

Dear Chair Bongartz:

During our recent budget discussion, I was asked why the Vermont State Colleges System (VSC) supports a broad-based investment such as the Freedom & Unity Scholarship (F&U) rather than limiting aid to specific programs, such as nursing or other high-need fields. I do not think I was clear in my answer and wanted to follow up as it is an important question. It goes to the heart of how we can ensure that most effective use of scarce public dollars where Vermonters and Vermont need them most.

**At a policy level, I agree with the underlying premise: Vermont should target incentives toward areas of greatest need.** Where the question becomes more nuanced is *how* and *where* that targeting is best accomplished.

The good news is that the legislature has been focused on targeted workforce incentives. They already exist in Vermont, and they play an important and complementary role to programs like F&U.

Programs administered through VSAC, such as forgivable loans for nursing, nurse faculty, and skilled trades, are intentionally designed to direct individuals into specific high-need occupations through required service commitments. These programs are aligned with clearly identified workforce shortages, including registered nurses, nurse educators, mental health clinicians, educators in shortage areas, and skilled trades professionals such as electricians, and plumbers.

In addition, the Vermont State Colleges administer targeted scholarships aligned with particular disciplines and workforce needs, including allied health, education, advanced manufacturing, and other priority areas identified in partnership with employers and state agencies. These targeted programs are an important and effective tool when the goal is to steer graduates into defined roles where the state has immediate and measurable need.

As developed by VSAC, based on direct experience with Vermont learners, F&U was intentionally designed as a foundational access strategy, not a workforce incentive program. Across our institutions, we consistently see that cost is the primary factor preventing Vermonters from even applying, let alone enrolling. For many prospective students, the decision point is not which program to choose, but whether post-secondary education is financially possible at all.

F&U addresses that reality by reducing the upfront financial barrier to postsecondary education for Vermonters, particularly those for whom cost is the deciding factor in whether they take the first step. By lowering that barrier, F&U expands the pool of learners who can then move into both degree programs and targeted workforce pathways supported by other, more directional aid programs.

In that sense, F&U functions as an access tool by expanding the pool of Vermonters who can pursue education, rather than as a mechanism to steer individuals into specific fields. Today, that pool includes Vermonters with household incomes of \$65,000 or less who are often balancing work, family responsibilities, and financial uncertainty. Many are first-generation college students, adult learners returning after time in the workforce, or individuals who have accumulated some college credits but stopped out because of cost. For these Vermonters, even modest upfront expenses can be the difference between enrolling and walking away.

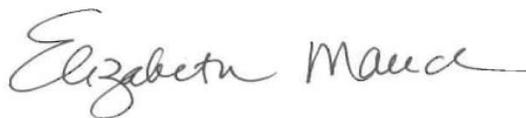
And we know from data that targeted workforce incentives are most effective when they sit on top of a broad access framework, not in place of it. Without an entry point like F&U, many students, including those who ultimately pursue nursing, education, or other high-demand fields, never reach the point where targeted incentives can matter. In other words, if we want more nurses, teachers, and other essential professionals serving Vermont communities, we must first ensure that Vermonters can afford to enter the system at all.

From a system perspective, our responsibility as defined in our mission is twofold: first, to ensure Vermonters can afford to enter education at all; and second, to align programs, capacity, and targeted incentives with the state's most acute needs. F&U addresses the first challenge. Targeted scholarships and workforce programs address the second.

As we steward limited public resources, my goal is not to fund everything, but to ensure that our investments work together coherently by expanding access, supporting priority fields, and strengthening the long-term sustainability of the system that serves Vermont students.

I appreciate the Committee's engagement on these questions and welcome continued dialogue as we refine these approaches together.

Sincerely,

A handwritten signature in cursive script that reads "Elizabeth Mauch". The signature is written in dark ink and is positioned above the typed name.

Dr. Elizabeth K. Mauch, Chancellor