



FY27 Testimony before the House Committee on Health Care



Date February 12, 2026

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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

VSAC's FY26 Budget Request

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

VSAC's FY26 Budget Information

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

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.

Vermont Healthcare Workforce Incentive Loan Programs Administered by VSAC

Vermont Nursing Forgivable Loan Incentive Program (3,289,000)

- Program has existed for over 20 years
- Expanded in Fall of 2020 & offered to students in the Spring semester of 2021
- Modified in Spring of 2021 & offered to students in the 21-22 School Year and the 22-23 School Year

Vermont Mental Health Professional Forgivable Loan Incentive Program (\$1,500,000)

- Program was legislated in Spring of 22
- Original Funding Sources was ARPA funds
- DOH and VSAC launched this program for the 2023-2024 AY

Nurse Faculty Forgivable Loan Incentive Program (\$500,000)

- Program was legislated in Spring of 22
- Original Funding Sources was ARPA funds
- DOH and VSAC launched this program for the 2023-2024 AY

Vermont Psychiatric Mental Health Nurse Practitioner Forgivable Loan Incentive Program (\$1,000,000)

- Program was legislated in Spring of 23
- Original Funding Sources was the General Fund
- DOH and VSAC launched this program for the spring '24 semester

Vermont Dental Hygienist Forgivable Loan Incentive Program (\$100,000)

- Program was legislated in Spring of 23
- Original Funding Sources was Global Commitment
- DOH and VSAC launched this program for the spring '24 semester

Vermont State Dentist Forgivable Loan Incentive Program (\$50,000)

- Program has existed for over 15 years
- Funding Source is Global Commitment
- DOH and VSAC partnership

Vermont AHEC Scholars Medical Student Incentive Scholarship Forgiveness Program (\$1,476,770)

- First appropriated FY22 for \$1,236,770 and again appropriated in FY23 for \$240,000
 - Grant agreement and funding end 6/30/2027
- Funding Source is Global Commitment
- DOH, AHEC and VSAC have partnership



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



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Appendix A

VSAC Services



Rural Health Transformation Grant

New Program Development and Implementation

Draft Eligibility Requirements

Finalize requirements and description

Add program to existing application

Market Program

Select Recipients

Verify enrollment and disburse fall awards

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

Activities	List of activities	List of activities	List of activities	List of activities	List of activities	List of 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)

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

Vermont Nursing Workforce Incentive Loan Program

Program Summary:

- Nursing students receive full tuition at a VT Public Institution
- Nursing students receive up to UVM tuition at VT Private Institution or Out-of-State Institutions not to exceed actual tuition
- Agree to work in Vermont following licensure one year for each year of scholarship receipt
- Awards can be used at any accredited, federal Title IV funding eligible, Vermont or Out-of-State Institution which offer nursing degrees
- Awarded students sign a promissory note obligating them to work in Vermont in a nursing position following licensure for each year awarded or to repay the funds received if obligation is not met

Eligible Students must:

- Complete FAFSA and State Grant application if appropriate
- Maintain good academic standing
- Can be residents and non-residents
- Attend an eligible nursing program at an in-state or out-of-state school

Priority:

- Licensed Practical Nursing (LPN's)
- Associate Degree in Nursing
- Bachelor of Science Degree in Nursing
- Graduate Nursing Education

** Preference given to students attending Vermont institutions



Vermont Nursing Workforce Incentive Loan Program

Priority: LPS, Associate Degree, Bachelor Degree, Graduate Students

FY '25 Program	Number of Awards
LPN	55
RN	139
Associate's Degree	8
BA	117
Graduate	30
Total	349

Students may attend an in-state or out-of-state institution with priority given to in-state schools.

FY '25 Institution	Number of Awards
Norwich	39
UVM	78
VTSU	159
Out of State	73
Total	349

FY26 budget was \$3.338 million, the program again saw unprecedented demand and VSAC was unable to fund 322 applicants. It would have required an additional \$5.5 million to fully fund these applicants.

Vermont Mental Health Professional Forgivable Loan Incentive

Program Summary:

- Student receive tuition charges by their program up to UVM's instate tuition rate
- Agree to work in Vermont following licensure one year for each year of scholarship receipt
- Awards can be used at any eligible school
- Awarded students sign a promissory note obligating them to work in Vermont in as a licensed mental health professional for a minimum of one year following licensure for each year awarded or to repay the funds received if obligation is not met

Eligible Students must:

- Complete FAFSA
- Maintain good academic standing
- Can be residents and non-residents
- Enroll in a master's degree program in one of the following fields:
 - Social Work
 - Mental Health Counseling
 - Marriage and Family therapy
 - Psychology
 - Community Mental Health Counseling
 - Clinical Mental Health
 - Forensic Mental Health
- Program must allow recipient to sit for and pass one of the following licensure exams:
 - Licensed Clinical Mental Health Counselor (LCMHC)
 - Licensed Independent Clinical Social Worker (LICSW)
 - Licensed Alcohol and Drug Counselor (LADC)



Vermont Mental Health Professional Forgivable Loan Incentive

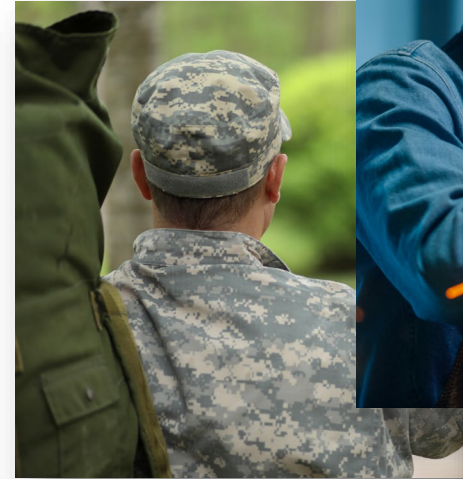
Institution	FY24 Awards	FY25 Awards
Goddard	6	-
Saint Michael's	6	-
UVM	18	5
VTSU	56	47
Out of State	25	2
Total	111	54

In FY25, there was no state appropriation. VSAC used the remaining carry over funding from FY24. An additional 365 applicants were not awarded.

Vermont Programs for High Demand Occupations

Interest-free Forgivable Loans

- Vermont Nursing Forgivable Loan Incentive Program
- Vermont Trades Scholarship
- Vermont National Guard Tuition Benefit
- Vermont Dentist Forgivable Loan Incentive Program
- Vermont Dental Hygienist Forgivable Loan Incentive Program
- Vermont Nurse Faculty Loan Incentive Program
- Vermont Psychiatric Mental Health Nurse Practitioner Forgivable Loan Incentive Program





Thank you!