

May 2, 2022

**To: Vermont Senate Committee on Economic Development**

**From: Christopher Koliba, Wendy Koenig, University of Vermont  
Scot Giles, Marilyn Cargill, Vermont Student Assistance Corporation**

**Re: H.703 Recent Graduate Retention Program**

During recent testimony on H.703 Chris Koliba was asked to respond back to the Committee with answers to the following questions. We have conferred and respectfully offer these responses:

**How would the loan forgiveness work?**

We cannot forgive a loan that VSAC does not issue – this needs to be a **loan repayment program**. Applicants with student education loans would submit an application to indicate their interest in being part of the loan repayment program. VSAC would collect applications and make a single \$5,000 loan payment following 2 years of work. Awards would be made on a first-come, first-served basis. UVM would track the in-state employment status of students and notify VSAC when students qualified for the payment to be made.

**Administrative costs- who shoulders and who is doing what? How much will it cost?**

UVM and VSAC would distribute the administrative burden of running this program by taking 8-10% off of the \$2.5 M to administer- this includes providing the following functions:

- Marketing program
- Determining eligibilities – will use existing scholarship application platform
- Arranging loan repayment – submit most recent bill from loan servicers—up to \$5,000 not to exceed the amount owed.
- Verification of employment—will set parameters on eligibly of qualified workplaces (could do targeted sectors and/or degree requirements)
- Collecting metrics and report writing

It is estimated that this program will take 6-8 months to develop, with a launch date of January 2023.

**Division of labor- what VSAC and UVM will do and why each of us is best positioned to do it?**

- Marketing program - UVM
- Determining eligibilities - VSAC
- Arranging loan repayment - VSAC
- Verification of employment - UVM
- Collecting metrics and report writing- UVM & VSAC

**If this is a pilot, how will it be structured?**

Funds will be expended on a first come basis until funds run out. It is anticipated that all funds will be committed in year one and that all funds will be disbursed after the second year of employment.

We anticipate that 450 applicants will be accepted on a first come/first serve basis until funds are committed. UVM/VSAC should have authority to roll forward any funds not expended.

**How will employment be verified?**

Completion of certificate of employment completed by participating companies/organization – HR units.

**Can this be folded into the Think Vermont program?**

Possible, but as of now this website is not marketed to recent college graduates. Nor does it have a program support backbone. This new program could be cross marketed with Think Vermont.

**Will there be means testing?**

We do not recommend this to be means tested.

**How will metrics be kept and reported?**

Performance metrics will be kept: number of expressions of interest – including demographics; number of applicants; number of awardees; locations of employment; retention rates.

Annual reports to Senate Committee on Economic Development and the House Committee on Commerce and Economic Development will be provided.