



# FY27 Testimony before House Commerce Committee



Date 19, 2026

**Patrick J. Leduc, Vice President and COO**  
Vermont Student Assistance Corporation

# Vermont Supported Programs



**Administers the Vermont State Grant program for low-income Vermonters, including the Vermont Emergency Micro Grant**



**Administers the 802 Opportunity Grant and Freedom and Unity Grant**



**Administers a number of interest free workforce incentive programs**



# Federal or VSAC Supported Programs



**Provides career and education counseling to 5,800 students of all ages**

**Administers VT529, Vermont's 529 college savings plan, serving 30,722 accounts.**

**Provides financial aid and forms nights, both in person and virtually**

**Provides \$48 million in student and parent loans to help cover the cost of education and training, plus provides comprehensive loan counseling to borrower**

**Administers more than 150 scholarship programs worth \$16.8 million annually**

**Administers the Employer Funded Workforce Opportunity Forgivable Loan Program**

# Higher Education In the Crosshairs

## TRUMP'S EXECUTIVE ORDERS SHIFT HIGHER EDUCATION LANDSCAPE

January 27, 2025

*New Era in Higher Education: Key OBBBA Changes and the Trump Administration's Policy Shift*

BROWNSTEIN CLIENT ALERT, JULY 29, 2025

*New International Student Enrollments Plummeted This Fall, Survey Finds*

**The trickle-down effect of President Trump's massive NIH budget cuts**

*U.S. medical research is at a precipice as President Trump proposes cutting \$18 billion from the National Institutes of Health.*

**Why colleges became the center of the culture wars: ANALYSIS**

Educators and researchers say they see an effort to delegitimize higher ed.

  
**AT THE COLLEGE DOOR**  
Projections of High School Graduates | December 2024

**Is college worthwhile? Two-thirds of Americans say no, new poll finds**

 PBS NEWS HOUR

**Why fewer young men are choosing to pursue college degrees**

# One Big Beautiful Bill—Largest Changes in Federal Student Aid Policy in Decades.



Changes to Federal loan policy will begin to go into effect for new students next academic year (this coming Fall).



Workforce Pell Program will theoretically be available in July of 2026.



New accountability measures that will limit Federal aid to programs that demonstrate improved economic outcomes will be phased in over the next two years.



# Things We Will be Monitoring

- In the absence of alternate strategies, will some low-income undergraduate students fall through the cracks?
- How will colleges respond to the changes in loan limits at both the undergraduate and graduate program level—will they discount more deeply or rely upon student access to private credit?
- Will these policy changes depress the expansion of graduate programs that have become part of college and university enrollment strategies?
- Will higher cost programs and professions (medical school) be limited to students from families with the means to pay tuition or borrow in the private credit markets?
- Will high credential but low-pay professions meet the new accountability measures? Examples might include early childhood education or licensed clinical mental health counselors.

# Award Advisor - Transparency Made Simple



2:55 📶 📶 78%

Hi, Patrick 🙌 🔔

Your Schools + School

- Alabama A & M University  
Normal, AL 📊
- Champlain College  
Burlington, VT 📊
- Community College of V...  
Montpelier, VT + Add Info
- Purdue University-Main Cam...  
West Lafayette, IN 📊
- Saint Michael's College  
Colchester, VT 📊
- University of Vermont  
Burlington, VT 📊

📖 Schools 👛 My Funds 📊 Comparison 👤 Profile

2:56 📶 📶 78%

Comparison 📊 📄 📄 📄

Chart View Table View 📄

Schools: + Purdue University-Main Camp...

**Summary**  
This is a summarized view of how different types of funding can cover your total cost of attendance.

School	Total Cost
Purdue University-Main Campus	\$ 45,010
Saint Michael's College	\$ 70,990
University of Vermont	\$ 68,876

🟡 Gift Aid 🟠 Loan 🟢 Other 🟣 My Funds 🔲 Remaining Balance

**Cost Coverage Breakdown by College**  
This is the breakdown of how much of your total cost of attendance will be covered by free money compared to money you will need to take on through savings, borrowing (debt) or work. The Remaining Balance are costs still needing to be covered.

Purdue University-Main... Your Obligation (\$ 11,500) ⓘ  
Remaining (\$ 9,900)

🟢 52% 🟠 26% 🔲 22%

Saint Michael's College Your Obligation (\$ 11,000) ⓘ  
Remaining (\$ 15,990)

🟢 62% 🟠 15% 🔲 23%

University of Vermont Your Obligation (\$ 11,500) ⓘ  
Remaining (\$ 33,781)

🟢 34% 🟠 17% 🔲 49%

🟢 Free Money (Grants and Scholarships)  
🟠 Cash, Debt, or Work (Gifts of Cash, Savings, Loans, Work Study)  
🔲 Remaining Balance (Costs still needing to be covered)

📖 Schools 👛 My Funds 📊 Comparison 👤 Profile

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# VSAC's FY26 Budget Request

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## VSAC FY2027 budget request

**VSAC requests \$27,897,494 for its base budget for FY27 need-based grant programs.**

- **Funding for the core Grant Programs (base funding).** VSAC requests \$27,897,494 (\$812,548 or 3% increase from its FY26 total base appropriation for these core State grant programs: the Incentive Grant Program, the Advancement (non-degree) Grant Program, 802 Opportunity and the Trades Forgivable Loan Program

### **In addition, VSAC is requesting:**

- Aspirations Program—authority to use up to \$400,000 from its base appropriations to support to support the innovative career and college aspirations initiative.
- Dual Enrollment/Early College Stipend: \$84,000 (level funding) to support low- and moderate-income student access to Dual Enrollment and Early College.
- Vermont Nursing Forgivable Loan Incentive Program (Global Commitment). We are requesting \$5,289,000 (an increase of \$2 million) to support current demand for the program. It would require an additional \$5.5 million to fully fund all applicants.
- Vermont Mental Health Professional Forgivable Loan Program (Potential Global Commitment). We are requesting \$1.5 million to restart this program. Funding was expended in FY25.
- VSAC Freedom & Unity Scholarship --\$2.3 million an increase of \$800,000 over the FY26 appropriations.

# VSAC's FY26 Budget Information

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## **VSAC Freedom and Unity Scholarship**

VSAC, in partnership with the Vermont State University, has created the “Freedom & Unity Scholarship”. This program currently allows students from families earning \$65,000 or less the full cost of general tuition and gives students ability to attend Vermont State University programs tuition and fee free. Reflecting our state motto, this scholarship will give low-income and lower-middle income students, some of whom will have started at CCV using 802Opportunity, the freedom to pursue the extended education and training they need to meet Vermont’s critical workforce needs while targeting this support to those who have benefited least from our post-pandemic economy. This program is an important part of our efforts to strengthen the Vermont workforce and support VTSU’s efforts to move from a recovery strategy to a growth strategy.

## **Dual Enrollment/Early College Stipend**

VSAC administers the State stipend for financially needy high school students to help cover the cost of books, supplies, transportation, and fees. Eligible students include those enrolled in dual enrollment courses during their junior or senior year of high school, as well as those participating in the Early College program.

Utilization of this need-based stipend continues to grow. VSAC recommends maintaining the current \$82,450 appropriation for the dual enrollment stipend at this time to ensure that low-income students can continue to access Vermont’s tuition-free college-level courses. However, as participation and costs continue to rise, VSAC foresees the potential need for a modest increase in funding in future years to sustain equitable access for all eligible students.

# VSAC's FY26 Budget Information

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## **Vermont Nurse Forgivable Loan Incentive Program**

VSAC administers the Vermont Nurse Forgivable Loan Incentive Program using global commitment dollars that flow through the Vermont Department of Health. Through this program, VSAC has helped individuals pursue LPN (Licensed Practical Nursing), RN (Registered Nursing), Associates, Bachelors, Masters, and certificate programs – all with commitments to work as a nurse in Vermont following licensure helping individuals to pursue their careers and helping fill critical positions in the health care field. Between FY25 and FY26 VSAC made 525 awards but was unable to fund an additional 691 potentially eligible applicants. Estimates by the Vermont Business Roundtable Foundation suggest that we will need to hire 5,400 nurses in the next two years.

## **Vermont Mental Health Professional Forgivable Loan Program**

VSAC requests \$1.5 million for FY27. In FY24, \$1.5 million was appropriated to establish the Vermont Mental Health Professional Forgivable Loan Program. Vermont faces a critical shortage of mental health counselors at a time when mental health related issues are significantly impacting employers and our education system. This program continues to hold promise to encourage more individuals to pursue the advanced training required to become licensed practitioners while encouraging them to remain and practice in Vermont. Each recipient is obligated to work in Vermont for one year for each year of support they receive.



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# Appendix A

## VSAC Services



# Vermont Trades Program

The Vermont Trades program provides an interest-free, forgivable loan that covers up to full tuition for students enrolled in industry-recognized training and certification programs that lead to careers in high-demand sectors.

Fiscal Year	Disbursed amount	# of students
FY23	\$ 1,080,000	163
FY24	\$ 2,590,000	242
FY25	\$ 2,560,000	231

An average of 80% of students successfully fulfill the Vermont work requirement.

FY26 is projected to disburse \$2,800,000 to 267 Students.

Trades FY25	Disbursed
Building Trades	8
Mechanical Traded	6
Industrial Trades	14
Medical Trades	66
Paramedic	1
Energy Trades	7
Transportation Trades	20
Other	10
Cosmetology	85
Massage	7
Computer-Data Analytics	7
<b>Total</b>	<b>231</b>

# Health Related Forgivable Loans (FY26 unless noted)

Program	Students Funded	Amount Funded	Students Not Funded *	Funding need not meet *	Total need
Nursing <small>(349 in FY25)**</small>	176	\$2,998,712	322	\$5,486,280	\$8,484,992
Dentist	1	\$50,000	18	\$900,000	\$950,000
Nurse Faculty	9	\$129,456	0	-	\$129,456
Dental Hygienist	6	\$102,877	11	\$188,608	\$291,485
Psychiatric Nurse Practitioner	25	\$422,238	0	-	\$422,238
Mental Health Professional <small>(FY25)</small>	54	\$752,065	370	\$5,153,038	\$5,905,103

\*Once funding is exhausted VSAC does not evaluate the eligibility of pending applications.

\*\*Difference is due to FY24 carryforward and FY25 lower than expected attrition

# VSAC FY25 Budget Summary - Core Budget

Act 27 section No.	Program	FY25 As Enacted (Act 113)	FY26 As Enacted (Act 27)	FY27 Request
B.605 & E.605	VSAC Grants (Full-Time, Part-Time, Advancement, Trades)	\$26,139,946 general fund base	\$27,084,946 general fund base	3% increase to general fund base (\$812,548)
B.605(a)(2)	Aspiration Program	E.605(b) - \$300,000 carved out of VSAC's base in B.605	Same	\$100,000 increase to the carve out of VSAC's base (total \$400,000)
B.605.1 & E.605.1	Flexible Pathways Stipend Fund	\$82,450 Stipend (½ General Fund; ½ Education Fund)	Same	Same
E.605(b&d)	VSAC – Seven Percent Administrative Fee Authority	Added – Sec. E.605(d)	Same	Same
B.1100(v)	Freedom and Unity Scholarship		\$1,500,000 in one-time funding	\$2,312,548 in base

# Other VSAC Administered Programs

Act 27 section No.	Program	FY25 As Enacted (Act 113)	FY26 As Enacted (Act 27)	FY 27 Request
B.301 & B.311	Vermont Nurse Forgivable Loan Incentive Program – 18 V.S.A. § 34	\$3,289,000 Global Commitment base Through DOH to VSAC	Same	Increase of \$2,000,000 (total \$5,289,000)
B.301, B.311 & F.4	Vermont Dental Hygienist Forgivable Loan Incentive Program – 18 V.S.A. § 40	\$100,000 Global Commitment base through DOH to VSAC	Same	Same
N/A	Vermont Mental Health Professional Forgivable Loan Incentive Program – 18 V.S.A. § 38	Carry forward from FY23 and fully expended in FY25 (\$1.5 million – one-time ARPA funds to DOH for VSAC shifted to "revenue loss" ARPA SFA by administration on 11/14/22 so ARPA restrictions lifted)	N/A	\$1,500,000
B.215 & E.215	National Guard Tuition Benefit Program – 16 V.S.A. § 2857	\$1,319,834 General Funds through Military	\$1,219,834 General Funds through Military	Same

Note: These programs are funded through appropriations to other agencies/entities - VSAC administers them. VSAC itself is not seeking any changes to these appropriations.

# Programs VSAC Administers – Funds Appropriated that were carried forward

Program	FY23 As Enacted (Act 185)	FY24 As Enacted (Act 78)	FY25 As Enacted (Act 113)	FY26 As Enacted (Act 27)
Nurse Faculty Forgivable Loan Incentive Program – 18 V.S.A. § 36	\$500,000 – one-time ARPA funds to DOH for VSAC shifted to "revenue loss" ARPA SFA by administration on 11/14/22 so ARPA restrictions lifted	Carry forward	Carry forward	Carry forward
Vermont Psychiatric Mental Health Nurse Practitioner Forgivable Loan Program – 18 V.S.A. § 39	N/A	\$1,000,000 – one-time General Fund to the DOH to be transferred as needed to VSAC	Carry Forward	Carry Forward
UVM Office of Engagement, in consultation with VSAC, \$5K forgivable loans for recent college grads who live in VT for 2 years	N/A	\$1.5 million one-time general funds	Carry forward	Carry forward

# Aspirations Partnerships Overview

Aspirations Partnerships work with schools to build their capacity to graduate every student with a plan for their future, **integrating** Aspirations partnership work into existing strategic plans, school initiatives, and ongoing efforts. This is **personalized** to each school.

During the AY 25-26, VSAC is serving the following schools:

- Harwood Union High School
- Missisquoi Union High School
- Brattleboro Union High School
- Oxbow Union High School

*“The work our team is doing is energizing and exciting. School change takes time, the Aspirations partnership commits to giving us the time, tools, resources, and supports HU needs to make sustainable change.”*

*~ Sally McCarthy, Former Director of Counseling, Harwood Union High School*



# Aspirations Partnerships Overview

Aspirations Partnership schools use **VSAC-developed tools** to assess college and career-going culture, systems and practices in **8 areas**:

- Informed students and caregivers
- Curricular integration
- Events and field trips
- Educator agency
- Professional learning
- Committed school leadership
- Diverse flexible pathways
- Strong partnerships

## Aspirations Rubric:

Aspirations schools complete a facilitated scoring process of a VSAC-developed rubric to inform discussions, identify opportunities and reflect on growth.

**Survey Tools:** Aspirations schools survey all students and educators annually, using a tool based on the VSAC senior survey. Schools use survey results to generate rich discussions and inform **Action Plans** as they identify opportunities for growth.

Aspirations Indicator	Year 1	Year 2	Year 3	Year 4	Final
Informed Students and Caregivers	1	2	2	3	
PHSE&T Curricular Integration	1	2	2	3	
PHSE&T Events & Field Trips	2	2	3	3	
Educator Agency	2	2	2	3	
Professional Learning	1	2	3	3	
Committed School Leadership	2	2	3	3	
Multiple Diversified Pathways	3	3	3	4	
Strong Partnerships	1	2	3	3	

Deliberation	Diving In	Doing	Deepening
Stage 1	Stage 2	Stage 3	Stage 4



# Increase Access to Higher Education

802Opportunity provides free tuition to the Community College of Vermont (CCV). Any Vermonter with a family Adjusted Gross Income (AGI) of less than \$100K per year qualifies.

**802Opportunity** opens doors for CCV students seeking:

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

**FY2025 802Opportunity** at-a-glance:

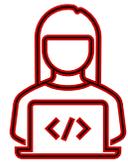
- Leverages federal and state grants
- More than 2,699 students attended CCV tuition-free



# 802Opportunity – Scholars



440 802Opportunity students earned a credential in AY24-25.

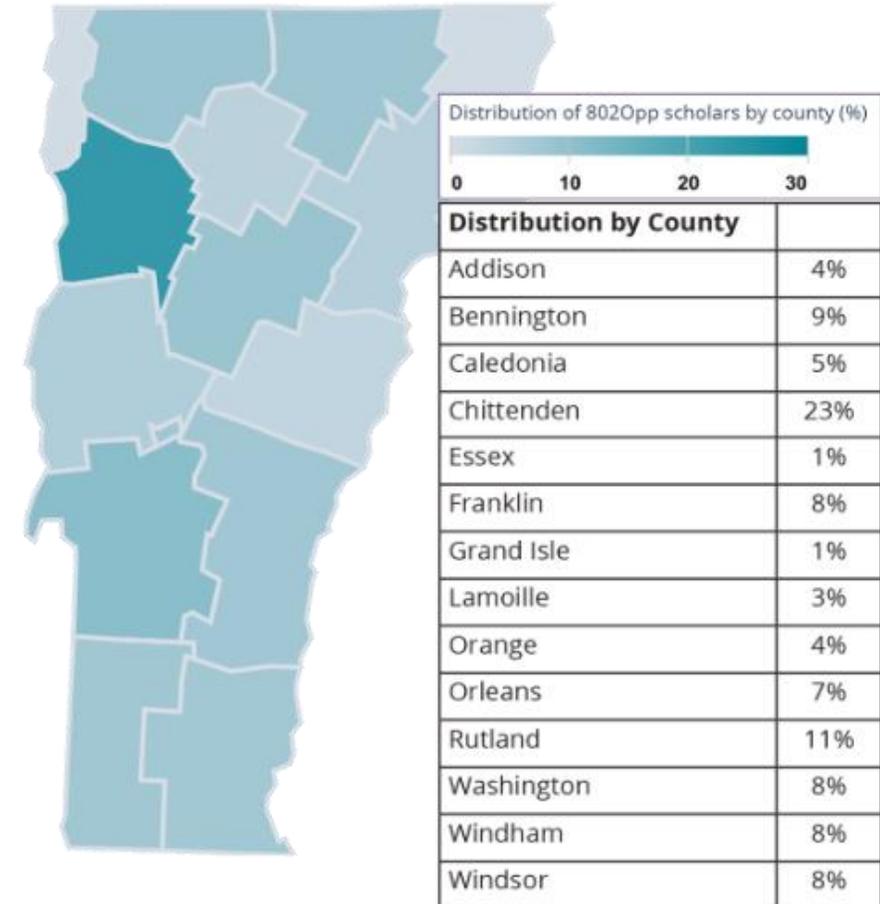


The average 802Opportunity scholar is an adult, female student enrolled part-time and pursuing an associate's degree.

## 802OPPORTUNITY STUDENT DEMOGRAPHICS

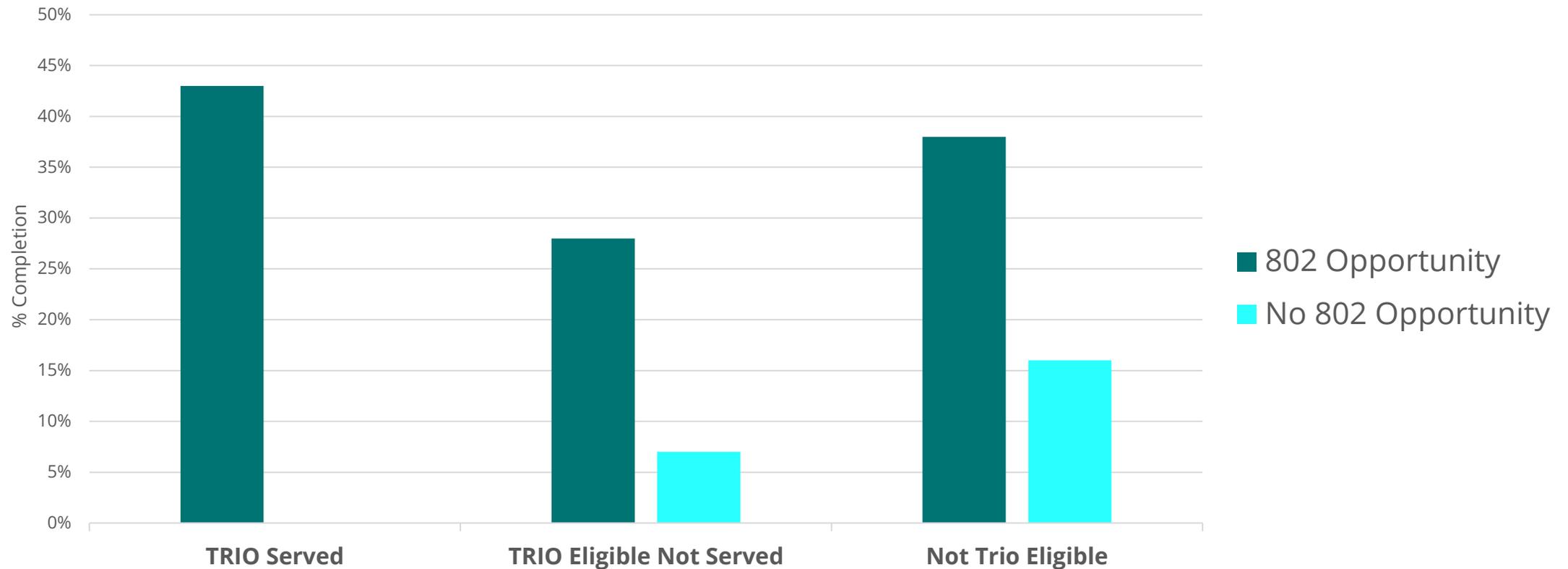
73% FIRST GENERATION  
67% ADULT (25+)  
18% POC or HISPANIC

## 802OPPORTUNITY SCHOLARS BY COUNTY



# The Success Effect of 802 Opportunity

802 Opportunity Enhances the Efficacy of TRIO Support by Augmenting the 4-Year Completion Rate For Students starting in AY20-21



# Rural Health Transformation Grant

## New Program Development and Implementation



	Phase 1 - 2/2/26-2/20/26 Define eligibility requirements	Phase 2 - 2/23/26-3/6/26 Finalize eligibility and description	Phase 3 - 3/9/26-3/27/26 Update existing application	Phase 4 - 4/1/26-5/15/26 Market program	Phase 5 - 6/1/26-6/30/26 Select Recipients	Phase 6 - 8/15/26-12/31/26 Disburse Awards
	List of activities	List of activities	List of activities	List of activities	List of activities	List of activities
Activities	Define program characteristics	Finalize eligibility requirements	Update application and system programming	Notify students	VSAC select recipients	Request enrollment verification from institutions
	Draft eligibility requirements	Finalize program description	Test application and system updates	Notify schools	Notify recipients	Once received, disburse award directly to institution
	Draft Program Description	Determine application deadline	Promote application changes and system updates	Accept applications		Process is repeated at the start of each term
	Draft MOU and Grant Agreement	Sign MOU and Grant Agreement	Create paper application and instructions			
	Applications (Oct-Jan)	Acceptances (Dec-April)	Funding Decisions (Mar-Apr)	Funding Decisions (Mar-Apr)	Grant funding considered (May)	Funding sent out (Summer)



**Thank you!**