



FY
22

Testimony before Senate Appropriations Committee

March 30, 2021

Scott Giles, President & CEO

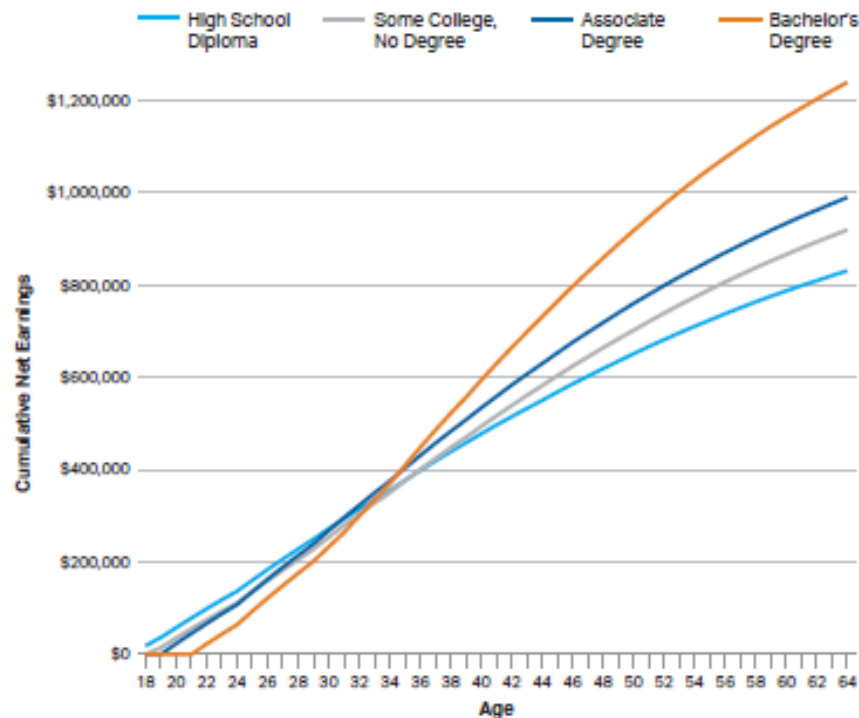
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Vermont Student Assistance Corporation





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

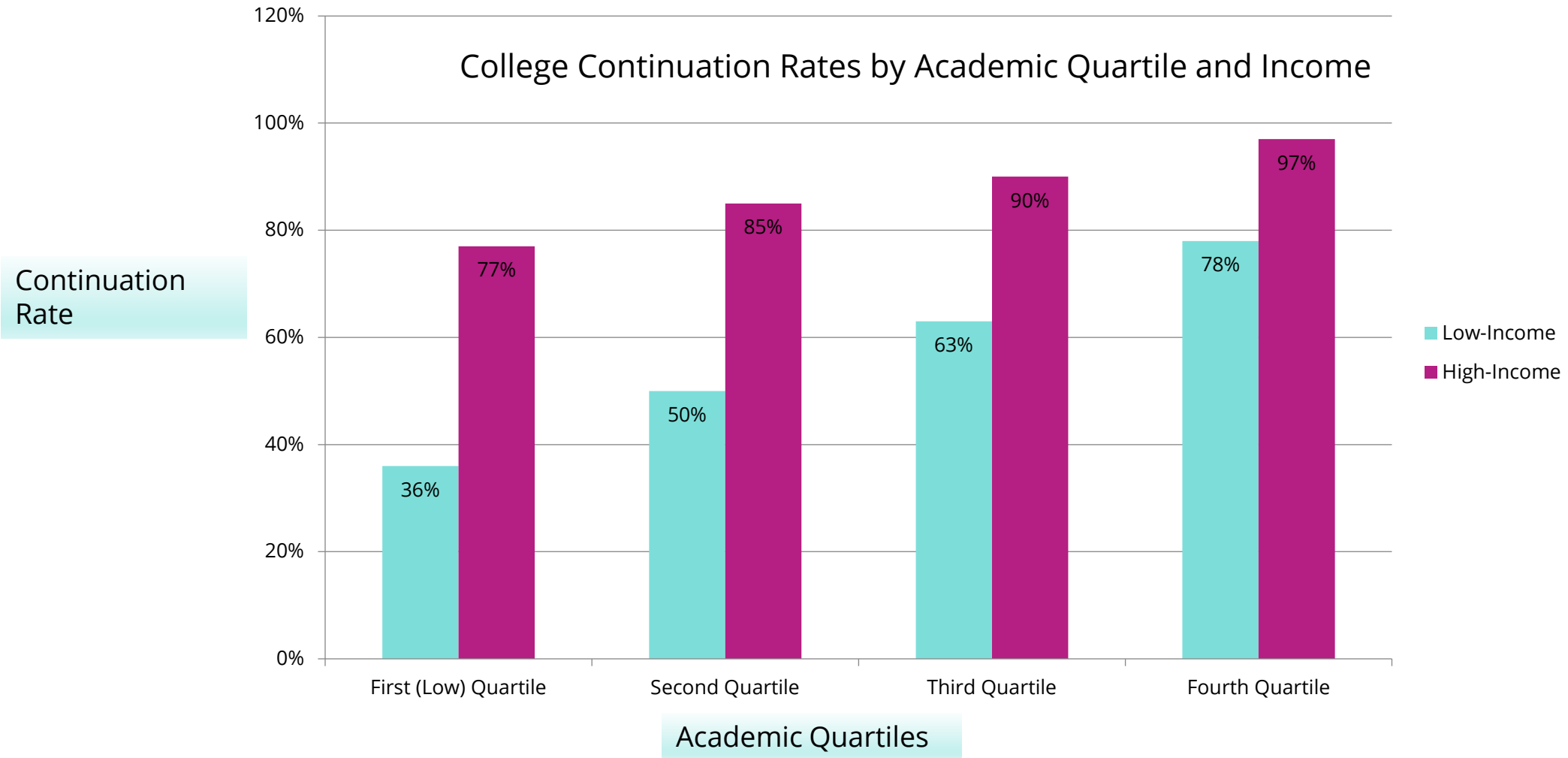


- For the typical associate degree recipient who pays the published tuition and fees and books and supplies at a community college and earns an associate degree 2 years after high school graduation, total earnings exceed those of high school graduates by age 31.
- For the typical student who attends 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.

The Unspoken Equity Issue



Source: College Board



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

- ❑ 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:

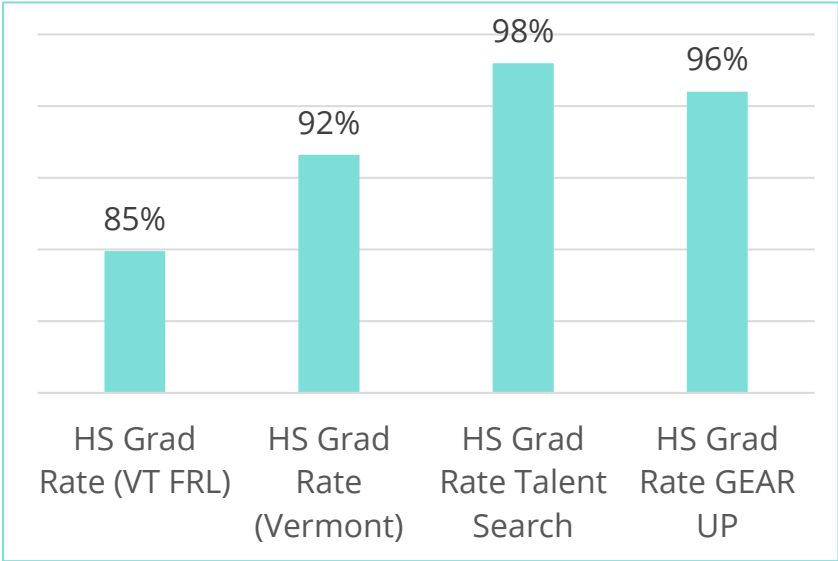
Talent Search & GEAR UP

Serving (AY19-20):

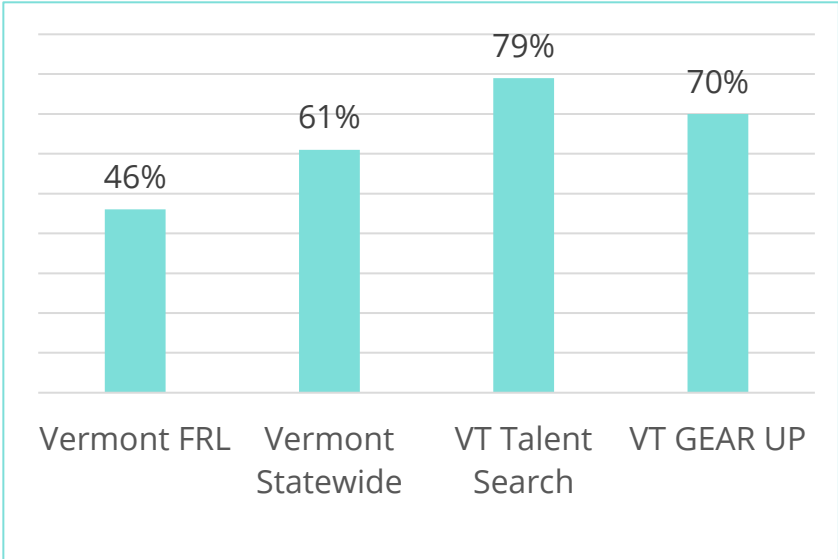
- 75 Vermont schools
- 3,697 middle school and high school students

Demonstrating results:

2019 12th grade Completion Rates



Fall 2019 Postsecondary Education Enrollment Rates

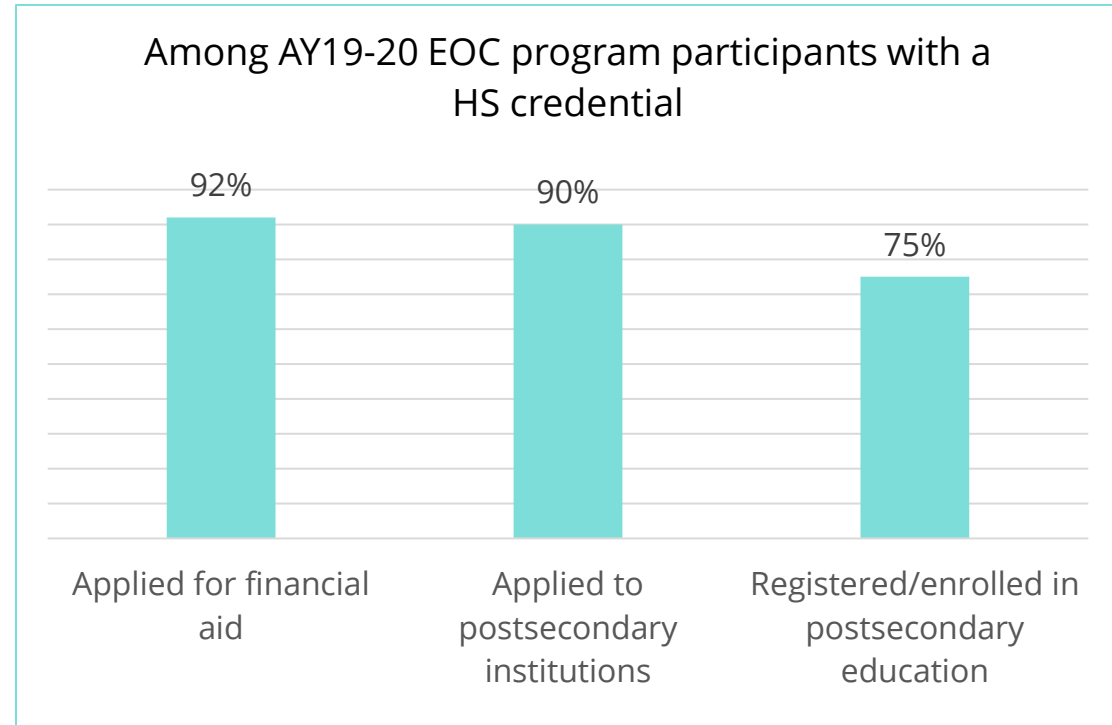


Educational Opportunity Center – Opening doors for adult learners

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

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

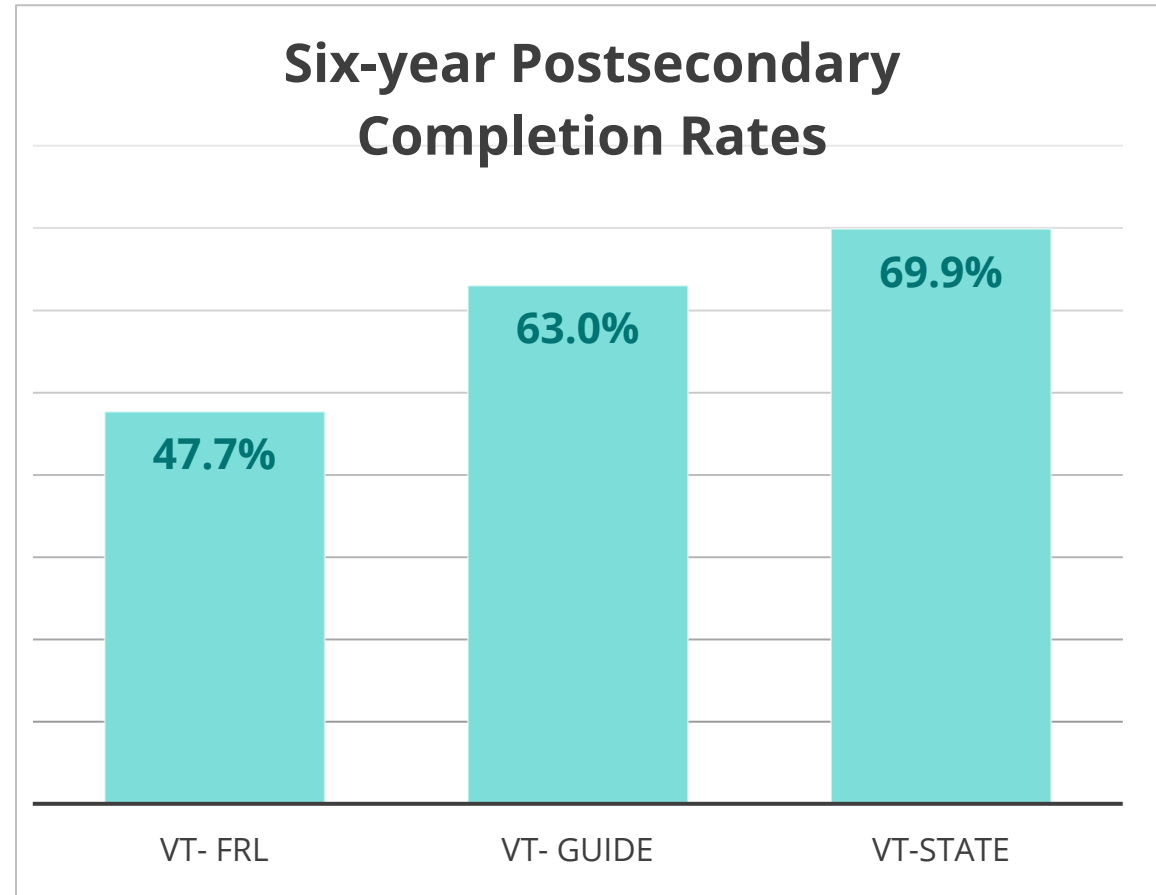
- Working with AOE, the VSCS, and Vermont's postsecondary institutions to allow more seamless data sharing around Early College & review the first 5 years of the program to inform future directions
- Deep partnership with CCV to promote Early College enrollment aligned with specific 1-year academic programs,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

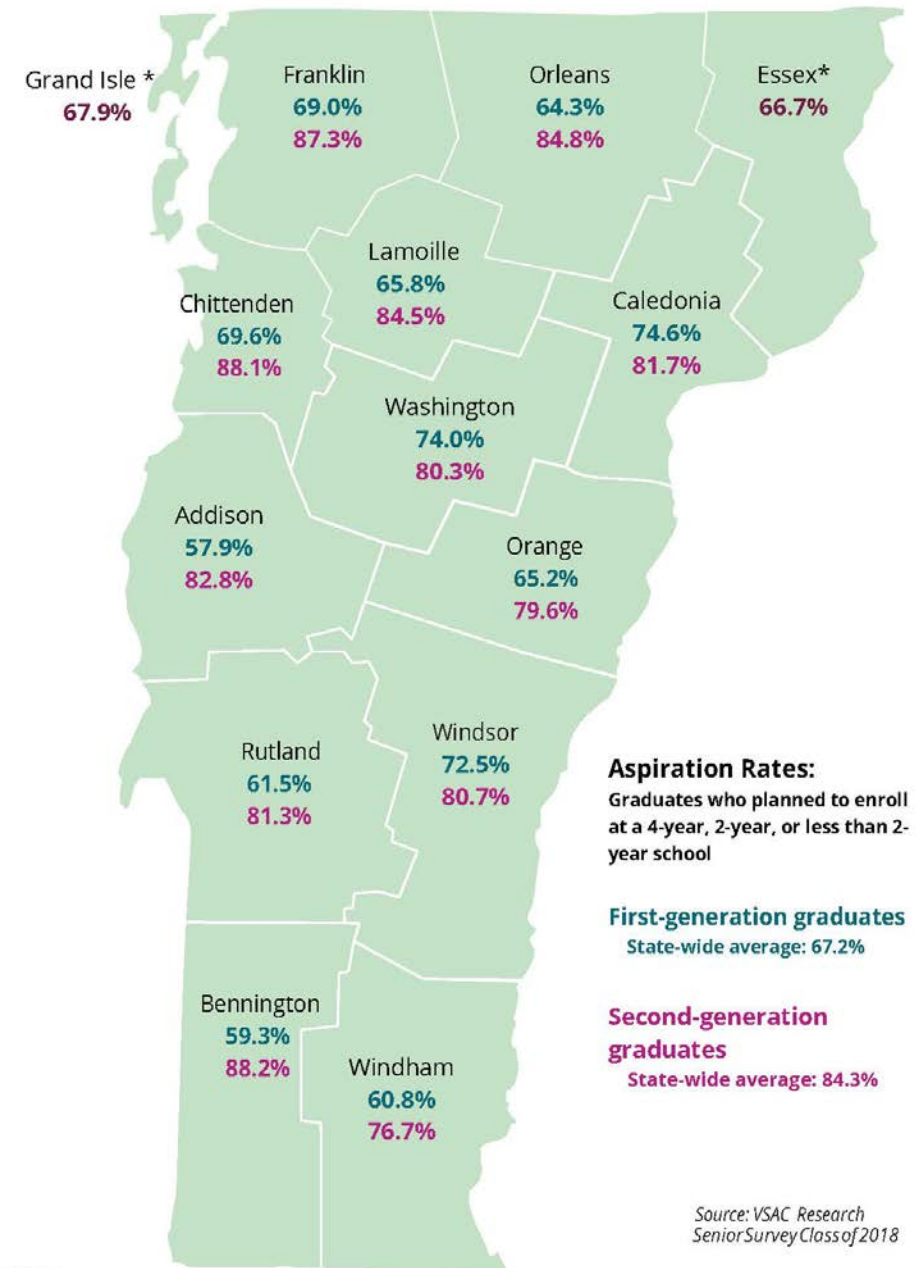
GUIDE students who graduated high school in 2013 or 2014 and enrolled at a 2- or 4-year college completed their degrees at higher rates than other low-income students.



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



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



\$21,000

AVERAGE ANNUAL INCOME



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

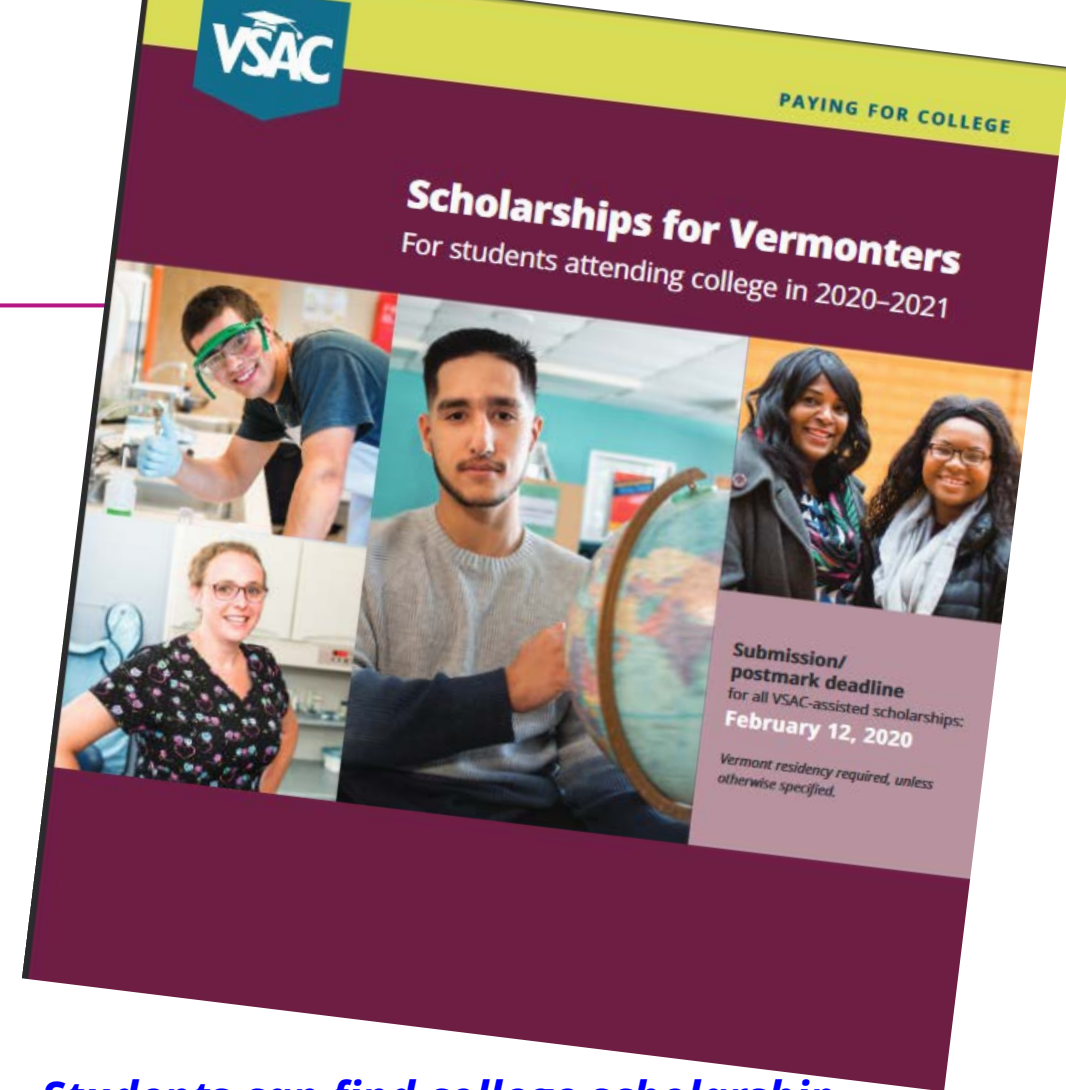
In recognition, the Vermont Legislature approved additional one-time funding in the program for FY20.

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](#)

State Workforce Development Scholarships

- Career and Technical Education Adult Training Scholarship
- Vermont Nursing Workforce Incentive Loan Program
- Vermont National Guard Tuition Benefit Program



FY20 State Loan Program by the numbers

- 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.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.

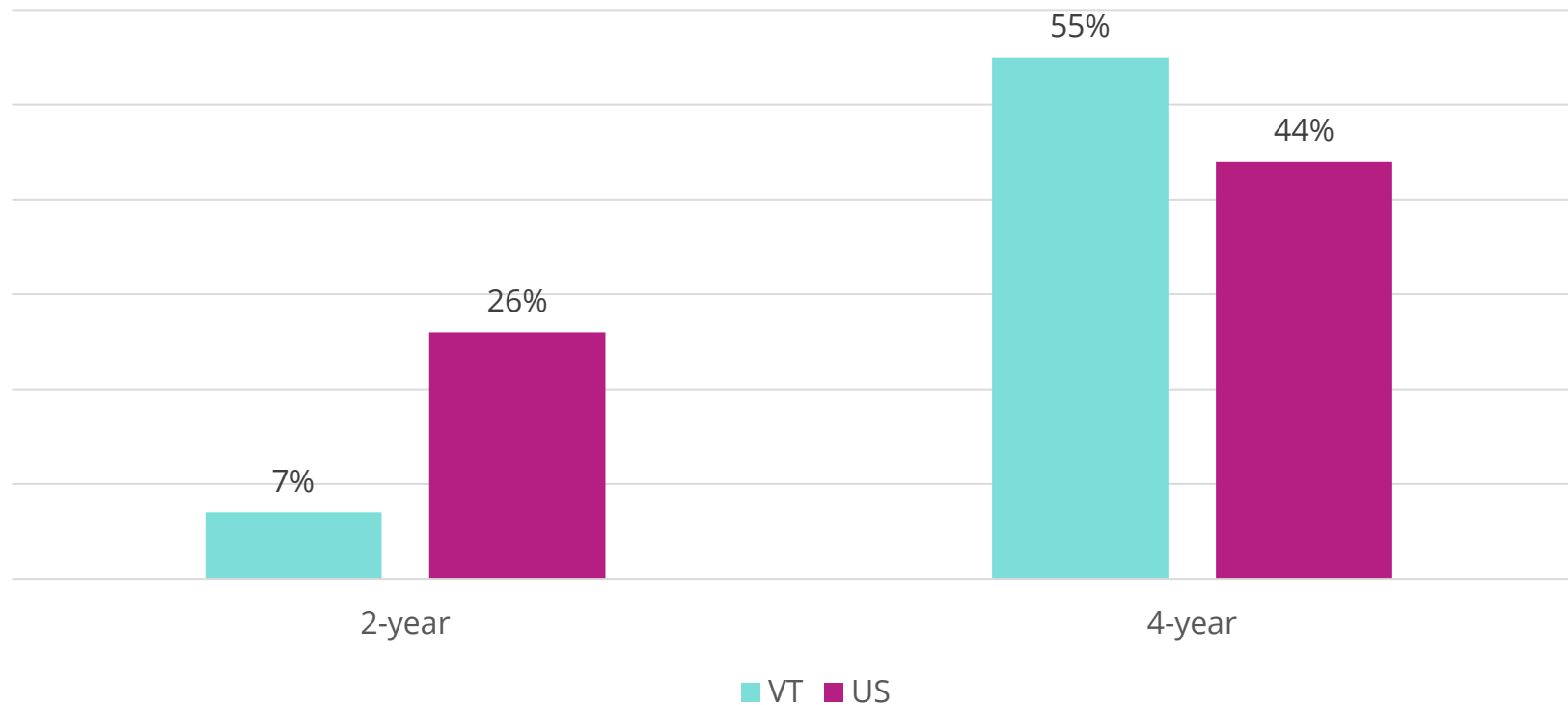
Key Findings

- 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%).

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

These investments in Vermont's support to students and adults would result in an FY2022 base appropriation to VSAC of **\$22,678,588**.

This request builds on our FY21 base appropriation of \$19,978,588 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

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:

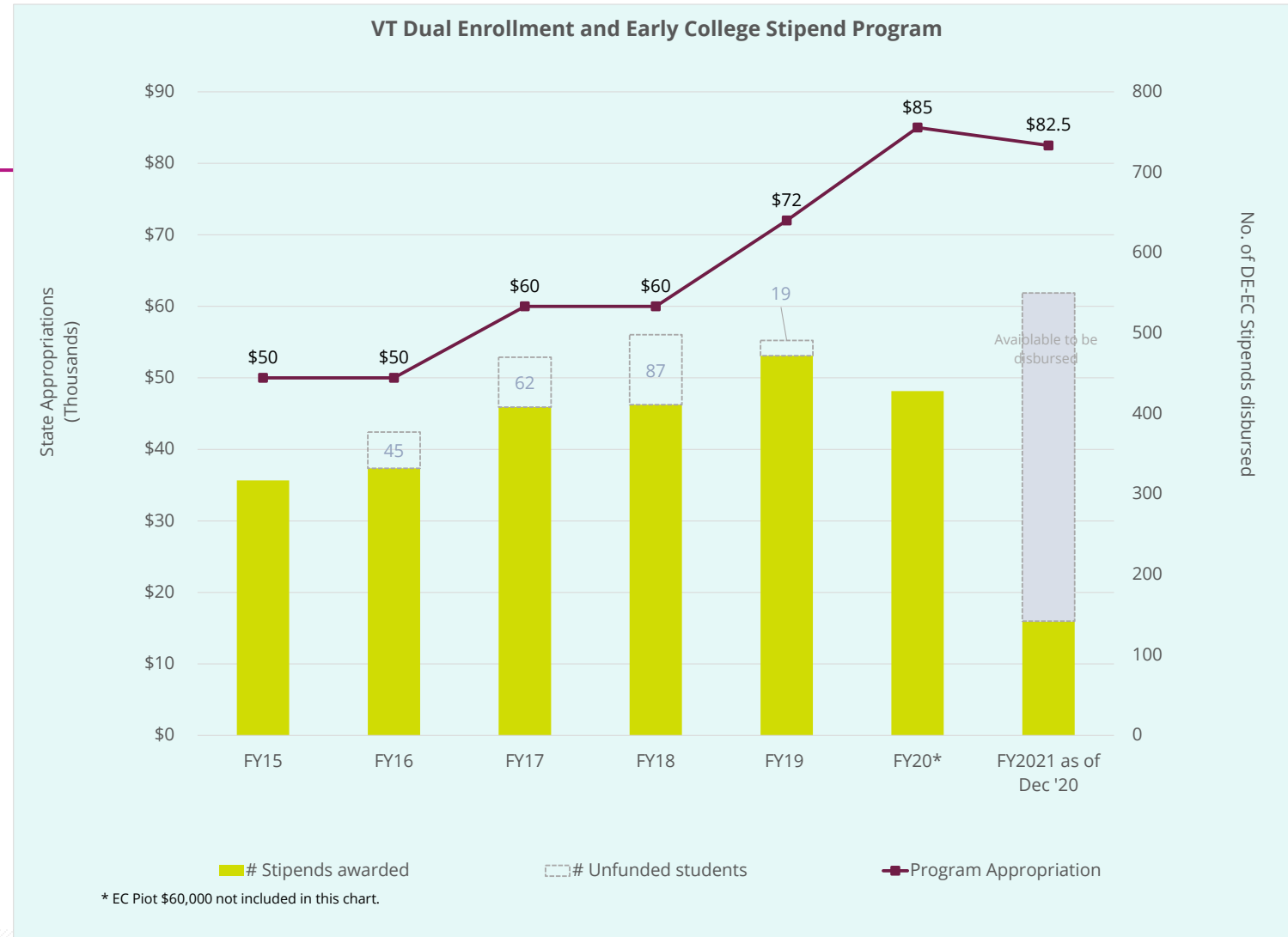
- professional certificate programs,
- an associate degree, and
- to transfer to four-year degree programs.

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.



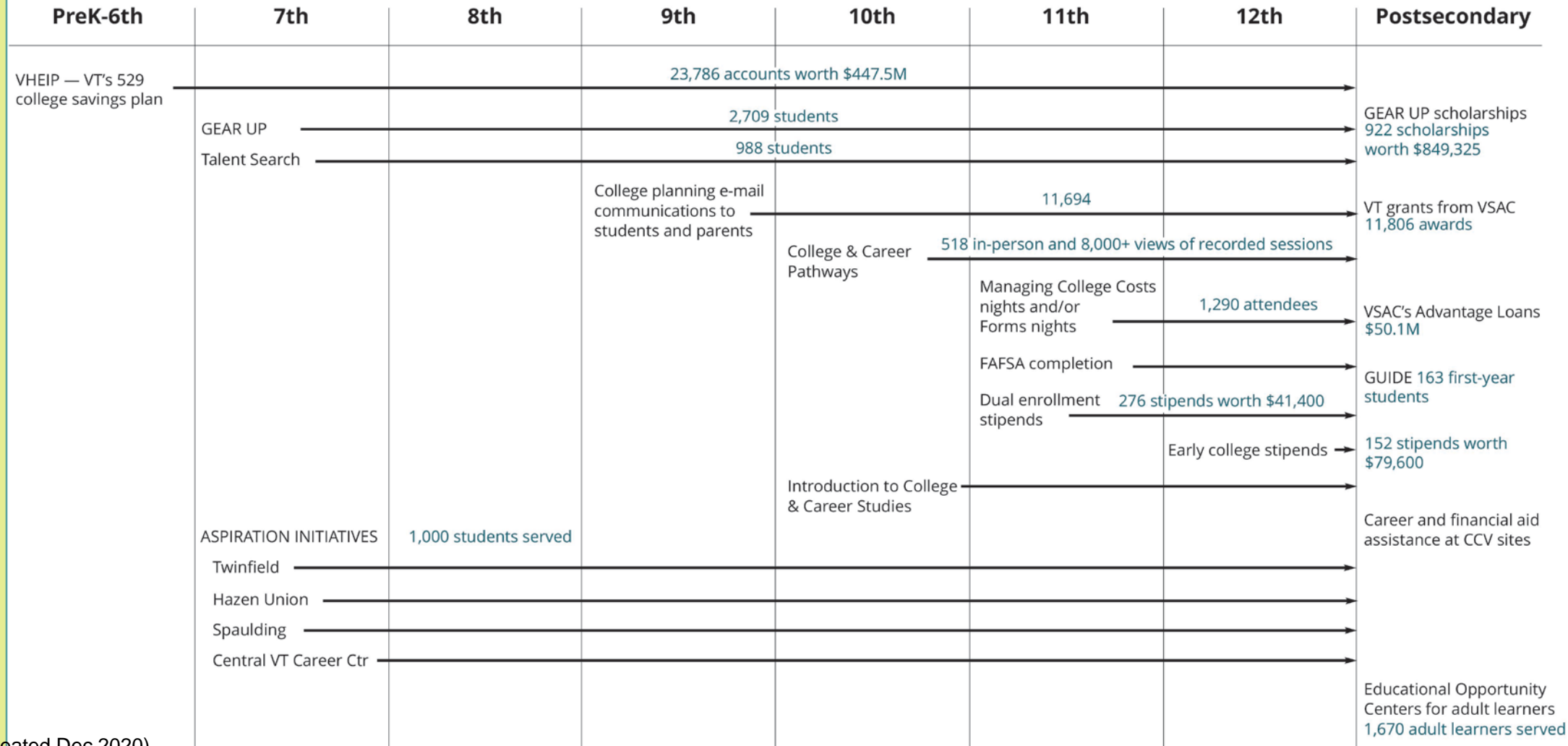


Appendix A

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

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.

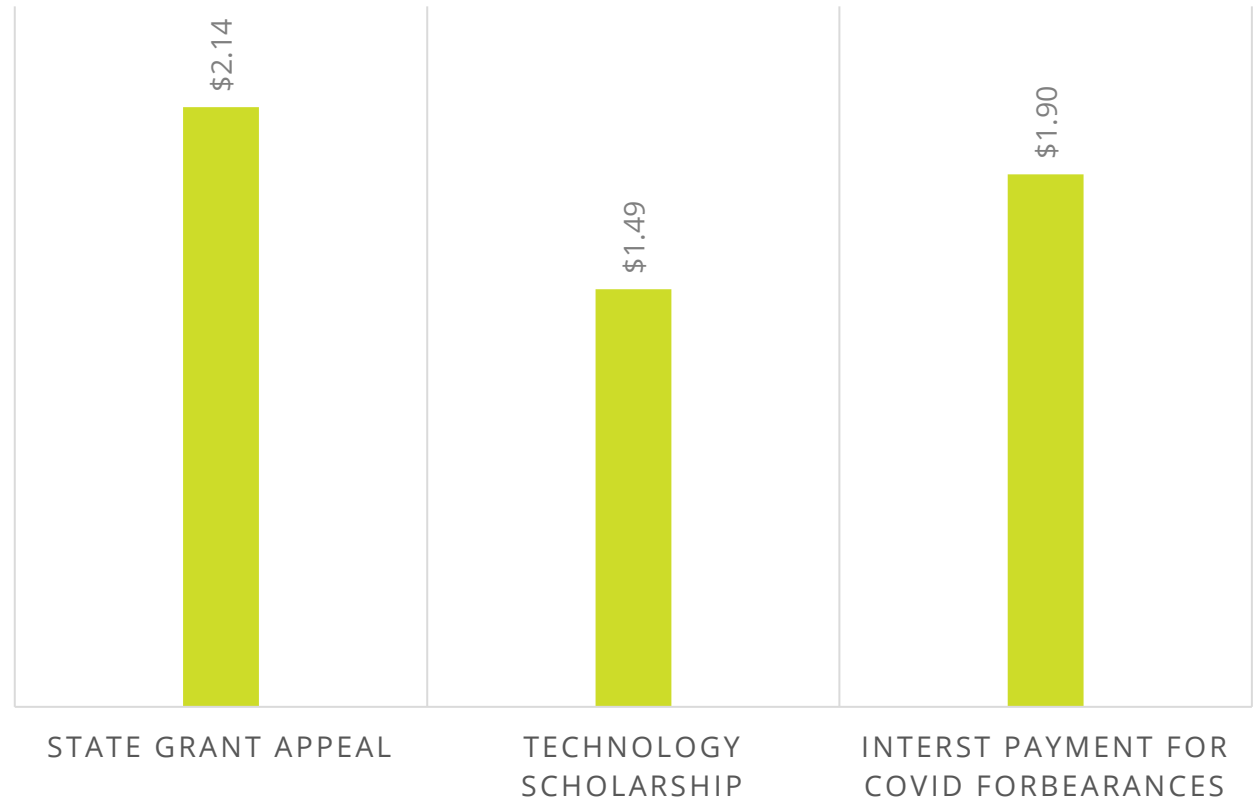
VSAC Customer Service:

- 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

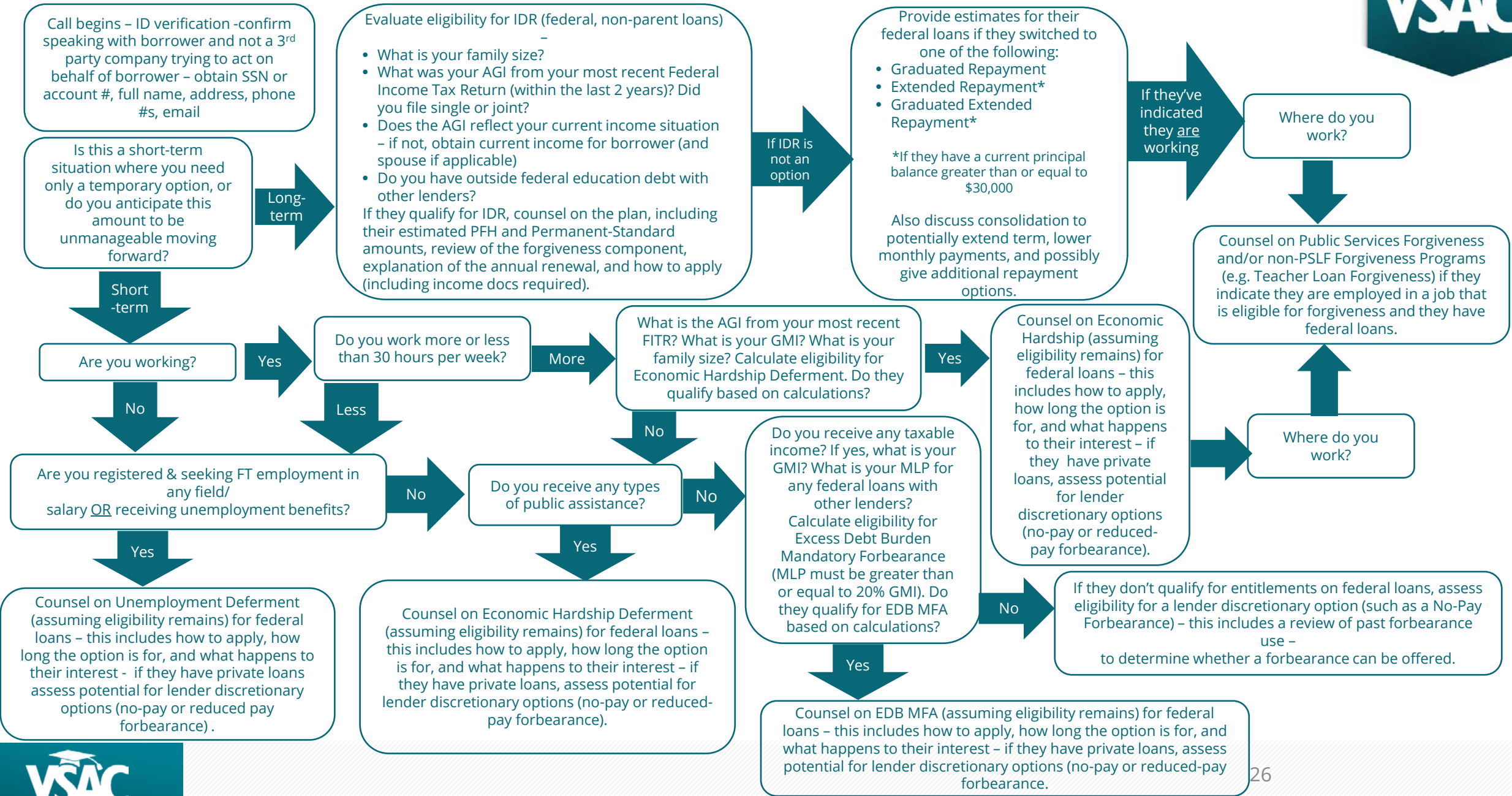
FY 2021 CRF: Coronavirus Relief Fund

Total distributed:
\$5,500,701

CRF FUNDS DISTRIBUTED BY VSAC (IN MILLIONS)





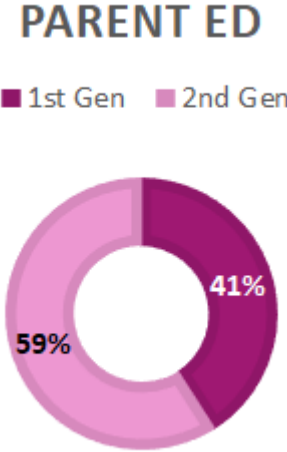
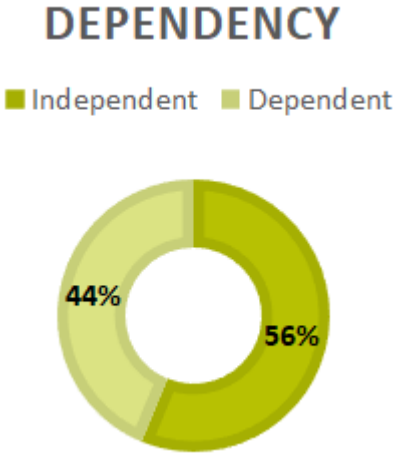
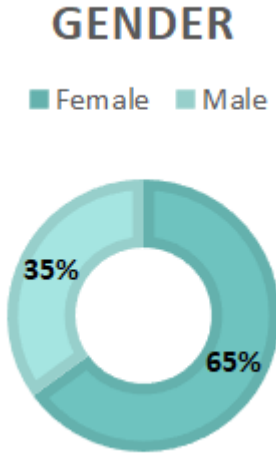
Customer Calls to Communicate Trouble Making Their Loan Payment



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)

Vermont National Guard Tuition Benefit Program

FY21 Appropriation \$1,026,105

- Awarded to-date \$570,064
- Disbursed to-date \$417,855
- 76 Applicants, 61 Guard Member recipients →

FY20 Appropriation \$1,329,150

- Disbursed \$679,907 (Returned \$625,000)
- 92 Applicants, 86 Guard Member recipients

Training programs at 13 schools:	# students
Advanced Welding Institute	1
Castleton University	2
CCV	7
Champlain College	7
Northern Vermont University	3
Norwich University	24
Pro Driver Training	1
Southeast Lineman Training Center	1
St. Michael's College	1
Stafford Technical Center	1
UVM	6
Vermont Flight Academy	1
Vermont Technical College	6

Outcomes of the Nursing Incentive Loan Programs

Vermont Nursing Workforce Incentive Loan Program								FY'21
Applicants								138
Scholarships Awarded #								69
Scholarships Awarded \$								\$207,000
Scholarships Paid in Service								TBD
Scholarships Reverting to a Loan								TBD
Vermont State Nursing Incentive Loan Program	FY'15	FY'16	FY'17	FY'18	FY'19	FY'20	FY'21	FY'21
Applicants	107	107	117	114	110	127	127	127
Scholarships Awarded #	12	12	8	5	7	6	5	5
Scholarships Awarded \$	\$70,000	\$127,842	\$60,000	\$46,833	\$81,000	\$50,000	\$38,000	\$38,000
Scholarships Paid in Service	8	7	6	2	5	1	TBD	TBD
Scholarships Reverting to a Loan	0	0	0	1	0	1	TBD	TBD