

MEMORANDUM

TO: Chairman Mike Marcotte
House Committee on Commerce and Economic Development

FROM: Scott Giles, President & CEO, VSAC

RE: VSAC FY26 Budget Request

Date: February 18, 2025

I want to thank you and the Committee for the strong leadership and support that you have provided to help build a range of workforce development initiatives that have expanded access to Vermont's high demand, high wage careers. The Committee played a key role in expanding the Advancement Grant, creating and nurturing 802Opportunity, as well as forgivable loan programs designed to increase our workforce in the trades, healthcare and teaching.

The Governor's request includes a 3.6% increase in VSAC's base appropriation which will fully fund the trades forgivable loan program, the Advancement Grant and VSAC's core student aid programs. This increase will also allow us to raise the household income cap for 802Opportunity (free tuition and fees at CCV) from \$75,000 to \$100,000.

In addition, **VSAC is requesting \$5.2 million to create the Freedom & Unity Scholarship** for students attending Vermont State University (VTSU). As the Committee knows, funding for the VTSU Critical Occupations Scholarships has now lapsed, making it more challenging for low- and moderate-income students to pursue these occupations. Modeled after 802Opportunity, the Freedom & Unity Scholarship would provide low- and lower-middle-income students with the opportunity to earn a four-year degree tuition- and fee-free at Vermont State University.

Freedom & Unity is built upon a proven and cost-effective model that will be transformative for VTSU students and for the long-term health of the Vermont State University. Because it builds upon and weaves together existing state and Federal financial aid, it is the most cost-effective way to serve these students. The program enjoys strong support from the Vermont State University leadership and faculty.

In the 2023 legislative session (in the FT24 budget), VSAC partnered with the House Commerce Committee and the House Education Committee to create the **Vermont Teacher Forgivable Loan Program**. Now completing its successful second year, **VSAC is requesting \$3.9 million in new funds** (the program was funded two years ago with one-time funds). 240 students are on the path to becoming Vermont teachers.

Finally, VSAC is requesting funding for continuation of the **Vermont Mental Health Counselor Forgivable Loan Program**. Vermont faces a mental health crisis exacerbated by a critical shortage of mental health counselors. Launched in FY24 with two years of one-time funding, the program has made over 160 awards. **We are requesting \$1 million for continuation of the program.**

Thank you for your leadership, guidance and support. We would be grateful for your support of each of these initiatives.