



Considerations for a Vermont Promise Program

Testimony, Senate Education Committee

February 12, 2019

Why States Adopt “Promise” Programs

1. Increase postsecondary attainment

message is clear

2. Achieve more politically sustainable funding

benefit definition is clear

3. Address increasing affordability /access gaps

modest-income / underrepresented pop's

Early (pre-2009) Promise Programs*

State	Income Cap / Median Income	First / Last Dollar	Institution Type Limit	Program Req's or Restrictions	Particip. % of total state undergrads
MS	\$39,500 / 50,229	First	2 & 4	HS curric, GPA, tests, age, FT	1.6%
IN	\$45,510 / 61,360	First	2 & 4	HS curric, GPA, age, FT	5.7%
OK	\$55,000 / 57,004	First	2 & 4	HS curric, GPA, age	9.5%
LA	N/A	First	2 & 4	HS curric, GPA, age, FT	24%
MO	N/A	Last	2	GPA, tests, age, FT	3.4%
DE	N/A	Last	2	GPA, age, FT	5.2%

*“Around the time of the Great Recession **funding [per FTE]...for all six existing Promise programs grew between 12 and 142 percent**, while overall appropriations...fell in each state between 18 and 38 percent...and an average of 6 percent nationally.”*

*Summarized from “Free College:” Here to Stay? July 12, 2018 report from The Century Foundation <https://tcf.org/content/report/free-college-stay/>

College Affordability in Vermont

Average net cost (tuition + living expenses) for Vermonters, after all federal, state, and institutional grant aid, for **students in the bottom family income quintile (\$0-30,000)**

From US College Scorecard: <https://collegescorecard.ed.gov>

Champlain College	\$24,904
St. Michael's College	\$22,812
Vermont Tech	\$15,487
Castleton University	\$11,363
Northern Vermont University (average)	\$11,791
UVM	\$10,906
Community College of Vermont	\$9,374

Equity Considerations for Vermont

First-generation students

UVM: 28%

VTC: 66%

Academically prepared

UVM: 97%

NVU: ~67%

Full-time enrollment

CU: 99%

CCV: 34%

Source: VSAC Special Report. Vermont's Class of 2012: *Highlights and challenges for pursuing a postsecondary education*

[https://www.vsac.org/sites/default/files/uploads/Research/SP-ECIAL-REPORT-Vermont's-Class-of-2012-Highlights-and-challenges-for-pursuing-a-postsecondary-education\(2\).pdf](https://www.vsac.org/sites/default/files/uploads/Research/SP-ECIAL-REPORT-Vermont's-Class-of-2012-Highlights-and-challenges-for-pursuing-a-postsecondary-education(2).pdf)

Table 4. Student profiles at Vermont's public postsecondary institutions (n=1,442)

Demographic	Castleton	Johnson	Lyndon	UVM	VTC	CCV	Total
Male	44%	26%	45%	46%	63%	35%	43%
Female	56%	74%	55%	54%	37%	65%	57%
First gen	58%	68%	67%	28%	66%	66%	52%
Not first gen	42%	32%	33%	72%	34%	34%	48%
Male, first gen	21%	15%	25%	12%	36%	20%	19%
Female, first gen	37%	53%	42%	16%	30%	46%	33%
Male, not first gen	24%	11%	19%	33%	25%	15%	24%
Female, not first gen	18%	21%	14%	39%	9%	19%	24%
HS GPA B or better & Algebra II	85%	71%	65%	97%	83%	60%	80%
Intended degree							
Bachelor's	92%	88%	85%	97%	47%	40%	76%
Associate's	3%	6%	7%	1%	52%	35%	15%
Other or not specified	5%	6%	8%	2%	1%	25%	9%
Fall 2012 enrollment							
Full time	99%	95%	98%	96%	n/a	34%	81%
Part time	1%	4%	2%	3%	n/a	54%	15%
Less than half time	0%	1%	0%	1%	n/a	12%	4%

Note: Enrollment intensity for Vermont Technical College was not reported in the NSC records.

How College Costs are Covered

Total College Cost at Northern Vermont University Tuition: \$10,944 Mandatory fees: \$1,130 On-Campus Room & Board: \$10,598 Other expenses (books, course fees): \$1,200	<u>\$23,872</u>
Federal and State Grant Aid (Max) <i>for student in bottom quintile of family income (\$0-30,000):</i> <i>Pell \$6095, SEOG \$700, VSAC \$1375</i>	- \$8,160
Net Cost (if no Institutional Aid)	= \$15,712
Federal Student Loan Maximum for first-year student <i>Subsidized max amount \$3,500</i>	- \$5,500
Remaining costs	= \$10,162
<i>Options to cover remaining costs: Parent PLUS loan, student income from work, other family co-signers to private loans, institutional scholarships</i>	???

Two “Promise Scholarship” Scenarios from a Student Perspective

	First Dollar	Last Dollar
Tuition (NVU)	\$10,944	\$10,944
Room & board, fees	\$12,928	\$12,928
Total cost	\$23,872	\$23,872
Federal & VSAC Grant Aid <i>For NVU student in bottom family income quintile(<\$30,000)</i>	(\$8,160)	(\$8,160)
State Promise Scholarship	(\$10,944)	(\$2,784)
Net cost for student	\$4,768	\$12,928
Federal Student Loans	(\$4,768)	(\$5,500, max)
Remaining costs	\$0	\$7,428

Program Cost Considerations

Fall 2018 Total Full-Time Vermont Students in Certificate, Associate's, and Bachelor's Programs*	CU	CCV	NVU	VTC
	1,111	714	992	823
EXISTING AID PRACTICES AND DISTRIBUTION BY FAMILY INCOME LEVEL **				
Total Fall 2016 first-time, full-time degree-seeking undergraduate Vermont students	314	138	291	142
Average total federal and state grant aid per student (est.)	\$2,378	\$3,187	\$3,303	\$2,840
Percentage of students receiving federal aid. Of those who receive aid,	80%	91%	92%	96%
Students with family income \$0-\$30,000.	17%	38%	28%	24%
Students with family income \$30,001-48,000.	21%	26%	19%	14%
Students with family income \$48,001-\$75,000.	22%	19%	25%	21%
Students with family income \$75,001-\$110,000.	19%	10%	17%	24%
Students with family income over \$110,000.	21%	6%	11%	18%

*Estimated based on definition of program eligibility in introduced version of S.38.

** Sources: IPEDS and College Scorecard databases. See <https://nces.ed.gov> and <https://collegescorecard.ed.gov/data/>.

Other Policy Considerations

- Total indebtedness for students who don't complete when scholarship converts to loan.
- Credit enrollment strategies more suitable for working adults (e.g. 9-9-9 instead of 12-12).
- Alignment with related programs to increase success (e.g. required dual enrollment, mentoring, or community service participation).

A leading example: Tennessee

Tennessee Promise

- New HS grads
- 2-year institutions
- Last dollar tuition
- Full-time only
- Mentoring supports

17.3 percentage point improvement in outcomes for first 2015 cohort

Source: <https://www.tbr.edu/news/two-years-after-entering-college-first-tennessee-promise-students-are-outperforming-their-peers>

Tennessee Reconnect

- Adults over 24
- 2-year institutions
- Last dollar tuition
- Part-time or Full
- Success supports

More than 10,000 adults applied in first two months of program: average age 34; 2/3's have previous college experience

Source: <https://www.tn.gov/governor/news/2018/4/11/haslam-announces-more-than-10-000-adults-have-applied-for-tennessee-reconnect-scholarship.html>