

Testimony Before the Senate Education Committee



February 18, 2016

Presented by:

Scott A. Giles, President and CEO
VERMONT STUDENT ASSISTANCE CORPORATION



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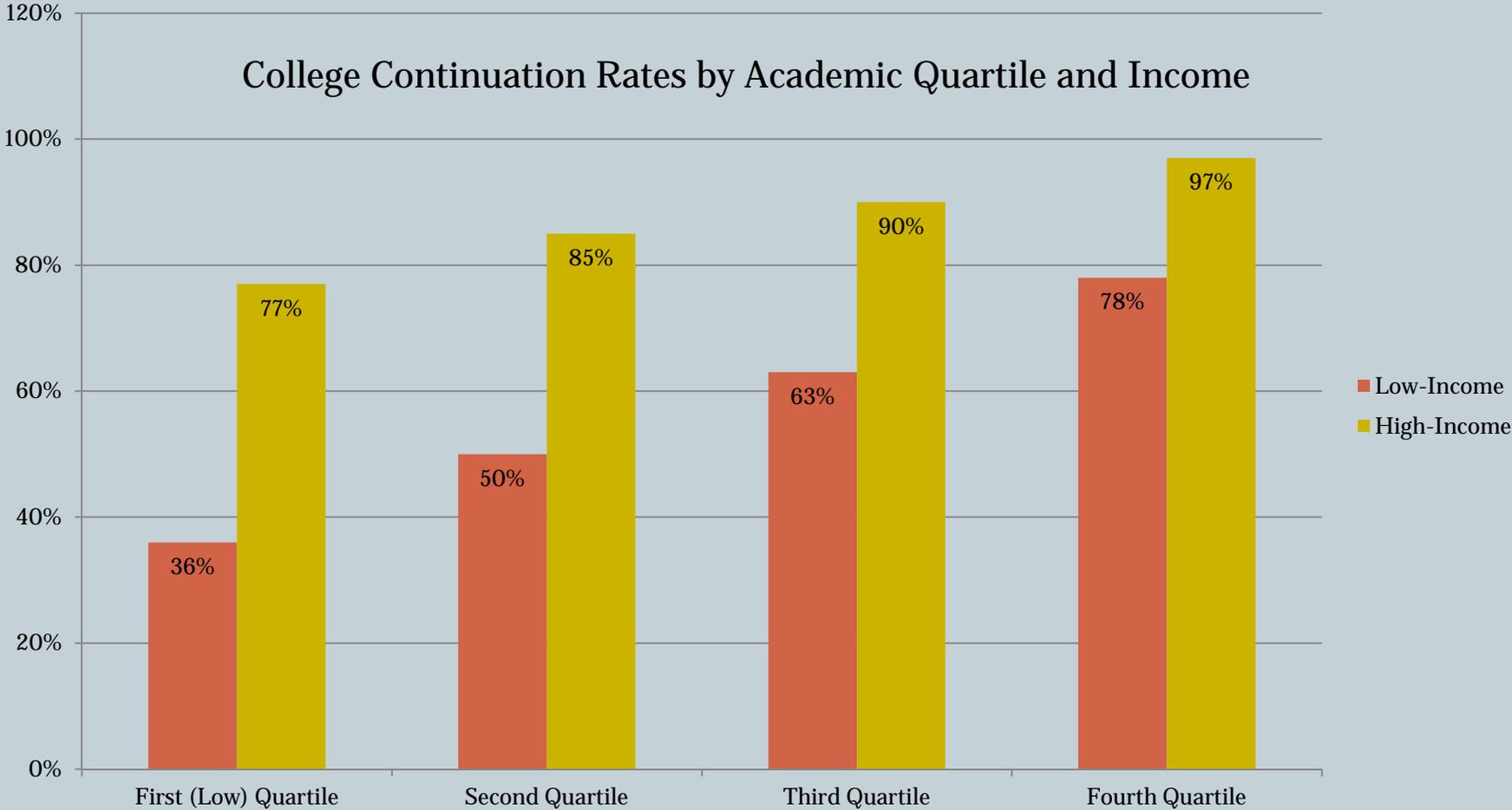
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The Unspoken Equity Issue

2

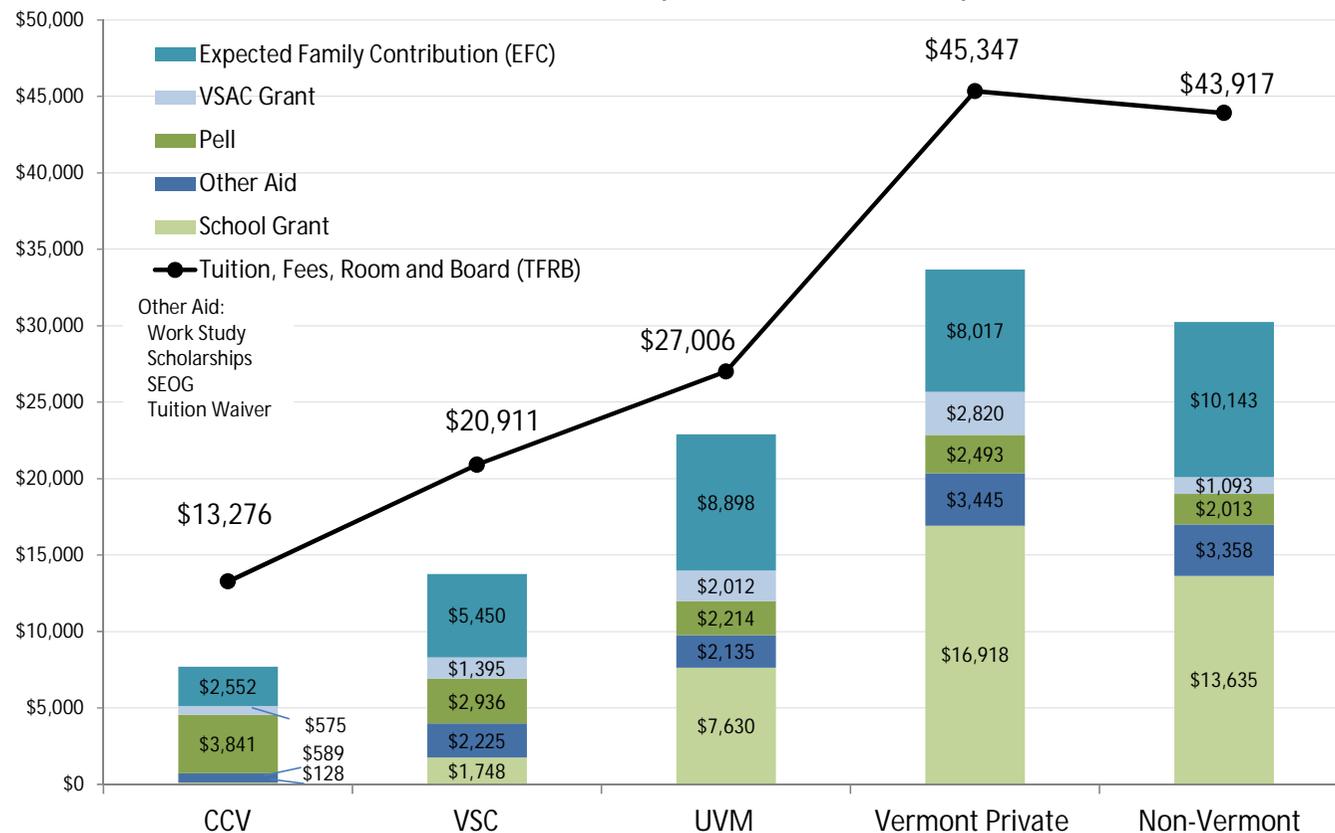


Source: College Board

Financial aid packages leave gaps that must be funded with debt

3

Gift Aid, Expected Family Contribution, and Tuition, Fees, Room & Board by Sector at 4-Year Schools and CCV
FY2015 Full-time Dependent Grant Recipients

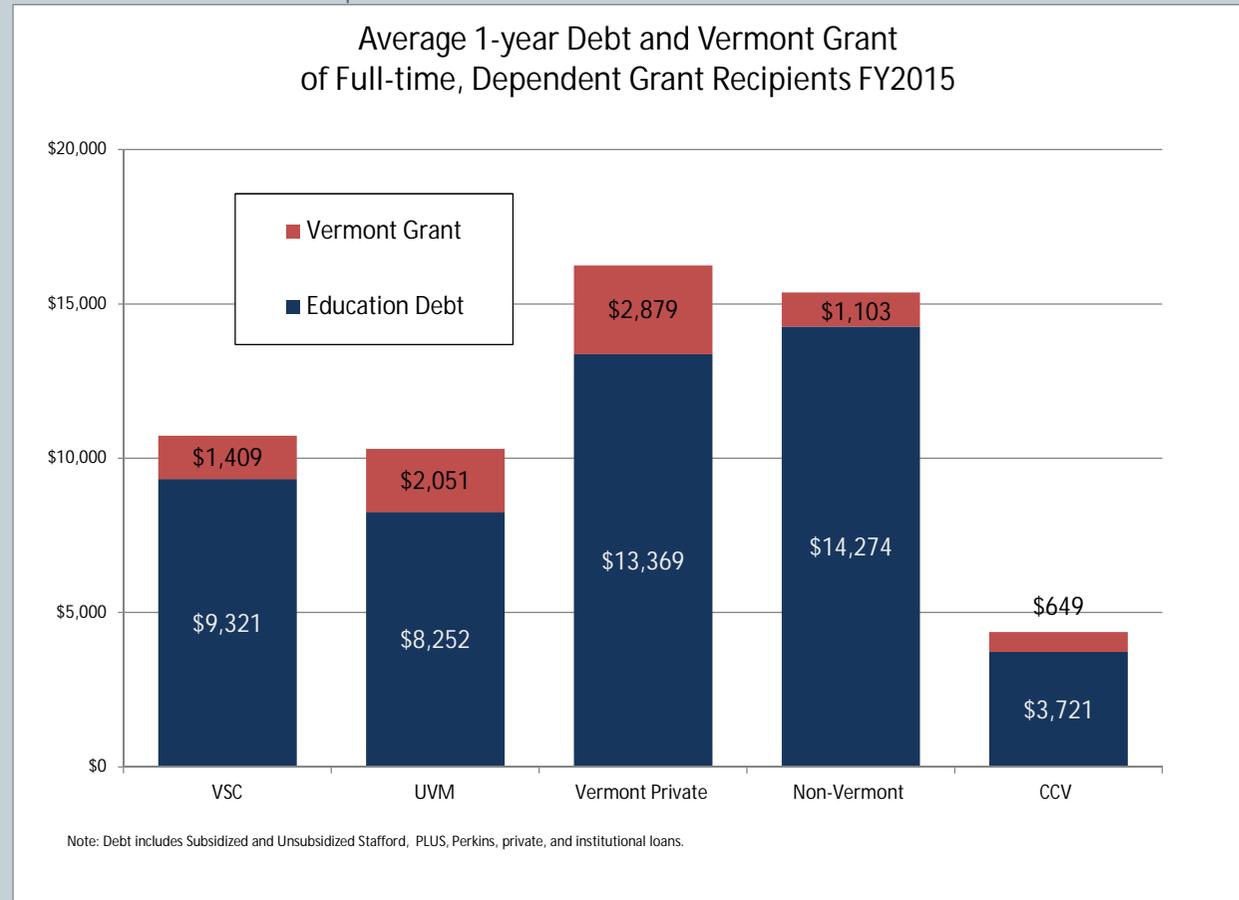


Source date: Jan, 2016

The result: Vermont families shoulder the burden

4

- According to the recent Young Invincibles report (2016), 82 percent of the cost of college is carried by Vermont families, highest in U.S.



VSAC Grants

5

- The Vermont grant was one of the first need-based state education grant programs.
- Recognized nationally as one of the most targeted grant programs.
 - ✦ Grant policies are designed to target grants to students and families with the greatest need
- One of first part-time grant programs in the country
- First non-degree grant in the country

Vermont State Grants by income

6

GRANT RECIPIENTS (FULL-TIME, PART-TIME, NON-DEGREE) BY INCOME, FY2015

INCOME RANGE	NUMBER OF GRANT RECIPIENTS	GRANT RECIPIENTS		DOLLAR AMOUNT OF GRANT AWARDS	GRANT DOLLARS	
		Percent	Cumulative		Percent	Cumulative
\$0 - \$10,000	2,495	18.3%	18.3%	\$4,256,557	22.1%	22.1%
\$10,001 - \$20,000	2,151	15.8%	34.1%	\$3,281,451	17.1%	39.2%
\$20,001 - \$30,000	1,908	14.0%	48.2%	\$2,961,696	15.4%	54.6%
\$30,001 - \$40,000	1,436	10.6%	58.7%	\$2,196,469	11.4%	66.1%
\$40,001 - \$50,000	1,142	8.4%	67.1%	\$1,733,851	9.0%	75.1%
\$50,001 - \$60,000	1,026	7.5%	74.6%	\$1,485,921	7.7%	82.8%
\$60,001 - \$70,000	947	7.0%	81.6%	\$1,173,640	6.1%	88.9%
\$70,001 - \$80,000	730	5.4%	87.0%	\$788,664	4.1%	93.0%
over \$80,000	1,773	13.0%	100.0%	\$1,339,262	7.0%	100.0%
TOTAL	13,608			\$19,217,511		

VSAC Grants Fund Students Not Schools

7

- VSAC grant aid reduces the unmet need of students and schools must report all financial aid provided to a student as part of the certification process.
 - ✦ VSAC reduces the award if total grant and institutional aid dollars exceed need under VSAC need analysis
- VSAC grants are used to reduce unmet need or student loan debt.
- Non-Vermont schools provide Vermont grant recipients with \$50 million in non-loan financial aid

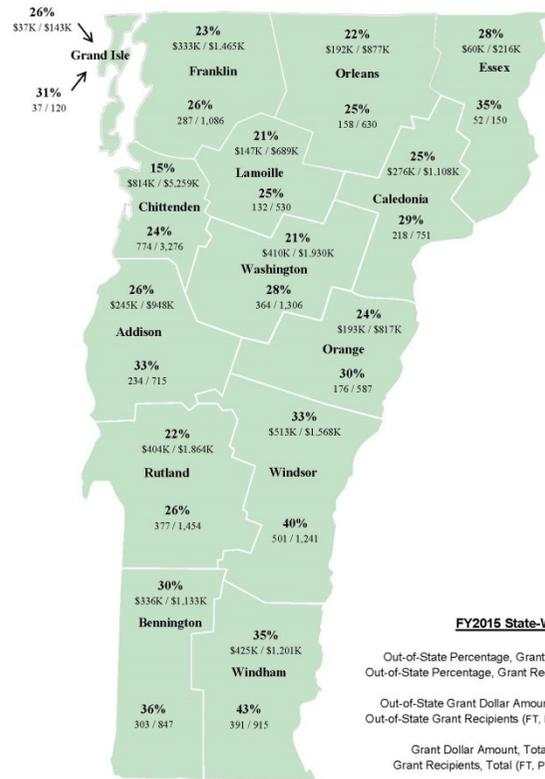
Portability

8

- Vermont grants may be used by Vermont students to pay for education at the program or institution that best meets their needs
- 71% of grant recipients student at a Vermont institution
- 29% of grant recipients study out of state (4,004 students), using \$4.4 million in grants
- Seven out of 10 of students who study outside Vermont do so at a state that borders Vermont.
- A student studying outside Vermont cannot receive a grant larger than s/he would receive to study at the four-year Vermont State Colleges.

By County

Percentage of FY2015 Grant Recipients
Attending Out-of-State Institutions by County
With Dollar Amount and Number of Recipients
(Full-time, Part-time, and Non-Degree Grant Recipients)



FY2015 State-Wide Totals:

Out-of-State Percentage, Grant Dollars: 23%
 Out-of-State Percentage, Grant Recipients: 29%
 Out-of-State Grant Dollar Amount: \$4,384,867
 Out-of-State Grant Recipients (FT, PT, ND): 4,004
 Grant Dollar Amount, Total \$19,217,511
 Grant Recipients, Total (FT, PT, ND): 13,608

Source: VSAC Grant Files

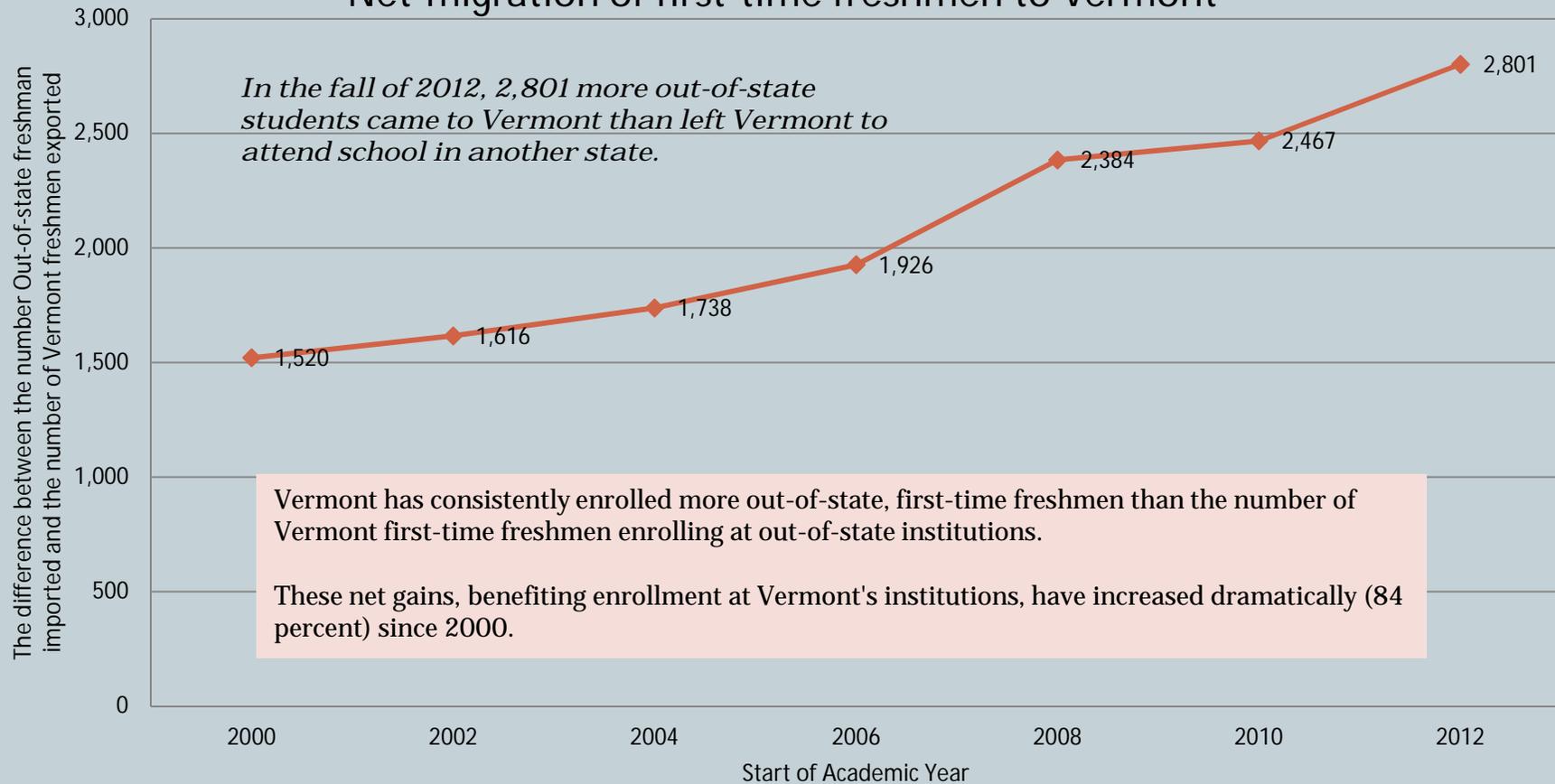
Does ending portability really help Vermont and Vermonters?

10

- To maintain status quo of grant program:
 - If you believe that these students all stay in Vermont
 - ✦ GF expenditures would increase anywhere from \$3.0 million to \$5.7 million.
 - ✦ Institutional aid expenditures by schools would increase anywhere from \$17.3 million to \$34.7 million.
- More likely, it means:
 - In the absence of increased funding
 - ✦ Fewer grant recipients
 - ✦ Reduced grant amounts
 - ✦ Larger debt burden for lowest-income students

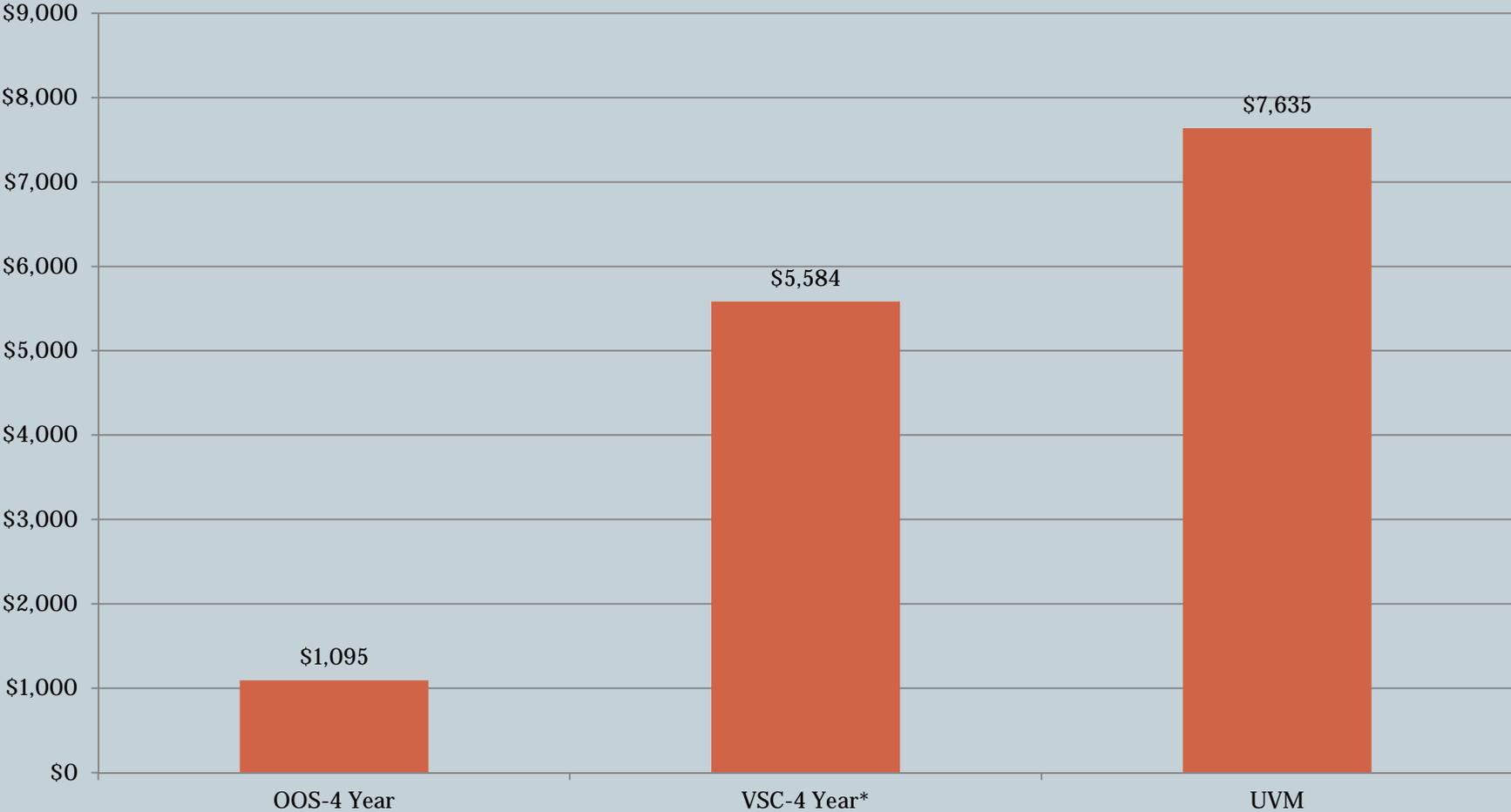
Vermont is a net-importer of students

Net-migration of first-time freshmen to Vermont



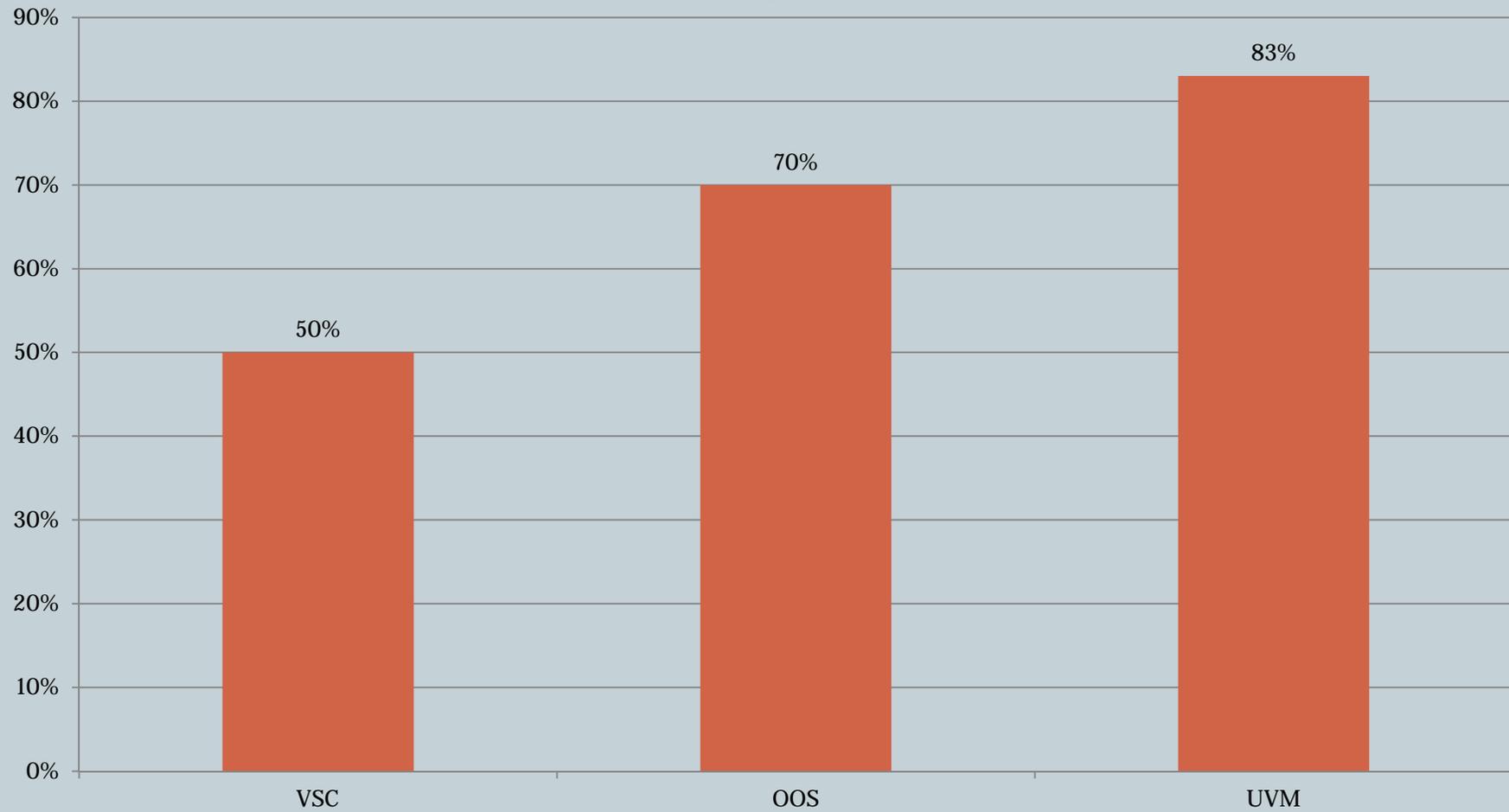
Annual Public Support Per Grant Recipient

12



6 Year Graduation Rates for Grant Recipients

13

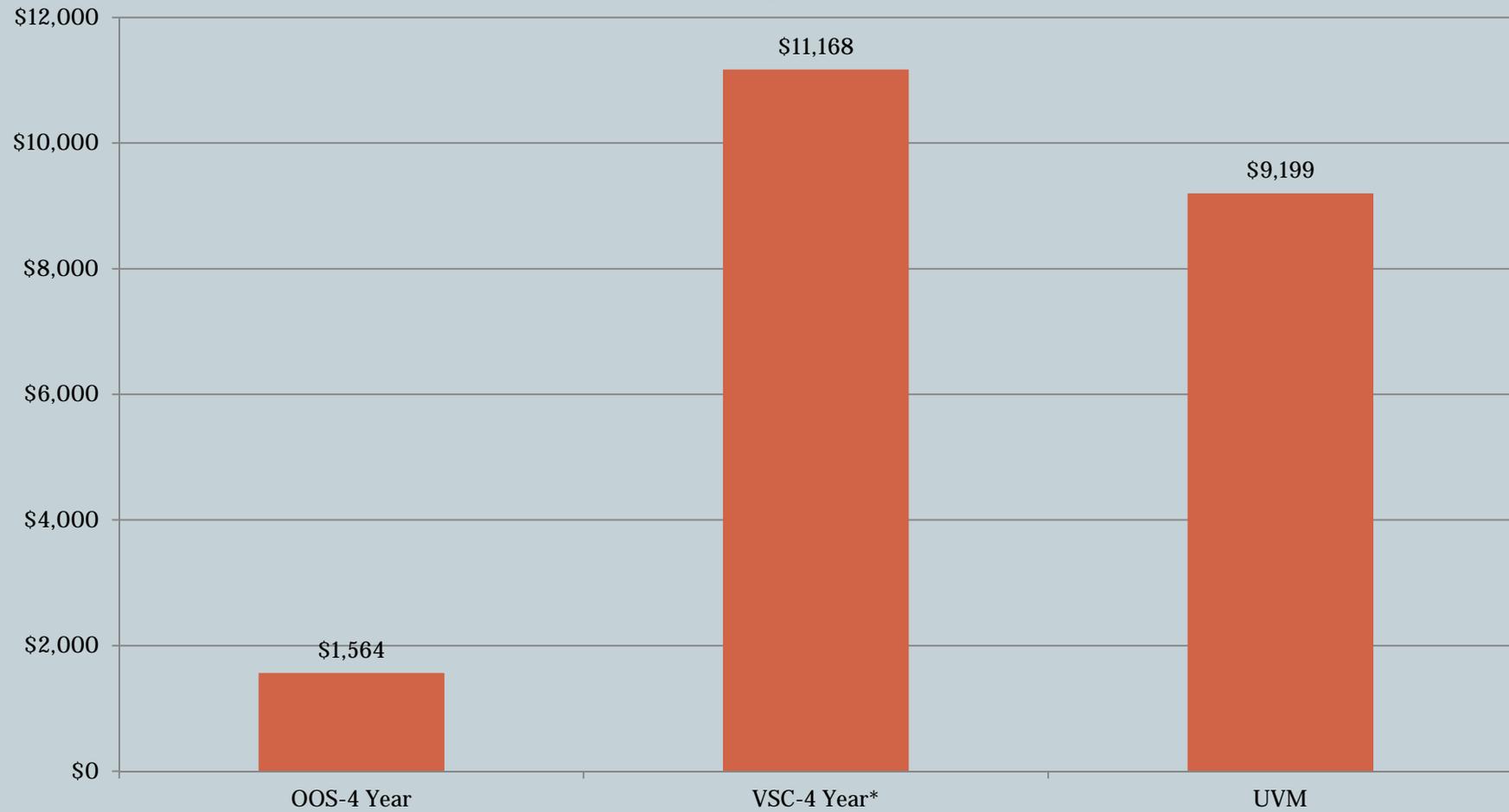


Appendix

14

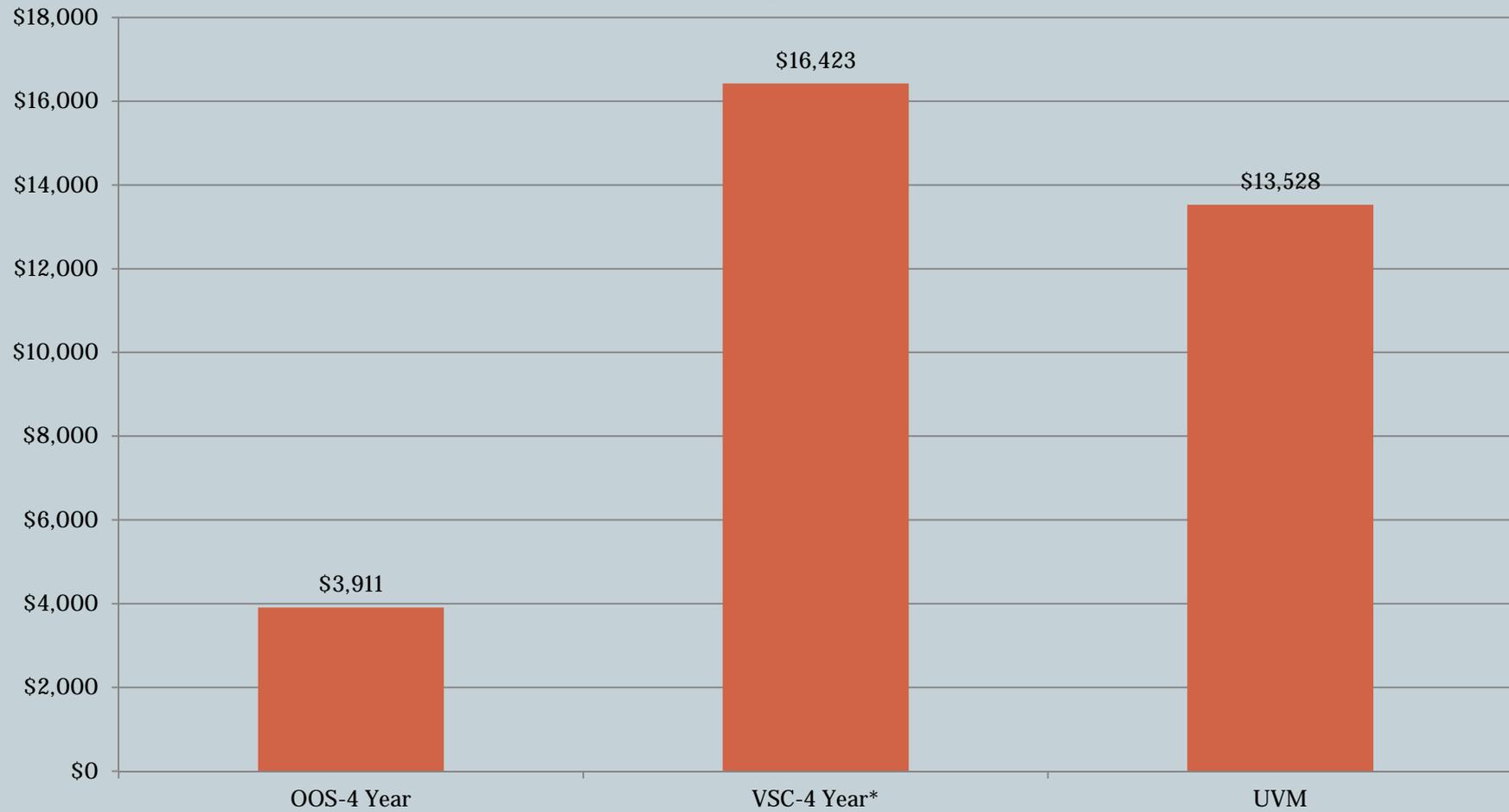
Annual Public Cost Per Graduate

15



Annual Public Cost Per Resident Graduate

16

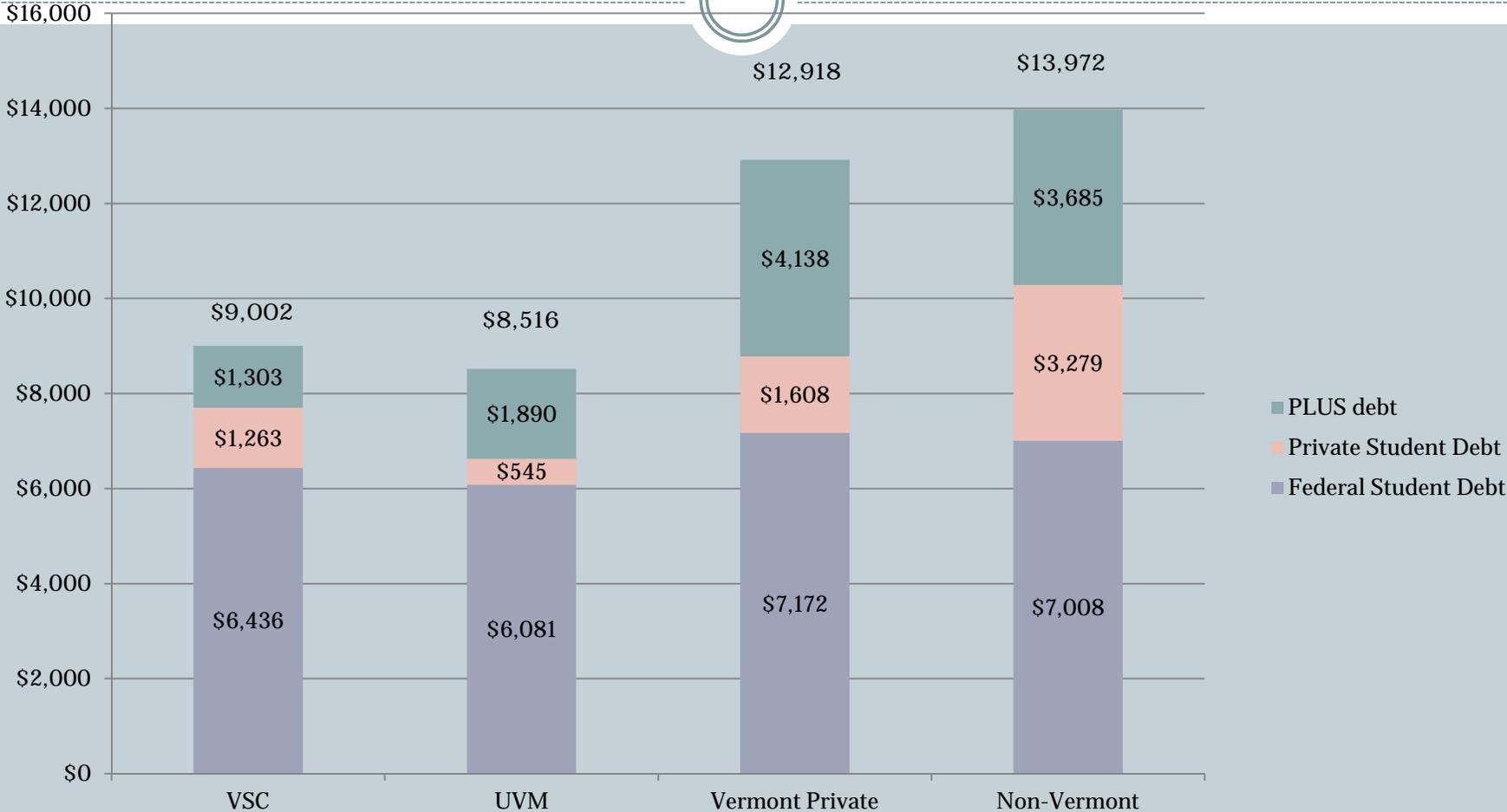


The focus turns to nontraditional students

17

- Vermont's population is second-oldest in the nation.
 - School-aged population has decreased by nearly 15 percent over five years.
 - Experts predict continuing declines until 2028.
- Census data show more than 60,000 Vermont adults age 25-64 with some college, but no degree (18 percent of working-age adults).
- The Nondegree Grant program has increased the number of awards by 54 percent over the last decade.
- Nationally, college enrollment of students age 25 and over is projected to increase by 20 percent by 2023, compared with 12 percent for students under 25.
- VSAC's federally funded Educational Opportunity Center program reports that approximately 45 percent of its caseload is older than 25 years old.

Average 1-year Debt of Grant Recipients, FY2015
Full-time, Dependent Grant Recipients Enrolled at 4-year Schools With Stafford Debt



Federal student debt includes subsidized Stafford, unsubsidized Stafford, and Perkins loans.
 Private student includes non-federal loans from sources such as VSAC and colleges.