

To: Senate Education Committee
From: Rebecca Copans, Associate Director
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McClure Foundation updates and a recommendation to modernize the Vermont Higher Education Trust Fund statute to reflect a more proportional direction of non-loan student aid to the colleges that serve the largest number of low-income Vermonters.

Hello and thank you for inviting my testimony today. For the record, I'm Rebecca Copans, associate director of the McClure Foundation, a 30-year affiliate of the Vermont Community Foundation that works to close the opportunity gap and strengthen rural communities by investing in purposeful pathways that lead to Vermont's promising jobs. Our work sits at the nexus of education, youth development, career pathways, and workforce development.

At the McClure Foundation, compelled by data you know (Vermont's longtime status as having the lowest college continuation rates in New England, its relatively new status as having the lowest high school completion rates in New England, and projections about high-pay, high-demand jobs here in Vermont), we've long funded good ideas and public-private partnerships when they have the potential to connect the dots between what Vermonters need and the future talent pipeline that Vermont employers need. The projects and ideas we've helped design, test, and scale are some you may know:

1. We helped pilot incarcerated education through CCV, which paved the way for federal funding to scale free courses and advising for inmates and Vermont's correctional officers;
2. We have partnered across bipartisan administrations with the Vermont Department of Labor to create the *Vermont's Most Promising Jobs* resource, which serves as a hopeful conversation starter about in-demand careers that offer good wages;
3. We were a thought partner around the critical occupations framework the legislature adopted during COVID;
4. Because teachers are the profession that makes all other careers possible, we invest in public teacher workforce development, including through:
 - Early career onramps that start with flexible pathways like CTE and dual enrollment.
 - Innovative pathways to licensure, including new registered apprenticeship programs and a pilot to stipend the unpaid full-time student teaching semester of students pursuing licensure through VTSU.

5. And we offered a surprisingly successful graduation gift to the VT high school class of 2020: one free CCV course of a student's choosing. About 600 graduating seniors took us up on that offer and it taught us a lot about the messaging effects of "free and available to all" when paired with community college, our state's gateway institution.
6. The lessons from that grad gift and a decade of supporting the equitable implementation of Flexible Pathways led us to our current initiative: an accelerated debt-free associate degree pathway for high school students statewide. The Free Degree Promise builds on existing state and federal public policy to offer students who successfully complete the state's Early College program at CCV the chance to persist at CCV and earn a debt-free, fast-tracked associate degree of their choosing. Four years in and the program is inspiring enrollment among youth furthest from opportunity. CCV has seen triple the number of low-income students accessing Early College. This year's cohort is 50% low-income, which is higher than their peer rate in the general K-12 population. Through the Free Degree Promise, these students are persisting at CCV at triple the historic rates, and Free Degree Promise students are graduating at twice the rate—and in half the time—as their peers nationally.

Last spring, 70+ young people representing 13 Vermont counties, nearly half of whom were first-generation college students, earned their associate degrees an average of one year after leaving high school. Twenty-five percent earned degrees in health care and behavioral science, 14% in business, and 17% in STEM, environmental science, and information technology. This is the future workforce Vermont employers are hoping for.

These are students like Arin from White River Jct., who is now at VTSU-Castleton as a junior with the goal of becoming a high school teacher, Kaylee from Fletcher, who is now at VTSU in pursuit of her Registered Nursing degree, Wyatt from East Fairfield who earned his Environmental Science degree with the goal of working for the state's Department of Fish & Wildlife, and Collin from Vergennes who transferred into his junior year of a four-year bachelor's degree in Burlington in information technology.

Chair Bongartz asked that I give that short background about who we are and what we fund, so I'm happy to take questions about the Free Degree Promise or any of our other grant programs—but what I actually came to talk with you about today is an observation that has led to our one recommendation this legislative session.

A central premise of our investments at the McClure Foundation is that career-connected public postsecondary education drives economic mobility.

Our decision to partner with the VSC generally and CCV specifically over the years is highly strategic. They've been a cornerstone of our portfolio the past decade because

they're consistently ready to serve, and they are where the greatest number of low-income Vermonters enroll.

In past years, we've offered testimony with our thoughts on the need for a clearer strategic objective behind the roughly \$120M+ in annual funding to higher education.

Because the Higher Education Trust Fund (HETF) has become a topic of conversation this session, I will note here that the McClure Foundation has a longstanding view that the Fund's statutory distribution structure stands to be modernized to reflect—by name—the places where low-income Vermont students are enrolling at scale, specifically the two VSC institutions: CCV and VTSU. This could be accomplished through a recommendation in your FY2027 budget letter to change just a few words in statute.

Currently, three beneficiaries are named in statute to receive the annual distribution in equal shares: the University of Vermont, VSAC, and the Vermont State Colleges.

This statute was created at a time when the Vermont State Colleges System comprised five institutions. The consolidation of the State Colleges System creates a strategic opportunity to update the statute to better align with the Fund's intent.

The statutory intent of this Fund is to support non-loan student aid. Replacing “the Vermont State Colleges” with its two institutions named directly, thus creating a four-way-split structure, would more proportionally recognize the colleges that serve the largest number of low-income Vermonters.

State projections indicate that this modernization of statute would result in a redirection of less than \$250,000 per year in 2026 and 2027 from each of the affected beneficiaries. We would note that inspiring more enrollment into CCV also supports a stronger pipeline of transfer students to Vermont's four-year institutions.

Of course, the Fund is just one part of a large and complex higher education public funding picture. But it matters because Vermont still has the lowest postsecondary continuation rate in New England, in the aggregate and disaggregated by the specific student populations who stand to benefit the most from education and training after high school. Clearer public policy vision and goals are part of what's needed to change that condition.

We invite you to keep in touch with good ideas. As we scale our grantmaking in the coming years, we'll be looking to invest in, test, and scale the ideas that support more young Vermonters to graduate from high school with a plan.

Thank you for your time today. We appreciate your leadership on some of the thorniest issues facing Vermont and for considering this small change that would modernize the HETF beneficiary language and reflect a clearer funding strategy.

Please amend Section E.131 of the House-passed budget that would make a change to the Higher Ed Trust Fund statute, replacing it with:

Sec. 3. 16 V.S.A. 2885 is amended to read: 2885. VERMONT HIGHER EDUCATION ENDOWMENT TRUST FUND

The State Treasurer shall withdraw and divide an amount equal to five percent of the assets equally among the University of Vermont, the ~~Vermont State Colleges~~ Vermont State University, the Community College of Vermont and the Vermont Student Assistance Corporation.