleased to see and support language laying out a plan to study a FAFSA completion requirement for high school graduation and clarifying language concerning VSC's ability to dispose of its real property.