

BRIEFING INFORMATION

Governor's Commission on Higher Education

June 1989

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S T A T E O F V E R M O N T

Executive Department

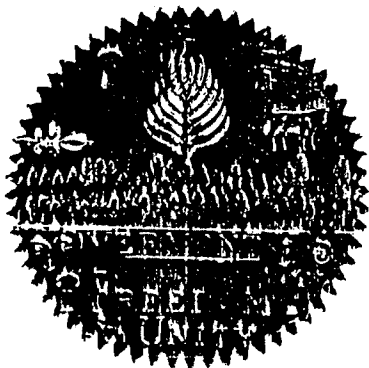
E X E C U T I V E O R D E R

- WHEREAS, the people of the State of Vermont have historically been enriched by the presence of a diverse higher education community including some elements which are centuries old and others which evolved within recent years, and
- WHEREAS, the State of Vermont has historically supported the higher education community through public policies conducive to higher learning, an infrastructure supportive of preparatory learning, direct appropriation of public monies and continued affirmation of the value of an educated and skilled population, and
- WHEREAS, the Vermont higher education community has historically demonstrated a corresponding commitment to serve state needs, and
- WHEREAS, the ability of the higher education community to continue its commitment to serve State needs depends on the availability of resources adequate for the task; resources which in part have been provided by the State, and
- WHEREAS, the State of Vermont has long demonstrated concurrent support for its individual citizens seeking higher education as well as the institutional providers of higher learning, and
- WHEREAS, the State of Vermont has legitimate interest in ensuring educational access for all Vermonters regardless of geographic location or ability to meet the costs of higher education, and
- WHEREAS, the products and benefits of higher education are essential to the future economic and social well-being of the state and its citizens.
- NOW, THEREFORE, BE IT RESOLVED THAT I, Madeleine M. Kunin, by virtue of the power invested in me as Governor of the State of Vermont, do hereby direct that a Study Commission be established to examine the present relationship between the state and the Vermont higher education community, to determine the degree to which that relationship will serve future needs of the state, and to recommend improvements to the mutual benefit of all parties. The study will consider:
- (a) the past and ongoing analyses of the relationship between the state and Vermont higher education community;
 - (b) the needs of the state and its citizens which are and could be met in full or in part by the Vermont higher education community;

- (c) the response by the Vermont higher education community to those needs;
- (d) the response by the state whereby those efforts are fostered and sustained;
- (e) the accountability for public resources allocated for higher education purposes wherever those resources are employed;
- (f) present and possible means to enrich and strengthen the partnership between the state and the higher education community so that desirable goals are better achieved.

The Study Commission will be composed of seven members appointed by the Governor. The Governor shall appoint the Chairperson of the Study Commission. Members of the Study Commission will serve for a period of six months. The Study Commission shall submit its report to the Governor no later than August 1, 1989. Administrative support for the Study Commission shall be provided by the Agency of Administration, Department of Finance and Management. Members of the Study Commission shall be reimbursed for reasonable and necessary personal expenses incurred in their service.

This Executive Order takes effect upon signing.



Witness my name hereunto
 subscribed and the Great Seal
 of the State of Vermont
 hereunto affixed at Montpelier
 this 5 day of April, A.D.,
 1989.

Richard D. Snodgrass
 Governor

By the Governor:

Elizabeth A. Rankin
 Secretary of Civil and Military Affairs

Executive Order # 73

VERMONT HIGHER EDUCATION STUDY COMMISSION

April 6, 1989

1. **DAVID H. ANGOLANO**

David Angolano is a Certified Public Accountant licensed in Vermont. He has been in public accounting since 1969. Angolano worked in state government for seven years, serving as a CPA in the Agency of Human Services. He serves as Treasurer on the Board of the nonprofit Vermont Health Care Review Organization. He is a Committee member of the Vermont Society of CPA's.

2. **ROBERT H. ATWELL**

Robert Atwell has been President of the American Council on Education since 1984. ACE is the umbrella organization for the nation's colleges and universities; its membership includes more than 1,400 degree-granting institutions and over 200 educational associations. Atwell has held various posts in higher education institutions, from faculty member to President, and has served in several positions in government in the National Institute of Mental Health, the U.S. Bureau of the Budget, and the U.S. Department of State. Atwell is widely published in the field of higher education management and student aid policies, and has served on numerous national committees and boards.

3. **ELIZABETH A. BANKOWSKI**

Elizabeth Bankowski has been the Governor's Chief of Staff and Secretary of Civil and Military Affairs since 1985. She previously served as Legislative Assistant to U.S. Representative Robert Drinan (D. MA). She has studied for the Masters in Public Administration at the John F. Kennedy School of Government, Harvard University. Bankowski most recently served on the Governor's Commission on Vermont's Future.

4. **J. CHURCHILL HINDES**

J. Churchill Hinds is Chief Financial Officer of the University Health Center in Burlington. Prior to joining UHC in late 1987, Hinds was Deputy Secretary for the State Agency of Administration. He served as the State Budget Director for six years. He worked closely with each session of the Vermont General Assembly from 1979 to 1987. Hinds is a member of several professional and academic organizations.

5. PAUL A. LACOUTURE

Paul Lacouture assumed the position of Vice President of New England Telephone for the State of Vermont in December 1987. He has worked with New England Telephone/NYNEX for 17 years throughout New England and New York. Lacouture is currently active on a number of committees including the Education Focus Group of the Governor's Commission on the Economic Future of Vermont, the Governor's Advisory Council on Technology, the Vermont Business Roundtable's Education Committee and the Vermont Interactive Television Planning Committee.

6. PAUL POIRIER

Paul Poirier is Manager for External Relations for Green Mountain Power Corporation. Poirier was Democratic Leader of the Vermont House of Representatives for six years, serving most recently as House Majority Leader, the first Democrat in Vermont's history to hold that post. He was elected to the House in 1980. Poirier served on the Special Commission that created the Foundation Education Funding Plan. Prior to his service in State Government, Poirier was a teacher at Spaulding High School in Barre for 18 years. Poirier currently serves on the Board of Civil Authority in Barre.

7. SALLIE T. SOULE

Sallie Soule is Vice President and Partner in Bygone Books in Burlington. She served as Commissioner of the Department of Employment and Training from 1985 to 1988. She was a member of the Vermont House of Representatives and then in the Vermont Senate from 1976 to 1984. Sallie currently holds membership on several boards, including the Board of Vermont Educational Television.



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PRESS RELEASE
April 6, 1989

FOR IMMEDIATE RELEASE

GOVERNOR APPOINTS COMMISSION TO REVIEW HIGHER EDUCATION

MONTPELIER, Vt. -- Governor Madeleine M. Kunin today announced the appointment of a seven-member commission to examine the relationship between the state and Vermont's higher education community. The establishment of the study commission follows a proposal in the governor's inaugural address for state review of higher education in Vermont.

J. Churchill Hinds, director of finance for the University Health Center in Burlington, was named by Kunin to chair the committee.

"It's time to take a fresh look at higher education," the governor said. "Our goal is to enable Vermonters, regardless of their income, to have access to the best possible education. The question this group will ask is, how successful are we in achieving that goal, and if we are not, what do we do about it. I'm grateful that we have such a talented and dedicated group of people to serve on this commission."

--more--

The Study Commission has been directed by the governor to consider the following:

- the needs of the state and its citizens which are and could be met by the Vermont higher education community;
- the response by the higher education community to those needs;
- the response by the state whereby those efforts are fostered and sustained;
- the accountability for public resources allocated for higher education purposes;
- the means to enrich and strengthen the partnership between the state and the higher education community so that desirable goals are better achieved.

In addition to Hindes, who previously served the state as deputy administration secretary, others named by Kunin to serve on the Commission are:

David Angolano, CPA, Shelburne; Robert Atwell, president of the American Council on Education in Washington, DC; Elizabeth Bankowski, Kunin's chief of staff and secretary of civil and military affairs; Paul Lacouture, vice president of New England Telephone for Vermont; Paul Poirier, manager for external relations for Green Mountain Power Corp.; Sallie Soule, vice president and partner, Bygone Books in Burlington, and former commissioner of the Department of Employment and Training.



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MAY 26 1989
VERMONT
MONTPELIER, VT

May 23, 1989

Donald Vickers, Acting Executive Director
Vermont Student Assistance Corp.
Champlain Mill
P. O. Box 2000
Winooski, VT 05404

RE: Plan of Study and
Request for Testimony

Dear Mr. *Vickers*:

I have recently written to inform you of the appointment of the Governor's Higher Education Study Commission. Guided by the Executive Order, the Commission has begun its examination of the relationship between the State and the Vermont Higher Education Community. This letter summarizes our plan of study and solicits your input.

The Commission has chosen to initially review three aspects of the State-Higher Education relationship: Access and Success; Responsiveness and Accountability; and Finance. Our interest in these areas is further described in the first attachment to this letter. We expect to identify some narrower issues for more in depth review as we proceed through our discussions of these general topics.

The Commission is seeking informed input through written and verbal testimony. Verbal testimony will be facilitated through three focused group discussions corresponding to each of the general study areas:

Access and Success	(June 7)
Responsiveness and Accountability	(June 21)
Finance	(June 28)

These will be public sessions with an invited group of discussants as well as an opportunity for comment by other attendees. The location and time of each session will be determined shortly. I am requesting that you determine your most appropriate institutional resource person to participate in each of these focus groups.

May 23, 1989
Page 2

A fourth session will be devoted to a dialogue with you, your board chairman, the other public higher education institutional leaders as well as representatives of the independent institutions.

An open hearing to receive testimony from the general public will conclude this phase of our work.

Your written input relevant to one or more of our general study areas is encouraged and welcomed. Testimony should be concise and in whatever format you select. Written input may be used in our public report unless it is identified as privileged.

In addition to the three areas mentioned above, the Commission will be revisiting the conclusions of the 1979 Vermont Higher Education Funding Study. That study focused on trends during the decade of the 1970's and recommended policies for the 1980's. A review of those prior efforts will be valuable as this Commission looks ahead to the 1990's. The outcomes of the 1979 study are summarized in the second attachment to this letter. The Committee would welcome your assessment of those outcomes in light of the developments of the past decade.

Finally, I would like to invite you to provide the Commission with your thoughts which may not directly relate to our general study areas or to the 1979 study. Our areas of study are drawn broadly but may not readily accommodate concerns which you may wish to share with us.

We would appreciate receiving your input as soon as you can conveniently provide it. It would be very helpful if you provide nine copies of your material.

Sincerely,



J. Churchill Hinds, Ph.D.
Chairman
Higher Education Study Commission

JCH/pts

Attachment 1: Summary of 1989 Higher Education Study Commission
General Study Areas

ATTACHMENT 1

SUMMARY OF 1989 HIGHER EDUCATION STUDY COMMISSION
GENERAL STUDY AREAS1. ACCESS AND SUCCESS

How well are the state and the higher education community leveling the barriers to access?

RANGE OF STUDY ISSUES:

- * Barriers to higher education student access. Leveling the barriers.
- * Student assistance. Portability, tuition differentials, availability for traditional and non-traditional uses.
- * Higher education and freedom of choice.
- * Importance of pluralism and diversity.
- * Quality and outcomes.
- * Barriers to student success in higher education.
- * Barriers to faculty and programmatic success in higher education.

2. RESPONSIVENESS AND ACCOUNTABILITY

Is higher education responsive and accountable? Does the community and its membership behave as responsible corporate citizens? Do services and resources extend beyond the campuses?

RANGE OF STUDY ISSUES:

- * Balancing state, regional and local, and institutional interests.
- * Governance and public accountability.
- * Responsiveness to public needs. Continuing education, outreach and mix of students.
- * Players in Vermont higher education.
- * Resources for higher education analysis.

3. FINANCE

What is the financial condition of the Vermont higher education community? How wide is the range of fiscal wellbeing? Is the state spending wisely? Adequately? Are institutions employing state funds wisely and appropriately?

RANGE OF STUDY ISSUES:

- * Fiscal health of higher education. Financial capacity.
- * Financial roles: federal, state, institutional, family, individual.
- * State funding levels and options. Institutional vs. student support.
- * Tracking the public dollar.
- * Linkages: appropriation/tuition/aid.
- * Private institutions and public dollars.
- * Institutional strategies for use of public funds.
- * Productivity, efficiency and cost containment on Vermont campuses.

Range of Study Options

Balancing state and institutional interests.
Effectiveness of the Vermont higher education community.
Governance and public accountability.
Responsiveness to public needs.
Quality and educational outcomes.

Barriers to higher education student access.
Leveling the barriers.
Student assistance.
Barriers to student success in higher education.
Higher education and freedom of choice.
Narrowing and broadening the options.

Fiscal health of higher education.
Financial roles: federal, state, institutional, family.
State funding levels and options.
Tracking the public dollar.
Linkages: appropriation/tuition/aid.
Private institutions and public dollars.
Strategies for use of public funds.
Productivity, efficiency and cost containment.

Players in Vermont higher education.
Resources for higher education analysis.
Public presence of higher education.

pts
4/26/89

A PLETHORA OF PANDORA'S BOXES

BACKGROUND

- 1) What are the issues in Vermont higher education?
- 2) Which issues are most legitimate from the state perspective? Which are the least legitimate?
- 3) Which are most appropriate to this Commission?
- 4) What issues have been addressed by recent and concurrent studies of Vermont higher education? What were the conclusions and recommendations?
- 5) How defensible is the status quo? What are the strongest pro and con arguments for the way things are presently done?

ACCOUNTABILITY

General.

- 1) Are institutional and state interests balanced? Does this issue differ for public versus independent institutions? Should the state view higher education as an economic or social issue?
- 2) How well does the Vermont higher education community work--both within itself and with other areas of public interest? Are efforts to plan, coordinate, cooperate and deliver effective?
- 3) How accountable is higher education governance? In what ways are individual board members responsible? Do public board members have additional responsibilities? Is there adequate board oversight for compensation agreements?
- 4) How responsive are higher education institutions to their communities, regions and state? Should there be review of local tax practices as applied to higher education institutions?
- 5) Are people getting what they pay for? How is the quality of higher educational outcomes assessed? Who is responsible for monitoring those outcomes?

Specifics

- 1) What barriers prevent access to higher education in Vermont? (affordability; location of residence; time and place of instruction; k-12 preparation; ability to learn; ignorance of opportunity; prejudice or bias; fear or lack of motivation)

- 2) What is being done to reduce those barriers?
Should there be public review and control of tuition levels?
Should Vermont consider plans such as tuition savings plans and tuition bonds?
- 3) What has been the trend of VSAC grant funds given the changing student profile? Are the special needs of minorities and nontraditional students met adequately? What are the trends and underlying reasons for student debt?
- 4) What are the barriers to success in higher education?
How should "success" be defined? Retention through graduation? Employment indicators? Loan repayment? Giving?
- 5) How broad is the range of higher education choices (type of institution as well as courses of instruction)? Does it depend on whether you are a traditional or nontraditional student? Where you live? What you can afford?
- 6) Are the choices inclusive of all areas of student interests/modes of delivery? What is missing? Is duplication excessive?
- 7) Should the span of choice be more limited for students in need of public assistance (grants or loans)? Are current portability and tuition differential policies too broad?
- 8) Are two year/four year articulation agreements and practices adequate?

PUBLIC FUNDING

- 1) What is the state of the fiscal health of the public institutions? In what ways and to what degree is there State responsibility for the health of independent higher education?
- 2) What has been the trend of public funding for higher education in Vermont--state as well as federal support? Is being last in the country in terms of public support for higher education wise and clever or naive and misguided?
- 2) Can Vermont afford to do it any other way? Where will new dollars come from? Are present investments being fully and wisely utilized?
- 3) Should higher education be funded according to different budgetary rules or protocols?

4) What is being done with state funds? Where and how have state dollars been employed?

by institution
by function (e.g. student aid, instruction, administration)
by program (e.g. undergraduate, graduate, professional,
continuing education, special area such as agriculture)

5) How should independent institutions be accountable for public funds?

6) Have state funds displaced other funds which would have otherwise been available for the same purpose? That is, are State funds employed on a first dollar or last dollar basis?

7) Are funds employed in a fashion consistent with public intent?

8) How are higher education institutions pursuing goals pertaining to productivity and cost containment?

PUBLIC PRESENCE AND RESOURCES

1) What should be the role of the Vermont Higher Education Planning Commission? Is the role appropriate given the issues to be addressed and the resources of the membership?

2) What should be the role of the Vermont Higher Education Council? Is the role appropriate given the issues to be addressed and the resources of the membership? Should there be a more official public recognition of VHEC?

3) Are resources for data and policy analysis adequate and sufficiently coordinated? Is there an adequate clearinghouse function for higher education in Vermont?

4) Does the present structure in Vermont government (executive office, legislature) adequately represent the needs of the higher education community and the needs of government?

Re: April 26th Meeting of Study Commission

Commission members present: Church Hinds, Sallie Soule,
Paul Poirier, Liz Bankowski, and Paul Lacouture

Commission members absent: Bob Atwell and David Angolano

Staff: Sue Villanti

Guests: Joe Moore (VSC), Bob Stanfield (UVM), Stew LaCasce
(VHEC), and Judy Rosenstreich (AVIC)

Introductory comments - Church's letter went to 69 people,
including all college presidents, executive directors
of VHEC and AVIC, legislative chairs (Education and
Appropriation Committees).

Issue lists developed by Sue and Church

Becker polling on behalf of consortium of private businesses

Bob Atwell has offered ACE's key research person to do work
for Commission (Art Hauptman).

MEETING BEGINS WITH DISCUSSION OF PRINCIPLES from a higher
education funding study done 10 years ago. Policy goals were
identified. Are they still relevant?

1st - DIVERSITY of our system, the whole system (public and
independent). "It is in the state's interest
to encourage diversity." - Church

2nd - QUALITY

3rd - FREEDOM OF CHOICE There are very few places where
students have greater freedom of choice
than in Vermont. Students have built-in
differentials (that are worth looking at)
and also can go out of state. - Church

4th - ACCESS Southern Vermont--people still concerned
about access.

5th - ACCOUNTABILITY Uppermost on Governor's mind.
Responsiveness of Middlebury to its local
community

These are the basic goals Legislature looked at in 1980.

Sallie - #3 is still debatable. It's philosophical. I happen to lean in favor of what it says here, but it's an open question and some of our institutions would like to see money follow institutions, not students. Portability question.

Church asked Sue to get for Commission an analysis of how Vermont's freedom of choice ranks against other states. How extensive is portability?

Sue said in New England, it is a common practice but not as widespread in rest of country.

Church - If we were to restrict portability, would it trigger a response from other states?

Paul P. _ Wants to know how much VSAC money that is awarded goes out-of-state, as compared to amount to students attending Vermont colleges.

New England compact - To what courses and/or entire programs does it apply?

Church - What is our (the state's) legitimate interest in private colleges? Does it go beyond how VSAC money is spent?

Colleges help to sustain local economy.

Liz - Apart from its role in educating students, what is an institution to its community? * That issue is not covered by any of the 5 principles. Also, the workforce issues need to be looked at in more detail.

* What are the other products?

What else is not covered by the 5 goals?

Sallie - Policy goal for governance.

Paul P. - How have the costs to operate public schools increased as compared to private schools? Have the costs been parallel? I want an analysis of price.

Are there things out there that are diminishing choice?

Sallie - Who are the consumers? Different than 10 years ago...adult students. We need to be briefed on this.

Liz - How do institutions treat Vermonters? What is the percent of effort individual institutions make to educate Vermonters?

Church - Are there any other baseline principles?
On the issue of governance, we rely on the integrity of individual boards.

Paul L. - I don't see that as a goal. It would not be a goal to have governance.

Church - The goal may be to foster responsible programs through governance.

Liz - Governance is clearly something we have to keep on our plate.

Let's measure 5 or so goals and see where we are today. For example, how diverse is our system. We are making an assumption that it is diverse.

Paul P. - Are we spending taxpayers' dollars in the most effective, efficient manner?

Paul L. - These are the goals of 10 years ago. How are we doing today? Assess where we stand relative to these goals. This assessment is 1st step. Then we can identify problems. How can we do it better? Once we look at each goal, we can narrow what is necessary to address.

Church - I see two forks in the road, two intersections--

1. To what extent should we focus on financial matters?
2. Independent or just public institutions: How much should we bite off?

What is our focus?

Liz - Governor was inclusive. It's time for state to get involved in private institutions. Their bonding assistance request begs the question, What is their impact on the economy, how do they serve consumers, etc.

We can't exclude the privates.

We need to create the framework to have

discussions, which have started in Montpelier, if we are to continue those discussions.

Sallie - Resource allocation
Accountability
Governance

These are the areas we identified at our initial luncheon. I don't perceive that the Governor is interested solely in financial matters.

Is there an historical graph of Vermont's contribution to students, to institutions? This is the kind of resource allocation issue that we have to look at.

Church - The smoothest road is to look only at finance and only at public institutions. I hear you saying we should take the bumpiest road -- beyond finances, and at all institutions. By increasing the scope, we limit our depth.

Paul P. - If we limit ourselves to public institutions, we are wiping out half the state. We need to address whole picture.

Liz and Paul P. - Raised question of how much information we can obtain from private schools.

Liz - UVM: We can't avoid issue of whether it is public or private. If we don't include this issue, people will say we have ducked the issue. It must be kept on the plate.

Governance: We must look at it; give our recommendations about the structure.

High tuition-high state aid: Review this.

Church - We have to put together the best arguments in favor and the best arguments against, and see how it stacks up.

Paul P. - We made tremendous investment in elementary/secondary education. What is there for them in postsecondary?

Sallie - Aspiration rate.

Liz - I have a feeling that programs that serve adult learners who are highly motivated are making money. Who is their market?

Liz and Sallie - Want comparative data--today compared to 10 or 15 years ago.

Paul L. - What if we asked the schools to give us an analysis of what has occurred in last ten years in respect to diversity, access, quality, meeting society's changing needs, how much outreach has been done by institutions in their communities?

Church - We can't rely solely on the industry's data. We need some of our own. Liz agreed.

Paul P. - When we ask the institutions, How are you meeting these goals?, we don't want a 50 page document from each school on how wonderful it is.

Paul L. - Schools may come back to us with, We are having trouble meeting certain goals. Church responded that these goals are mutual.

Liz - What is the capacity of institutions (resources, endowments) to meet these goals? You have to measure their financial capacity, not just accept their statements that they can't meet certain goals because they lack resources. This applies to UVM. We need honest information on assets, budgets, etc. Church will have to negotiate with schools for us.

If private colleges want more of a role from the state (capital financing), they need to be forthcoming with data.

RECAP OF DISCUSSION BY CHURCH

3 issues: (Resource allocation) plus: 5 to 10 policy goals
 (Accountability)
 (Governance)

Survey document: (1) one for publics, (2) one for privates,
 (3) one for VSAC, (4) one for users, like secondary school people (guidance counselors)

Sallie - This per capita business. How much support does Vermont give to higher education? Are we or aren't we at the bottom of the list in per capita support for higher education?

Church - Meeting students' needs once they are in the system. After access, what is the success rate?

Paul P. - What is the maximum grant a student can get from VSAC?

Sallie - Turf issues are still very evident in this state and the question is do we want to get into this?

Church - I have that listed in one of my Pandora's Boxes.

MEETING SCHEDULE

MAY 17 AND 24 4:00 TO 7:00 P.M.

JUNE 7 AND 21 4:00 TO 7:00 P.M.

All tentatively at New England Telephone, South Burlington.

HIGHER EDUCATION STUDY COMMISSION

NOTES FROM MEETING ON 5/17/89

Commission members present: Church Hinds, Sallie Soule, Paul Poirier, Liz Bankowski, Paul Lacouture, and David Angolano.

Arthur Hauptman attended for Bob Atwell.

Staff: Sue Villanti

Guests: Fred Curran (UVM), Joe Moore (VSC), Tim Wick and Britta Anderson (VSAC), Stew LaCasce (VHEC), Judy Rosenstreich (AVIC), and Allen Gilbert (reporter).

Church opened the meeting by suggesting that the Commission use the Vermont Higher Education Funding Study of 1979 (Smallwood Report) as a starting or reference point. A lengthy discussion followed with Commission members trying to define their focus. Church commented that the sentiment of the majority of members was to narrow the focus of their study. He also noted that the August 1 report would be preliminary in nature and would identify the macro issues. It is anticipated that work will continue throughout the year as issues crystalize.

The Focus Group approach was questioned and after much discussion, it was agreed that there will be three Focus Groups:

1. Accessibility/Success
2. Responsiveness/Accountability
3. Finances

Coordination was eliminated as a Focus Group and Quality/Outcome will be covered in the Responsiveness/Accountability session.

The next meeting (5/24) will be devoted to "Higher Education 101". Members of VHEC's Data Group will give the Commission a presentation that will cover:

- Players
- Lay of the land
- Data

Members of the Data Group are: Britta Anderson (VSAC), David Abbot (Norwich), Joe Moore (VSC), Fred Curran (UVM), and Dick Myhalyk (St. Mike's).

The June 7th meeting will be devoted to Access, with representatives from guidance and financial aid giving testimony.

The June 21st meeting will focus on Responsiveness/Accountability.

June 28th will be devoted to Finances.

There will also be a meeting devoted to UVM, VSC, VSAC, AVIC, and the Legislature. It's expected that Lattie, Chuck, Don, Janice Ryan, and Edgar May or ~~Bob~~ ^{John} Murphy will attend and testify.

The final meeting will be open to the public and will invite comments from anyone on any topic involving higher education. To accomplish this ambitious agenda, it was decided to meet more frequently and for longer periods of time.

Subjective Comments:

I believe the Commission has an agenda to:

1. Create a governance structure for Higher Ed and VSAC;
2. Move money from students to institutions;
3. Change/eliminate portability.

Liz Bankowski said repeatedly that she didn't want to hear from principals. Instead, she wants to hear what is wrong. She also stated (indirectly) that VSAC has to be more accountable and that our Board must change.

Sallie Soule repeatedly raised questions about students having "too many choices" and wants to analyze why VSAC has gotten such large increases.

There are also some serious misconceptions about the cost of portability. Church needs to be educated. Sallie, Liz, and Church need to understand the repercussions of funding institutions rather than students.

Finally, I was amazed at how ill-informed the Commission is in regard to VSAC and our services. Our only friend in the room that evening was Paul Poirier.

TCW/jcd

HIGHER EDUCATION STUDY COMMISSION

NOTES FROM MEETING ON 5/24/89

Commission members present: Church Hindes, Sallie Soule, Liz Bankowski, Paul Lacouture, and David Angolano.

Staff: Sue Villanti

Guests: Joe Moore (VSC), Tim Wick and Britta Anderson (VSAC), Judy Rosenstreich (AVIC), Sister Janice Ryan (Trinity), Bob Skiff (Champlain), Ken Smith (Norwich), and Father M. (St. Mike's).

Church opened the meeting by defining the task. He said it was an evening to listen and learn from the Data Group.

3-ring binders were organized according to Focus Groups.

1. Sister Janice began with an explanation of the organization of Vermont Higher Education.

Janice gave an overview of VHEC. Paul Lacouture raised questions about governance and decision making process in VHEC. Janice responded that they operated by consensus and intent is not to govern/regulate.

2. Higher Education Planning Commission

Kunin stressed that she was interested in strengthening the relationship between business and Higher Ed.

Sallie Soule said that the Commission is **ADVISORY**. Used example of CCV disagreement to show that the Commission lacks teeth.

Sallie said that the Commission wasn't very effective. Britta countered.

3. AVIC

Janice stressed that AVIC was/is lobbying org. Not much in terms of questions.

Church asked about funding sources for the various groups.

Janice stressed that the environment was COOPERATIVE.

Joe Moore - brief explanation of demographic trends.

Britta - emphasized that cont./aspir. rate was in a "nice" trend.

Liz Bankowski - asked for retention info on VSAC applicants. Britta said yes, but said you had to be careful on how you interpreted the data.

Church commented that retention was an issue the Commission wanted to focus on (Support).

Paul Lacouture raised questions re: aspiration.

Sallie Soule asked why private enrollment has gone up so dramatically.

Church commented that the privates have been much more effective at "selling tickets".

Joe Moore presented data.

Church commented that he thinks institutions need/should provide programs for non-traditional students. Also expressed concerns re: the possibility of having college "abandoning" adults for traditional students if enrollment trends change.

David Angolano asked why graduate enrollment had declined.

Britta made some comments about the change in UVM's student composition, i.e. they are attracting less needy students.

Questions were raised regarding Vermont being first in the nation (in terms of tuition).

Britta presented information on portability.

Question was raised about our balance of trade in student aid. Liz B. asked Britta what she thought.

Sallie Soule asked why we were portable. Britta responded by saying it was a choice issue.

Britta explained TD and gave a brief synopsis of our funding model.

People were somewhat confused about the chart on student debt.

There was a lengthy discussion regarding Loan programs, defaults.

Church pointed out that VSAC's grants in constant dollars would have declined.

Paul L. asked what is the bottom line on access. Britta responded that access was not a problem.

Joe Moore asked the Commission to look at access in relation to:

1. Programs
2. Cost
3. Indebtedness

Father M. said independents are making up the decline in federal/state aid by charging more and redistributing the \$.

Judy R. showed that independents are doing more than publics vs. independents.

Some interest in TRIO.

Church and Sallie are on inactive status for their respective Boards for the duration of the Commission.

No comments on the Finance section.

Data Group was complimented.

Comments made re: cooperative approach.

Church encouraged Data people to approach Commission individually.

JR offered to bypass the Data Council.

Father M. asked to have more information on tuition differential and its impact on overall students.

Interest in a more thorough retention discussion.

Church asked about measures for success in terms of college students.

TCW/jcd

MINUTES OF HIGHER EDUCATION STUDY COMMISSION MEETING

June 7, 1989, Statehouse Cafeteria, Montpelier, Vermont

All commissioner members were present.

Invited panelists are attached. There were also approximately 20 other guests, including Bob Stanfield, Joe Moore, Fred Curran, Ken Smith, etc.

Church opened the meeting by explaining the purpose and "charge" of the Commission. He emphasized that the Commission wanted to hear from the people in the field.

We then spent about 45 minutes going around the table introducing ourselves. Most introductions included an explanation of that individual's role in education, their brief thoughts on access, and sometimes their concerns.

Concerns included:

Bob Bates - interested in having business and education forming more of a partnership to promote access. Also concerned about doing more for first-generation, low-income Vermonters.

Bob Rowe - believes there is a perception of limited access due to high costs. He also mentioned the debt burden for out-of-state students.

Pat Connelly - concerned about access/success for non-traditional students.

Dave Coseo - believes access/cost will be a problem in the near future.

Randy Draper - concerned about access for non-traditional students. Also interested in improving retention.

Nancy Chard - concerned about access for non-traditional students.

Dave Myette - concerned about debt burdens.

Maureen Gardner - concerned about debt burdens.

Patricia Eldridge - concerned about non-traditional student access. Also mentioned duplication of services.

Jerry Flanagan - believes that choice is as important as access.

Following the introduction, there was a discussion of how students choose college. The majority opinion was that cost is the most important factor and that students are moving from private to public. (However, research/data doesn't

Page Two
Minutes of HESC Meeting - 6/7/89

support this in Vermont.) There was a lengthy discussion about UVM's packaging. Commission members were surprised that students can attend there with no debt.

Bob Atwell then raised the question of why we have portability. What ensued was a one-hour discussion that was very spirited. The guidance people, VSAC, and the privates supported portability while CCV, UVM, and the VSC people opposed it. The Johnson State contingent suggested that some of the funds going out-of-state could be better used for student support services. Interestingly, it seems that Liz Bankowski and Sallie Soule were supportive. However, Bob Atwell is strongly opposed. He also said that he found it ludicrous that students could take more money out-of-state than they could to a state college.

Church then asked people to grade the state's efforts on access. Grades ranged from D+ to A+. However, there was universal concern about the future. Erosion of choice was also a constant theme.

Page Three
Minutes of HESC Meeting - 6/7/89

SUBJECTIVE OBSERVATIONS:

VSC people were determined to question the current portability issue.

Linda Kreamer obviously had not gotten the message that UVM supports portability.

Bob Atwell sounded like a Marshall Witten clone on the issue.

Unfortunately, the privates were relatively quiet on this issue as were the guidance people. However, Britta was extremely vocal.

Chuck and Lattie had apparently not issued their marching orders.

We need to have some supporters write directly to Church on this issue.

TCW/jcd
attachment

MINUTES OF HIGHER EDUCATION STUDY COMMISSION MEETING

June 21, 1989, State House, Montpelier, Vermont

Absent Commission Members: Bob Atwater, David Angolano.

Guests: Dave Myette, Kay Kennedy, A. Gilbert, Ellen David-Friedman, Will Miller, Judy Rosenstreich, Bob Stanfield, Fred Curran. See attached for invited guests.

Church opened the meeting reviewing the Commission's charge, then said tonight's focus would be:

1. Responsiveness/Accountability
Including Business
2. Outreach Efforts
3. Governance and Trusteeship

He also said that they would be focusing on UVM and trying to determine what type of "beast" it is. Church then said he would like to start with town/gown relationships in Burlington.

Erhard Mahnke said that Burlington had four relationships (UVM, Trinity, Champlain, and Burlington College) with colleges. He then said that historically, UVM-Burlington relationships had been less than ideal. However, relationships have improved in the last six months. Mahnke said there were five key issues between Burlington and UVM:

1. 25% of the taxable land in Burlington is owned by UVM.
2. UVM demands a lot of services (fire, police, etc.) and doesn't pay for them.
3. Housing - the city is overrun by students seeking housing. Students have caused the rents to rise.
4. Traffic and Parking - Students don't follow the rules, lack of parking spaces. Students cause congestion and noise.
5. Burlington has become a playground for the out-of-state wealthy students.

Liz Bankowski asked if there were any solutions on the horizon. Mahnke said yes (tentative). Liz also asked if there were any formal vehicles for communication between the city and UVM. Mahnke said there were, but the relationship between the two was hot and cold. Mahnke said that UVM could and should contribute more for city services.

Ray Allen said that it was a complex issue and cited examples of how UVM did contribute to the city in a variety of ways. Ray then continued talking about how UVM had tried to work with the city. He cited several examples of their good will (i.e. parking, housing, bridge over Main Street, etc.).

Paul Poirier asked Ken Minier about VTC-Randolph relationship. He responded by saying their situation was the opposite of Burlington-UVM. He said VTC has been responsive and has also contributed to the financial health of the town (about \$50,000/year and payment for *all* services).

Bob Clarke then noted that 83% of the students live on campus. He said that very few of the students live in Randolph. Those that live off campus tend to commute. Paul Poirier asked if VTC was a "good neighbor". Minier praised the college. Bob Clarke also said 63% of their employees were local. Bob cited many examples of how VTC is responsive and what types of services they provide the town.

Paul Poirier then asked about Middlebury College. Betty Wheeler said that Middlebury and the town have a close relationship. Middlebury College employees are highly involved in town politics and consequently affect town policies. Citizens responses to this are varied. Sometimes the college can be "heavy handed".

Betty Wheeler then cited several examples of how the college could be more responsive to the town's financial needs (taxes, services, housing, etc.). She also said the college is covetous of their land and doesn't allow much citizen access to campus facilities. She summed up - "Middlebury is willing to help us, we just have to tell them what to do." Betty added a postscript saying that Castleton used to be terrible in regards to town/gown efforts. (Prior to Middlebury, she was town manager of Castleton.)

Paul Poirier then asked John E. what it was like in South Royalton. John answered that he felt the college (Vermont Law School) had a good relationship with the town. He cited examples of how VLS and So. Royalton cooperates - paying more taxes, using selectmen as part of orientation, and purchasing housing.

Paul asked if Trinity and Champlain were good neighbors. Mahnke said that Trinity and Burlington College are good neighbors. Wool said that Champlain and the city are developing an adversarial relationship because of:

- housing
- noise
- traffic
- erosion of neighborhoods

Liz B. asked how can UVM/Burlington have a relationship like VLS and So. Royalton. Mahnke said that many of the problems are due to UVM's size. He said that UVM has not been responsive enough to student housing needs. Mahnke said UVM was like a monolith. Liz asked why UVM and Burlington can't make more progress. Ray Lavigne said that UVM was responding by:

- allowing fewer cars
- creating more parking spaces
- setting up a more extensive shuttle system

Ray also acknowledged that there would always be town/UVM tension. He said that each side must be more willing to communicate and compromise. He also expressed optimism about Peter Clavelle working with UVM (as opposed to Bernie).

Paul Poirier asked what expectations the state should have on institutions that receive public money. Susan Terry (Woodbury) responded (she didn't really answer his questions) saying that Woodbury was responsive to local and state needs.

Church asked how the colleges were being responsive in a programmatic way to community's needs.

Wade Walker responded by talking about VTC's reaction to the need for auto mechanics. His comments were all extremely positive. Bob Clarke amplified the above. He pointed out how innovative VTC was. John Engroff jumped in and made the point that the state should not mandate that institutions provide specific services. He also said that the tone is set from the top. If a president believes in strong community relations it filters down.

Sallie Soule asked about what communities get for the \$60 million the state spends. Sigh Searles responded with an excellent summary of what is offered and available to adults throughout the state. Susan Terry suggested that the state could/should help with telling institutions to cooperate more.

Liz B. asked what is the definition of a college as a good community neighbor (and/or a good corporate citizen). Ray Allen answered by giving about ten examples (extension service, cultural activities, etc.) of how UVM is being a good neighbor.

Bob Clarke redirected the discussion by citing the major goals of the Futures Task Force report. He also stressed that public institutions need to respond to public demands. He then listed about 20 examples (Interactive TV, VAST, etc.) of how VTC does this.

Doug Walker (Basic Education) changed the direction of the discussion. He said that there could be more cooperation and collaboration. He also said that there was a need for good data and better planning. He also said colleges can be more responsive to K-12 schools.

Mike Audette said that the guidance in the state "needed help". Sigh countered by explaining Outreach and talked about regional efforts for coordination of services by educators and counselors. Paul P. changed the direction by asking about accountability. Ray Allen explained UVM's Board structure and function. Mike Audette explained the Board function and structure at the Vermont State Colleges. He said the VSC Board was a "tight ship".

Church asked Ray Allen and Mike Audette how they think Board members should be appointed. Ray said the current system works well at UVM.

Liz B. questioned whether or not legislators were shut out of executive roles on board. Ray countered by saying no. Mike Audette said the current system works well at VSC and the Board structure is "open". All committee appointments at UVM and VSC are done by chairman.

Will Miller then "blew things open" by stating that UVM management was essentially white-washing the board. He said most of the board had no idea what Lattie's salary was. He also said that the University Administration discourages community involvement for faculty and staff. Will said he felt UVM was "really interested" in being an exclusive private institution for wealthy out-of-staters. Will said that UVM is skimming Vermont's best. He summed up by saying UVM's vision was blurred because of it's confusion over it's private/public identity.

Church asked Lee Liggett and Jim Suskin to clarify the issue of public vs. private. Jim S. said that there is no question that UVM is public. He also said that UVM isn't accountable. He cited Lattie's salary and the golden handshake. Jim urged the commission to see that UVM becomes more accountable. Lee L. agreed that UVM was a public entity. He said that UVM has no desire to be private. Lee also said that all Board meetings were open. Liz B. asked what was the advantage of UVM being "part public/part private". Lee L. stressed the uniqueness of UVM. Paul P. said that UVM can't have it both ways. He asked again if they are public or private. Paul also said he thought legislators were sometimes "shut out" of key Board positions. Ray Allen said this was not true.

A spirited discussion ensued about whether or not UVM salary information is available to the public and the legislature. Church then summarized by saying it was a complex issue.

Subjective Comments:

The theme for the evening was "let's beat up UVM and praise the State Colleges". The invited speakers that were associated with VSC were well prepared and had nothing but praise for the state colleges.

In contrast, Mahnke and Will Miller were vituperative in their comments about UVM. Sallie Soule was visibly upset during much of the discussion.

There was little interest and discussion about VSAC. I think this worked to our advantage.

VERMONT HIGHER EDUCATION STUDY COMMISSION
DISCUSSION ON RESPONSIVENESS AND ACCOUNTABILITY
JUNE 21, 1989

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SAV: 6/15/89

Education Study Committe

By ALLEN GILBERT
SOUTH BURLINGTON —

How to address issues ranging from college opportunities for low-income Vermonters to legislative distrust of the higher education community was the focus Wednesday of the second meeting of the gubernatorial Higher Education Study Commission.

The commission, chaired by former Deputy Secretary of Administration J. Churchhill Hindes, was appointed in April by Gov. Madeleine M. Kunin to look into the relationship between colleges and the state.

Some of the impetus for forming the commission came from questions raised during this year's legislative session about finances and admissions at the University of Vermont.

"Paul Poirier, a member of the commission, said a central issue the commission should investigate is, "How accountable should any school that gets any public money be to state officials?"

"There is a tremendous distrust in the Legislature right now of the higher education community," the former House Democratic leader said. "That's a reality in our state."

Earlier in the meeting Hindes had posed the question, "Should higher education funds be appropriated according to different budgetary rules or protocols?" Although not a direct criticism of any of the institutions or agencies that receive state higher education dollars, the comment indicated the broad scope the commission plans in meeting the governor's mandate to study the state-college relationship.

The main recipients of public funds for higher education are the University of Vermont, the Vermont State Colleges and the Vermont Student Assistance Corp.

"I think that when we're talking about a \$60 million investment, I do think it's relevant to ask, what are we getting for it?" Hindes said.

Commissioner Sallie Soule wondered, "Do we perhaps have too much higher education?" Her comment runs counter to educators' feelings that Vermont, which gives less to higher education than any other state in the country, should provide additional public funds to colleges.

Kunin's top aide, Elizabeth Bankowski, also a commission member, said, "The real terrain of our work is to judge the financial situation." The comment was a reference to the fact that currently several other groups are also reviewing higher education needs and opportunities in the state.

Another critical question the commission is expected to answer is what part of UVM is public and what part is private, she said. That issue, which has its roots in a 1955 legislative change making UVM a loosely defined "instrumentality" of the state, has been stirred again because of a union-organizing drive at the university. Whether the school is public or private will have a bearing on whether the state or federal government has jurisdiction over the organizing effort.

Bankowski said there was generally a "vacuum of information" concerning higher education in Vermont. "The best contribution we can make is to provide better information," she said.

Hindes noted, "We have all these institutions in this little tiny state," and yet there is no "higher education superstructure" guiding public policy. "It's a big industry; is it clicking?" he asked.

Normally, questions of effectiveness are dealt with in one-hour budget review sessions before each legislative appropriations committee and the governor, he said. That sort of oversight is inadequate, he said.

Bankowski stressed, "we

must be fair and candid" in addressing issues. She predicted next year the Legislature would be scrutinizing education budgets more closely than ever. There will have to be "more accountability" in higher education, she said.

In the past, legislative fiscal oversight has "been based more on going by the seat of your pants." This year was a "transitional year," she said, when the need for greater accountability — because of tighter money and broad educational issues — became clear.

Hindes asked whether the state, through VSAC, can continue to allow the range of educational opportunities now available to students accepting financial aid dollars.

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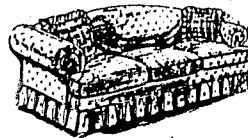
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DAY MORNING, MAY 19, 1989

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e Looks at Range of Issues

Vermont is somewhat unusual allowing state financial aid money to be spent at out-of-state schools. His question drove to the heart of what has been a basic tenet of VSAC's philosophy since it was started by Gov. Philip Hoff nearly 25 years ago: the "portability" of SAC funds to be taken outside Vermont.

The policy — sometimes refer-

red to as a "high-aid, high-tuition" model — essentially "bleeds" publicly supported schools such as UVM of state funds. The issue has long been a sore one with some UVM supporters, who say that if the state wants to support a high-quality public university it should channel most of its funds directly to that institution.

Another issue the commission

wants to touch on is the relationship between schools and the communities in which they are located.

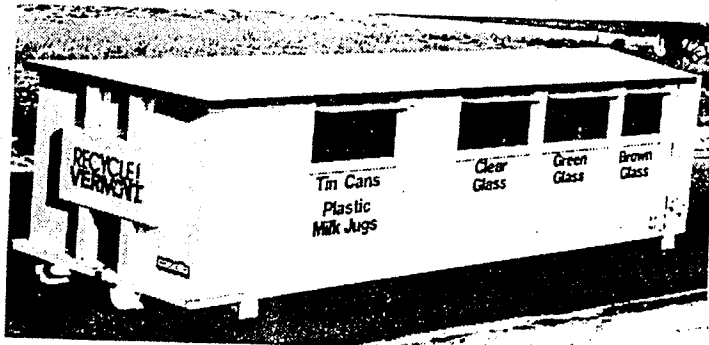
The committee devised a working schedule that includes a crash course in general higher education issues, three "focus groups" addressing specific areas of concern, and a public forum.

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Colleges See Rise In Adults

BY ALLEN GILBERT
SOUTH BURLINGTON — Vermont's colleges are increasingly populated by adult learners, helping schools stave off possible decreases in enrollments due to fewer high school graduates.

And although the cost of going to college continues to climb, officials from Vermont Student Assistance Corp. don't believe lower-income Vermonters are being denied the chance to continue their education because of lack of money.

These generalizations, and a host of others, were presented Wednesday to the Higher Education Study Commission in what J. Churchill Hindes, chairman, dubbed "Higher Education 101."

(See Page 18: Adult)

Adult

Continued from Page One

The crash course on how the state's public and private schools click came during the commission's third meeting, held here Wednesday. Representatives of some of the schools and of the student assistance corporation led commission members through a folder of statistical data they had gathered.

Despite both national and state demographic trends of fewer high school graduates, Vermont's colleges and universities have maintained healthy enrollment levels. Private colleges in the state have even seen their total "head counts" increase substantially.

One reason, according to Britta Anderson, VSAC research analyst, and others, is that a higher percentage of Vermont high school students want to go to college, keeping the applicant pool relatively stable. The state's so-called "aspiration" rate has risen from about 49 percent in 1978 to nearly 63 percent in 1988. The national average is 49 percent.

The other main reason is the growth in what are often called "non-traditional" students, adult learners who attend college part-time while still working, or who are simply taking college courses out of general interest or for personal or professional growth.

The number of part-time students at Vermont colleges has increased 31 percent in the past 10 years, and the number of "unclassified" students — typically, those not working on a specific degree — has increased 65 percent.

Better marketing has also helped Vermont schools attract and retain students, said Fred Curran, University of Vermont research analyst.

Lurking behind a number of questions commission members had was the issue of college costs. Paul Lacouture asked if affordability was factored into enrollment projections; it is not, he was told.

"This industry is not very price-sensitive," Hindes said at one point.

The total amount of VSAC grants has risen from \$3.9 million in 1979 to \$8.5 million in 1988. Institutional aid — financial aid that colleges themselves provide students — has risen even more dramatically.

The Rev. Richard Myhalyk of St. Michael College noted that in 1979 his school gave out \$300,000 in aid; now it gives out \$2.5 million.

"We turn around the tuition dollars we take in and give them out as aid," he said.

Judy Rosenstreich, director of the Association of Vermont Independent Colleges, said private schools gave out \$13 million in institutional aid; the public schools gave out another \$2.7 million.

A trend that all found disturbing was the rise in student indebtedness. A big debt often accompanies a diploma at graduation time, it was noted, and the size of the debts keeps rising.

Higher college costs, however, don't appear to hinder Vermonters from attending college, officials said.

Lacouture asked, "Is higher education becoming less accessi-

ble?" Anderson replied, "The numbers show the opposite." Elizabeth Bankowski, the governor's top aide, then asked, "Across the socio-economic spectrum?"

"Yes," said Anderson. Joseph Moore of Vermont State Colleges cautioned the commission to keep cost in mind as it conducted its review.

Other information presented at the meeting included the following:

— 19 percent of Vermonters are college graduates.

— Vermont is a net "importer" of students, meaning more students come to Vermont to study than leave.

— 56 percent of students at the state's public colleges and university receive financial aid; at private colleges, the figure is 72 percent.

— Fewer Vermont UVM students receive VSAC aid today than 10 years ago, suggesting today's students are from wealthier families.

— Since the 1981-1982 school year, tuition at UVM has risen 78 percent, 80 percent at the Vermont State Colleges and an average 77 percent at Vermont's private colleges.

— The number of Vermonters studying agriculture and natural sciences has dropped sharply in the last 10 years.

— The number of Vermonters studying business has increased.

Most of the data presented at Wednesday's meeting was prepared by the Data Gathering Council, an arm of Vermont Higher Education Council.

STATE OF VERMONT

ATTACHMENT 2



E — c/o Department of Budget and Management Pavilion Office Building Montpelier, Vermont 05602 Telephone (802) 828-2376

December 15, 1979

To All Persons Interested in Vermont Higher Education:

I am pleased to transmit the Vermont Higher Education Funding Study which has been prepared in response to J.R.S. 20 by the Vermont Higher Education Planning Commission working jointly with four legislative appointees from the House and Senate.

Our study has analysed state funding trends during the past decade in an effort to determine what share of the state general fund should be appropriated to support the needs of higher education, and how these funds should be allocated. The study has indicated that there has been a moderate, but steady, slippage in the level of state support for higher education during the 1970's. As a result, the study group has recommended that the share of the state general fund appropriated for higher education should be increased in the future and should be allocated in accordance with the policy goals and operating principles set forth in this report.

During the course of our study, we speculated on why this slippage has taken place. We believe that one problem may have resulted from a lack of comprehensive background information on trends in state funding for higher education over time. To the best of our knowledge this is the first report that attempts to fill this gap by providing such comprehensive information, and we hope that our analysis will be useful to public officials who are responsible for developing funding policies in the future.

Further copies of this report, and the information sourcebook which accompanies this report, can be obtained from the Vermont Higher Education Planning Commission, c/o Department of Budget and Management, Pavilion Office Building, Montpelier, Vermont 05602.

Frank Smallwood
Frank Smallwood
Chairman

-|-

OVER

Vermont Higher Education Funding Study

Summary

The basic objective of this report, prepared by a special study group consisting of the Vermont Higher Education Planning Commission working jointly with members of the General Assembly in response to a joint resolution (JRS 20) adopted in April, 1979, is to present recommendations on the share of the state's general fund to be appropriated to support the needs of higher education in Vermont, and on how this appropriation for higher education should be allocated to the various state-funded higher education activities. The report focuses on the principal state-funded higher education entities---the University of Vermont, Vermont State Colleges and the Vermont Student Assistance Corporation.

Part I - Analysis of State Appropriations

The study group analyzed higher education's share of the total general fund in three ways: historic trends in general fund appropriations for higher education in Vermont during the past ten years, how Vermont higher education funding efforts compared to those of other states, and a study of enrollment trends of Vermont students enrolled in state-funded higher education institutions and programs.

The results of that analysis are summarized in the following seven points:

1. the percentage share of the total general fund which is appropriated to support higher education has declined from 14.9% in FY 1970 to 13.8% in FY 1981;
2. appropriation increases for higher education have not always kept pace with increases in the Consumer Price Index;
3. higher education general fund expenditures have increased at a lower percentage rate than those of any other major area of state activity during the period from FY 69 to FY 78;
4. Vermont's public higher education institutions rely more heavily on tuition revenues and receive a lower percentage of their budgets from state appropriations revenues than is the case in other states;
5. Vermont ranks 50th among the fifty states in terms of the percentage increase in state appropriations for higher education during the period from 1970 to 1980;
6. the number of Vermont students enrolled in the state's higher education institutions has increased during the past ten years by 14% at UVM, and by approximately 25% at Vermont State Colleges and the independent colleges in the state;
7. state higher education allocations/appropriations per Vermont student directly served have not kept pace with inflation;

Responding to the second major policy question, the study group considered five alternative strategies for allocating funds to support higher education: (1) to allocate all higher education appropriations to the Vermont Student Assistance Corporation; (2) to allocate all higher education appropriations to the University of Vermont and the Vermont State Colleges; (3) to provide percentage increases based on cost-of-living changes to be added annually to current base funding levels; (4) to submit separate budgets, with explicit funding criteria for each major program in each institution or system; or (5) appropriation allocations to UVM, VSC, and VSAC based on a set of commonly accepted policy goals, operating principles and comparable benchmark information. The group recommends the fifth strategy. As a result, the study group developed a comprehensive set of goals, operating principles and information resources to help guide the state appropriations process for higher education funding.

Part II - Appropriations Policy

The study group developed the following goals for higher education policy:

1. **Diversity:** Vermont should encourage a diversified system of higher education taking into consideration programs offered by both public and independent institutions. A broad range of higher educational opportunities including general undergraduate education, technical and professional curricula and advanced study should be available to Vermonters.
2. **Quality:** Higher education institutions in Vermont should seek to provide programs of the highest quality, compatible with relevant professional standards.
3. **Choice:** Residents of Vermont should be able to choose among higher education alternatives based upon the ability, preparation and aspirations of the participant and the educational and training needs of the state and region.
4. **Availability:** Residents of Vermont should not be denied access to higher education because of lack of funds, lack of information, lack of remedial programs or unavailability of higher education programs in Vermont.
5. **Accountability:** Institutions of higher education must be responsive to demographic trends, the service needs of the state and region, the goals of society and the availability of resources.

A set of commonly accepted operating principles is needed to guide the appropriation of public funds to achieve policy goals. The study group urges the Governor and General Assembly to utilize the following principles:

Public Institutions

1. If limits on admissions exist, qualified Vermonters should be assured admission before out-of-state students.
2. Auxiliary services should be self-supporting.
3. Increased institutional costs which result from cost of living changes and cannot be absorbed or offset should be matched by increases in in-state and out-of-state tuition and fees, state appropriations and other general revenue sources.
4. Vermont higher education public policy should be designed to enable Vermont students to take maximum advantage of federal student financial aid programs.
5. Vermont state appropriations should not subsidize out-of-state students (except NEBHE).
6. Vermont institutions should provide programs that meet critical employment needs and offer high employment opportunities for Vermont students.
7. State institutions are expected to operate prudently to control costs, improve efficiency, maintain balanced budgets and provide high quality educational services without incurring unauthorized future obligations.

Independent Institutions

8. Tuition Differential Grants should be available, through VSAC, to provide Vermonters reasonable freedom of choice to attend independent Vermont colleges.

All Institutions

9. Program offerings of both public and independent institutions should afford all students maximum selection without unnecessary duplication.
10. Outreach services providing financial aid and occupational and educational information should be available to Vermonters to inform them of higher educational opportunities.
11. Institutions should provide instruction to as many Vermonters as possible, with special attention to improving needed outreach services, within the capacity of existing facilities.
12. Incentive Grants should be available, through VSAC, to Vermonters attending higher education institutions both in Vermont and out-of-state.
13. Necessary steps should be taken by VSAC to ensure that student loans will be available to all who qualify for them.

The study group developed a sourcebook containing basic information on a wide variety of higher education activities including student enrollment trends, basic financial data on expenditures and appropriations over time, state-to-state comparative funding information, and the economic importance of the higher education industry to Vermont. Since consistent, up-to-date information is a prerequisite for intelligent planning and decision-making, the state should be prepared to ensure the continuation of the Higher Education Planning Commission's program of data collection, analysis and dissemination.

Part III Conclusions and Recommendations

As a result of our analysis of state funding policy for higher education during the 1970's, the study group makes the following recommendations:

- In recognition of the importance of higher education to Vermont, the share of the total state General fund to be appropriated to support the needs of higher education in the state should be increased to a higher level of support and in no case should it be reduced below the current level:
- The allocation of state general funds to the various state funded higher education activities should be designed to maintain a "balanced" mix of direct support to public institutions (UVM, VSC) and direct support to students (VSAC) in accordance with current funding policy;
- Future state appropriations for higher education should be allocated in accordance with the policy goals and the operating principles developed in this study within the limits of the state's financial resources;
- The policy goals, operating principles and information sourcebook which were developed for this study should be reviewed and periodically updated by the Vermont Higher Education Planning Commission in consultation with the House and Senate Education Committees to ensure that accurate and comprehensive guidelines and information are available to help guide state appropriations decisions for higher education in the years ahead.

The study group's complete report, of which the foregoing is a summary, is attached.

**ACCESS TO HIGHER EDUCATION IN VERMONT
FOR NON-TRADITIONAL STUDENTS**

Vermont's efforts in providing access to education for non-traditional students are refreshingly diverse. There is also a commitment to cooperation and coordination from the state's educational and social service providers. Regular regional meetings ensure that new programs complement existing efforts. While there are continued opportunities for improvements in this area, the state has many comprehensive programs which are targeted for adults. Both of VSAC's Non-Degree and Part-Time Grant Programs were created by the Legislature with the express purpose of funding adults who wish to pursue further education. Many other states use Vermont's financial aid programs as a model to emulate.

What follows is a brief summary of Vermont's efforts to promote access in three areas; Information/Counseling, Financial Aid, and Educational Programs. The summary is intended to be representative rather than comprehensive.

INFORMATION/COUNSELING

- Department of Employment and Training, Social & Rehabilitation Services, Department of Social Welfare, and the Department of Education sponsor numerous statewide programs which have components that stress continued education for adults. Reach Up, Futures, and Compass are examples of these efforts.
- VSAC's 14 Outreach counselors offer career, educational and financial aid counseling to all Vermonters 18 or over. Services are offered to over 10,000 adults at 50 locations throughout the state.
- All 16 of the state's area vocational centers have Adult Services Coordinators. One of their primary roles is to assist adults with educational planning.
- Many of Vermont's colleges sponsor special workshops, Adult College Fairs, and offer open houses for adults.
- There are numerous publications that promote adults' access to education which are distributed statewide.

FINANCIAL AID

- Federal guidelines for the Pell program have become less restrictive so that students carrying 3 credits may now be eligible for federal funds for the coming school year.
- State Grant Programs (FY89 information through May): Total awards = 5,013/Total \$ = \$3,513,212
 - . VSAC's Non-Degree Adult Grant Program: 958 awards/\$184,498
 - . VSAC's Part-Time Adult Grant Program: 1,493 awards/\$476,916
 - . VSAC's Incentive Grant Program: 2,562 awards/\$2,851,798 to students over age 22
- VSAC offers informational sessions on financial aid for adults at over 50 locations statewide.
- A variety of loan programs are available to adults.

EDUCATIONAL PROGRAMS

- CCV's programs are targeted specifically for adults.
- Trinity, VSC, UVM, Champlain, Goddard, Vermont College, Southern Vermont College, and Burlington College are some examples of institutions that have programs that are tailored to meet adults' needs.
- Most of the state's institutions have developed or are developing programs for adults.

PORTABILITY

The Vermont Student Assistance Corporation was created by the Vermont General Assembly to provide educational opportunities to needy Vermonters by offering grants, loans, and informational services. Central to the enabling legislation is the concept that the state provide funding directly to the needy student, ensuring that families have access and choice of the educational program that best meets the student's needs.

A critical component of this concept is portability. Portability allows the student and family to choose the academic program and institution regardless of geographic location. Portability embraces and fosters the higher education goals established by "The Higher Education Funding Study" from a student's perspective. Specifically, portability provides **diversity** by expanding educational opportunities for Vermonters and promotes **quality and choice** by providing postsecondary opportunities based on the student's ability, preparation, and aspirations.

Portability provides Vermont and its residents with the following benefits:

- Access and choice to almost 3,000 Vermonters, or approximately one in five, pursuing a postsecondary education.
- Vermonters are provided access to programs not available in Vermont: a previous study on portability revealed that the majority of VSAC Grant recipients enrolled at out-of-state institutions stated they were enrolled in programs not available in Vermont.
- Portability represented less than 4% of the state's general fund expenditures for higher education, yet provided a benefit to 20% of Vermonters enrolled in postsecondary education during the 1988-89 fiscal year.
- Portability is cost effective: it cost the state an average expenditure of \$930 in FY89 to assist a student at an out-of-state institution, which is considerably less than the state expenditures required to subsidize a Vermonter enrolled at UVM or the Vermont State Colleges.
- Qualified students are provided access to the nation's most rigorous academic programs as well as vocational programs which may not be available in Vermont.

The question has been raised: Does portability remain a viable public option? Clearly, the facts suggest portability is an effective policy that serves both the state and its residents.

Student aid and portability are cost-effective vehicles for providing higher educational opportunities to needy Vermonters while allowing families and students to choose institutions and programs that best meet their educational needs. Vermont's higher education policies have been crafted by balancing the needs of institutions and students within the framework of limited public resources.

The examination of Vermont's higher education policy should include a comprehensive cost/benefit analysis, thereby allowing the state the opportunity to maximize its expenditures for higher education.

DEBT BURDEN

Over the past several years there has been an increasing concern about student loan debt. This concern is frequently fueled by individual examples of extremely high debts. While no one should minimize the plight of the heavily indebted graduate, it should be of some comfort that studies examining the entire borrower cohort, both in Vermont and nationwide, show that, while debt burdens are increasing, monthly payments are still well within the range of 3-15% of pretax earnings deemed acceptable.* A few additional facts concerning debt burdens:

- In 1986, the average debt burden from all loan sources for a VSAC grant recipient graduating with a Bachelor's Degree was \$8,624. The average debt for an Associate Degree graduate was \$5,413. The equivalent average national figures were: Bachelor's Degree: \$8,244. Associate Degree: \$3,512.
- From 1986 to 1988, the total debt burden for graduating VSAC grant recipients increased slightly: Bachelor Degree graduates went from an average \$8,624 to \$8,840. Associate Degree graduates averaged \$5,413 in 1986, increasing to \$5,870 in 1988.
- A typical VSAC grant recipient, graduating in 1988 with a Bachelor's Degree and making \$23,000 a year, could expect to use 5.6% of gross monthly income to repay all student loan obligations. If that student made \$14,000 a year, the repayment burden would represent 9.2% of income, still within the limit mentioned above, but high enough to be a potential problem.
- There has been a shift in borrowing from heavily subsidized Federal loans to unsubsidized loans, and from student borrowing to parental borrowing over the past two years.
- As a consequence of changes in borrowing, debt burdens can no longer be measured in terms of students alone, but must be looked at from a family perspective. Future studies will indicate whether or not this changing borrowing is excessive.

*Source: Janet Hansen, Student Loans: Are They Overburdening a Generation?(New York: The College Board, 1987)

VERMONT'S HIGH TUITION -- HIGH STUDENT AID POLICY

Vermont's current higher education policy of high tuition/high student aid evolved during the early 1970's. The state, faced with severe budgetary problems, looked at alternative funding strategies to maximize state funds. VSAC provides the state with funding vehicles other than direct funding of institutions. Vermont's higher education policy provides a balance between the needs of Vermonters pursuing a postsecondary education and Vermont public institutions within the framework of limited public resources. The policy of high tuition/high financial aid was reaffirmed by the 1979 "Higher Education Funding Study" as it provided the state with a cost effective policy in meeting Vermont's higher education goals.

The current policy of high tuition/high student aid has served Vermont well. Consider the following:

- Vermonters are provided access and choice to institutions and programs throughout the country. Families are provided the opportunity to select the program that best meets the student's needs.
- Vermont's educational policy is cost-effective: Vermont ranks 49th out of the 50 states in appropriations per capita, yet Vermonters are provided access to an array of postsecondary institutions and programs, both in Vermont and throughout the country, that rivals any state.
- Vermont's postsecondary institutions have maintained academic quality which is recognized nationally. The state university has been favorably compared to any public institution and has been listed as one of the nation's "public ivies."
- Vermont's student aid and support programs that serve adult non-traditional students are unmatched anywhere nationally. Many have been used as a model for other states to emulate.
- Vermont's student aid funds capture and incorporate federal funds, thereby maximizing the state's limited public resources.
- Vermont offers informational services and programs on higher education to students and families at the middle school and high school levels, as well as to adult students, which have also been emulated in other states.
- State funding is provided to a majority of Vermonters on the basis of a needs test.

Vermont's high tuition/high student aid has been an effective public policy in meeting Vermont's higher education needs. It has allowed Vermont, a state with limited financial resources, to offer a wide array of programs and services to its residents.

Alternatives to the current policy would require substantial increases in state support, yet it is questionable if they would expand educational opportunities to Vermonters. Any examination of Vermont's high education policies should include a comprehensive cost/benefit analysis to ensure Vermont's educational needs are met in a cost-effective manner.

VERMONT STATUTES ANNOTATED

Chapter 87

SCHOLARSHIP AND STUDENT LOAN PROGRAM

(Revised December, 1982)
(With Cumulative Pocket Supplement 1988)

Chapter 87. Scholarship and Student Loan Program

SUBCHAPTER 1. GENERAL PROVISIONS

SECTION

- 2821. Student assistance corporation; purpose.
- 2822. Definitions.
- 2823. Powers of corporation.
- 2824. [Repealed.]
- 2825. Tax exemptions.

SUBCHAPTER 2. BOARD OF DIRECTORS

- 2831. Membership; vacancies.
- 2832. Organization and compensation.
- 2833. Meetings; quorum.
- 2834. Powers and duties.
- 2835. Controls, audits and reports.

SUBCHAPTER 3. INCENTIVE GRANTS

- 2841. Establishment; rules.
- 2842. Eligibility.
- 2843. Applications, affidavits and reports.
- 2844. Amount received; proration.

SUBCHAPTER 4. HONOR SCHOLARSHIP; GRANTS

- 2851. Establishment.
- 2852. Eligibility.
- 2853. Application.
- 2854. Amount and number.

SUBCHAPTER 5. STUDENT LOAN PROGRAM

- 2861. Establishment.
- 2862. Rules and regulations.
- 2863. Guarantee.
- 2864. Reserve fund.
- 2865. Default.
- 2866. Rights of minors.
- 2867. [Repealed.]
- 2868. Notes, bonds, and other obligations.

SUBCHAPTER 6. PART-TIME STUDENT GRANTS

- 2871. Establishment of rules.
- 2872. Eligibility.
- 2873. Verification.

*Subchapter 1. General Provisions***§ 2821. Student assistance corporation; purpose**

(a) There is hereby established a nonprofit public corporation to be known as the Vermont student assistance corporation whose purpose shall be to provide opportunities for persons who are residents of Vermont to attend colleges or other higher educational institutions by awarding grants and guaranteeing, making, financing and servicing loans of funds to students qualifying under the terms and conditions set forth in this chapter and section 2531a of this title.

(b) The corporation and its existence shall continue as long as it shall have notes, bonds or other obligations outstanding, including notes, bonds or other obligations hereafter issued or incurred, and until its existence is terminated by law. The net earnings of the corporation, beyond that necessary for retirement of its notes, bonds or other obligations or to implement the public purposes and programs authorized in this chapter shall not inure to the benefit of any person other than the state. Upon termination of the existence of the corporation, title to all of the property owned by the corporation, including any net earnings of the corporation, shall vest in the state. The state reserves the right at any time to alter, amend, repeal or otherwise change the structure, organization, programs or activities of the corporation, including the power to terminate the corporation, subject to any limitation on the impairment of the obligations of any contract or contracts entered into by the corporation.—1965, No. 193, § 1(a); amended 1975, No. 170 (Adj. Sess.), § 1; 1981, No. 174 (Adj. Sess.), § 1, eff. April 20, 1982.

HISTORY

Amendments—1981 (Adj. Sess.). Designated existing provisions of the section as subsec. (a), inserted “making, financing” between “guaranteeing” and “and servicing loans of funds to students” and added subsec. (b).

—1975 (Adj. Sess.). Inserted “and servicing” following “guaranteeing”.

Cross references. Scholarships generally, see § 2531a et seq. of this title.

§ 2822. Definitions

(a) “Corporation” means the Vermont student assistance corporation.

(b) “Board” means the board of directors of the Vermont student assistance corporation.

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(c) [Repealed.]

(d) "Student" means any person who has graduated from a secondary school or who has satisfied the requirements for graduation by passing examinations covering the subject matter of a secondary school curriculum, and who is attending or plans to attend college. For the purposes of the student loan program, "student" means a student as defined by the board of directors and which definition shall not be inconsistent with federal regulations.

(e) "Parents" means a parent or parents, or other person or persons legally responsible for the support of any applicant, or a person or persons who claim the applicant as a dependent on United States income tax returns.

(f) "Taxable income" means the combined taxable income under the laws of the United States relating to federal income taxes of the student and his parents for the taxable year next preceding the school year from which a grant or loan is sought.

(g) "Approved high school" is any secondary school in Vermont which qualifies under section 791(7) of this title and any secondary school outside of Vermont which is accredited by the New England association of colleges and secondary schools, or a comparable accrediting agency.

(h) "Approved college" means any institution of higher education which is certified by the state board of education as provided in section 148 of this title, or any institution of higher education which is accredited by the New England association of colleges and secondary schools, or a comparable accrediting agency, or any institution accredited by the Vermont state board of nursing as provided in sections 1573-1576 of Title 26. "Approved college" shall also include any vocational or technical school or institution, which admits students who have completed the twelfth grade or its equivalent, which is legally authorized to provide a program of post-secondary or vocational or technical education designed to equip individuals for useful employment in recognized occupations and which is accredited by a nationally recognized accrediting agency or association or a state accrediting agency or association listed by the United States secretary of education pursuant to 20 U.S.C. 1085(c)(4) (P.L. 89-329) or by any other means of accreditation approved by the state board of education.

(i) "Resident" means a student who has had his domicile in Vermont for the year preceding the date of application. A residence established in Vermont for the purpose of attending an educational

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institution shall not of itself be sufficient to establish domicile in Vermont. Whenever a resident student loses his Vermont domicile, as in the case of a minor whose parents move from the state, he shall thereafter be reclassified as a nonresident.—1965, No. 198, § 2(a)–(i); amended 1967, No. 131, § 9; 1967, No. 371 (Adj. Sess.), § 1, eff. March 27, 1968; 1971, No. 175 (Adj. Sess.), § 1, eff. March 28, 1972; 1973, No. 69, § 1, eff. April 14, 1973; 1973, No. 157 (Adj. Sess.), § 1, eff. March 15, 1974; 1975, No. 170 (Adj. Sess.), § 2.

HISTORY

References in text. Section 791(7) of this title, referred to in subsec. (g), was repealed by 1969, No. 298 (Adj. Sess.), effective July 1, 1970, which also enacted § 821 et seq. of this title concerning maintenance of public schools.

Section 148 of this title, referred to in subsec. (h), was repealed by 1969, No. 298 (Adj. Sess.), effective July 1, 1970, which also enacted § 174 of this title concerning certification of institutions of higher education by state board of education.

Revision note. Reference to “state board of nursing” in subsec. (h) changed to “Vermont state board of nursing” to conform to § 1573 of Title 26.

Reference to “United States commissioner of education” changed to “United States secretary of education” to conform to new title and reorganization of federal department. See 20 U.S.C.A. § 3411 and notes thereunder.

Reference to “sections 1553–1555 of Title 26” changed to “sections 1573–1576 of Title 26” in light of the repeal of §§ 1551–1562 of Title 26, relating to regulation of nursing, and the enactment of §§ 1571–1584 of Title 26, relating to the same subject matter.

Amendments—1975 (Adj. Sess.). Subsection (d): Amended generally.

—1973 (Adj. Sess.). Subsection (i): Amended generally.

—1973. Subsection (h): Amended generally.

—1971 (Adj. Sess.). Subsection (h): Deleted “or any institution which qualifies for a grant under P.L. 88–204” following “Title 26”.

—1967 (Adj. Sess.). Subsection (f): Amended generally.

—1967. Subsection (c): Repealed.

Cross references. Determination of residency for instate tuition purposes, see § 2282a of this title.

§ 2823. Powers of corporation

(a) The corporation may acquire by gift or otherwise, hold, and dispose of property in fee or in trust, or any other estate, for the purposes set forth in section 2821 of this title and shall be an instrumentality of the state. The state shall support and maintain the corporation.

(b) The corporation has the general powers provided to Vermont nonprofit corporations.

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(c) The Vermont student assistance corporation is hereby designated as the state agency to receive federal funds assigned to the state of Vermont for student financial aid programs.

(d) The corporation is authorized to make and finance the making of student loans and to issue its debt obligations for the purpose of acquiring funds therefor. No resolution or other action of the corporation providing for the issuance of such debt obligations may be effective without the approval in writing of the governor.—1965, No. 198, § 1(b), (c); amended 1967, No. 131, § 1; 1975, No. 170 (Adj. Sess.), § 3; 1981, No. 174 (Adj. Sess.), § 2, eff. April 20, 1982.

HISTORY

Amendments—1981 (Adj. Sess.). Subsection (d): Added.

—1975 (Adj. Sess.). Subsection (b): Substituted "to Vermont nonprofit corporations" for "in section 101 of Title 11".

—1967. Subsection (c): Added.

Cross references. Adoption of procedures relating to part-time student grants, see § 2871 of this title.

Issuance by corporation of notes, bonds and other obligations; see § 2868 of this title.

Nonprofit corporations generally, see § 2301 et seq. of Title 11.

§ 2824. Repealed. 1973 (Adj. Sess.), No. 157, § 2, eff. March 15, 1974.

HISTORY

Former § 2824 relating to change in student residence was derived from 1965, No. 198, § 3.

§ 2825. Tax exemptions

All real and personal property of the corporation is exempt from taxation. All bonds, notes and other obligations issued pursuant to this chapter are issued by a body corporate and public of this state and for an essential public and governmental purpose and those bonds, notes and other obligations, and the interest thereon and income therefrom, and all activities of the corporation and fees, charges, funds, revenues, incomes and other moneys of the corporation whether or not pledged or available to secure the payment of these bonds, notes or other obligations, or interest thereon, are exempt from all taxation, franchise taxes, fees or special assessments of whatever kind except for transfer, inheritance and estate taxes.—1965, No. 198, § 9; amended 1981, No. 174 (Adj. Sess.), § 3, eff. April 20, 1982.

HISTORY

Amendments—1981 (Adj. Sess.). Added the last sentence.

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*Subchapter 2. Board of Directors***§ 2831. Membership; vacancies**

(a) The corporation shall be governed and all of its powers exercised by a board of directors consisting of at least five members. The governor shall appoint the members as follows: one person to represent the Vermont bankers association for a term of two years; one person to be the financial aid officer of an institution of higher learning in the state of Vermont for a term of two years; one person with experience in guidance counseling in the secondary schools for a term of four years; one person to represent the Vermont higher education council for a term of four years; and one person to represent the department of education for a term of six years. All appointed members shall be of full age, citizens of the United States and residents of Vermont. The date of the expiration of the term of appointment in each case shall be June thirtieth. The subsequent appointments shall be for terms of six years each.

(b) The board may with the consent of the governor elect two additional members for terms of two years.

(c) Vacancies which may occur by reason of death or resignation shall be filled in the same manner as original appointments.—1965, No. 198, § 4(a), (b), (i); amended 1967, No. 131, § 2.

HISTORY

Amendments—1967. Subsection (a): Inserted “at least” preceding “five members” in the first sentence.

Subsection (b): Amended generally.

§ 2832. Organization and compensation

(a) The board shall elect from its members a chairman and a vice-chairman who shall hold office for one year and who shall be eligible for re-election.

(b) The board shall serve without compensation except for expenses actually and necessarily incurred by them in the performance of their duties under this article.

(c) The board shall adopt by-laws for the corporation and may appoint an executive director and such clerical assistance as it deems advisable and fix their compensation and prescribe their duties.

(d) The board may elect an executive committee to serve in the interval between meetings which may transact such business of

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the corporation as provided in the by-laws.—1965, No. 198, § 4(c), (d), (f), (g); amended 1967, No. 131, § 3.

HISTORY

Amendments—1967. Subsection (c): Substituted “executive director” for “executive secretary”.

§ 2833. Meetings; quorum

The board shall hold regular meetings and such special meetings as it deems necessary. A majority of the directors shall constitute a quorum for the transaction for any business unless the by-laws of the corporation require a larger number.—1965, No. 198, § 4(e).

§ 2834. Powers and duties

(a) The board has the power to adopt rules and regulations, not inconsistent with law, governing the application for and the granting, administration and repayment of loans, or the awarding of grants to students. The board shall consider the student's financial need, his academic performance, the recommendations of his principal or headmaster, his qualities of citizenship and moral character, his examination scores of scholastic aptitude tests, and any other factors considered necessary.

(b) When requested by any state senator, the board shall assist him in selecting the recipients of his senatorial scholarship or, if requested, it shall distribute any funds allocated to it by the state senator as additional state incentive grants.—1965, No. 198, § 4(h), (j); amended 1967, No. 131, § 4.

HISTORY

Amendments—1967. Subsection (a): In phrase beginning “the recommendation of”, deleted “secondary school”.

Designation of agency for administration of federal funds. 1966, No. 57, § 2, provided: “The Vermont Student Assistance Corporation is designated by the State of Vermont to administer Title IV, Part B, of the Higher Education Act of 1965 [20 U.S.C. § 1071 et seq.] to provide low interest insured loans to students in institutions of higher education.”

Cross references. Incentive grants rules and regulations, see § 2841 of this title.

Issuance by corporation of notes, bonds and other obligations; see § 2868 of this title.

Part-time student grants rules and regulations, see § 2871 of this title.

Senatorial scholarships, see § 2531a et seq. of this title.

Student loan rules and regulations, see § 2862 of this title.

§ 2835. Controls, audits and reports

Except for senatorial scholarships, control of funds appropriated

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and all procedures incident to the carrying out of the purposes of this chapter and section 2531a of this title shall be vested in the board of directors. The books of account of the corporation shall be audited annually under the direction of the auditor of accounts and a report filed with the secretary of administration not later than October first of each year. Biennially the board shall report to the legislature on its activities during the preceding biennium.—1965, No. 198, § 8.

HISTORY

Revision note. Reference to "commissioner of administration" changed to "secretary of administration" to conform reference to new title and reorganization of state government. See § 2201 et seq. of Title 3.

Cross references. Senatorial scholarships, see § 2531a et seq. of this title.

Subchapter 3. Incentive Grants

§ 2841. Establishment; rules

Incentive grants are hereby established to aid college students who need financial assistance, are pursuing undergraduate studies and give promise of completing satisfactorily a degree program or have been accepted for admission to an approved college. The board may establish rules, regulations and standards for the awards under this subchapter.—1965, No. 198, § 5(a).

HISTORY

Cross references. Part-time student grants, see § 2871 et seq. of this title.

§ 2842. Eligibility

(a) To qualify for a state incentive grant for the first year of undergraduate study, a student must be in attendance at an approved college or be accepted for admission and be enrolled as a full time student. For each year following the first year of undergraduate study, the student must have been certified by the college attended to be in good standing and to give promise of satisfactory completion of a course of study leading to a degree or diploma.

(b) Any qualified person may accept a state incentive grant in addition to any other scholarship aid except a senatorial scholarship.—1965, No. 198, § 5(b), (g); amended 1967, No. 371 (Adj. Sess.), § 2, eff. March 27, 1968.

HISTORY

Amendments—1967 (Adj. Sess.). Subsection (b): Amended generally.

Cross references. Senatorial scholarships, see § 2531a et seq. of this title.

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§ 2843. Applications, affidavits and reports

(a) The recipient must apply for a grant at least annually. Grants made under this section and section 2842 of this title may be for a maximum of four school years unless the requirements for a degree demand a greater number of school years, but in no case shall the number of school years exceed five for the completion of an undergraduate degree.

(b) Each applicant for a state incentive grant shall furnish an affidavit of income with the application. Attached to the affidavit shall be a form of consent, executed by the student and his parents, granting permission to the Vermont commissioner of taxes to disclose the income tax information required by subsection (c) of this section.

(c) The Vermont commissioner of taxes, when requested by the board, shall compare any affidavit filed pursuant to this subchapter with the state income tax returns filed by the persons making such affidavit and shall report any instances of discrepancy to the board.

(d) Except as otherwise provided in this subchapter, affidavits and reports made to the board under this section shall be confidential and it shall be unlawful for anyone to divulge the amount of income or any particulars set forth in the affidavit filed by him or his parents or any report made to him or the board. Nothing herein shall be construed to prevent the publication of statistical data as long as the identification of particular affidavits and reports is prevented.—1965, No. 198, § 5(b), (d), (e), (f); amended 1967, No. 131, § 5; 1967, No. 371 (Adj. Sess.), § 3, eff. March 27, 1968.

HISTORY

Amendments—1967 (Adj. Sess.). Subsection (b): Amended generally.

—1967. Subsection (a): Added “for the completion of an undergraduate degree” following “five”.

Revision note. Reference to “affidavit” in last sentence of subsec. (d) changed to “affidavits” to conform reference to language in first sentence of subsection.

§ 2844. Amount received; proration

(a) Each undergraduate student who qualifies under sections 2842 and 2843 of this title may apply for an incentive grant on forms provided by the corporation, if the combined family taxable income is not in excess of \$10,000.00. In cases where taxable income exceeds the existing maximum and there is more than one child in college, or there are unusual circumstances which affect the

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family financial strength, the board may consider the student for an incentive grant. The amount of individual incentive grants shall be allocated among eligible recipients according to established need, and in total amount shall not exceed the funds made available from legislative appropriation or other sources. Such grants shall further be subject to the prior establishment of a reserve for needy cases arising after the application deadline established by the corporation. In no case shall a student's award be larger than that needed to attend the institution of higher learning of his choice.

(b) The board may prorate the grants herein provided on the basis of semesters or other recognized portions of a school year.

(c) Vermont resident students enrolled at the medical college of the University of Vermont or enrolled in a program leading to the degree of Doctor of Veterinary Medicine shall be eligible to apply for an incentive grant and shall be subject to the provisions of subsection (b) of this section.—1965, No. 198, § 5(c), (h); amended 1967, No. 131, §§ 6, 7; 1967, No. 371 (Adj. Sess.), § 4, eff. March 27, 1968; 1969, No. 89; 1971, No. 175 (Adj. Sess.), § 2, eff. March 28, 1972; 1975, No. 155 (Adj. Sess.).

HISTORY

Amendments—1975 (Adj. Sess.). Subsection (a): In the fourth sentence, substituted "for" for "to cover all prospective" preceding "needy cases".

Subsection (c): Inserted "or enrolled in a program leading to the degree of Doctor of Veterinary Medicine" following "University of Vermont" and added "of this section" following "subsection (b)".

—1971 (Adj. Sess.). Subsection (a): Amended generally.

—1969. Subsection (a): Amended generally.

—1967 (Adj. Sess.). Subsection (a): Substituted "taxable income" for "net income".

—1967. Subsection (a): Substituted "\$800.00" for "\$400.00" and "\$500.00" for "\$300.00" in the first sentence and added the second sentence.

Subsection (c): Added.

Subchapter 4. Honor Scholarship; Grants

§ 2851. Establishment

State honor scholarships are hereby established for students who have been accepted for admission to an approved college as defined in section 2822(c) and (d) of this title.—1965, No. 198, § 6(a).

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HISTORY

References in text. Subsection (c) of section 2822 of this title, referred to in this section, was repealed by 1967, No. 131, § 9.

§ 2852. Eligibility

(a) All qualified high school seniors are eligible to compete for an honor scholarship grant.

(b) Honor scholarship grants shall be awarded on the basis of scholastic excellence to be determined by such examinations as the board shall prescribe.—1965, No. 198, § 6(b), (c).

§ 2853. Application

Any qualified student may apply for an honor scholarship grant as well as a state incentive grant as per sections 2841 through 2844 of this title. The honor scholarship award shall not be considered in determining the amount to be awarded by the state incentive grant.—1965, No. 198, § 6(f).

HISTORY

References in text. Reference to "sections 2831(c) and 2832(a)" changed to "sections 2841 through 2844" to correct an error in translation of the original act. The original act referred to "section 4, (b), (c)" which was translated to "section 2831(c) and 2832(a) of this title". However, state incentive grants are covered by §§ 2841-2844 of this section, which was section 5 of the original act.

§ 2854. Amount and number

(a) Each scholarship grant shall be in the amount of \$100.00.

(b) The number of honor scholarship grants awarded each year shall not be in excess of 100.—1965, No. 198, § 6(d), (e).

Subchapter 5. Student Loan Program

§ 2861. Establishment

There is hereby created a higher education loan program for the purpose of assisting qualified resident Vermont students to pursue schooling beyond the secondary level.—1965, No. 198, § 7(a).

HISTORY

Designation of agency for administration of federal funds. 1965, No. 124, as amended by 1966, No. 57, § 1, provided: "The Vermont Student Assistance Corporation is designated by the State of Vermont to administer Title IV, Part B, of the Higher Education Act of 1965 [20 U.S.C. § 1071 et seq.] to provide low interest insured loans to students in institutions of higher education."

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§ 2862. Rules and regulations

(a) The board shall establish rules and regulations which it deems necessary to carry out the purpose of this subchapter. The rules and regulations so established shall contain provisions relating to student eligibility, maximum loan amounts and interest rates.

(b) In the case of loans reinsured under Public Law 89-329, as amended, the rules and regulations shall conform to federal requirements.—1965, No. 198, § 7(b); amended 1967, No. 131, § 8; 1967, No. 371 (Adj. Sess.), § 5, eff. March 27, 1968; 1969, No. 83, § 1, eff. April 18, 1969; 1973, No. 51, eff. July 1, 1973.

HISTORY

References in text. The provisions of Public Law 89-329, referred to in subsec. (b), which related to student loans, are classified principally to 20 U.S.C. § 1071 et seq.

Amendments—1973. Amended section generally.

—1969. Subdivision (2): Amended generally.

Subdivision (4): Amended generally.

—1967 (Adj. Sess.). Subdivision (1): Amended generally.

—1967. Subdivision (4): Substituted "six percent" for "five percent".

§ 2863. Guarantee

The corporation shall guarantee that any notes properly executed shall be repaid in full together with any accumulated interest thereon, provided, that in the event of default the lender has complied with the rules of the corporation regarding the making, servicing and diligent collection of student loans until assigned to the corporation as hereinafter provided.—1965, No. 198, § 7(c); amended 1975, No. 170 (Adj. Sess.), § 4.

HISTORY

Amendments—1975 (Adj. Sess.). Amended section generally.

§ 2864. Reserve fund

(a) The board shall establish and maintain a guarantee reserve fund equal to eight percent of the portion of any loans not covered by federal reinsurance which it estimates to be outstanding during each fiscal year. Any such reserve funds shall be held and administered in accordance with sections 432 and 433 of Title 32. Any reimbursement required under No. 38 of the Acts of 1964 shall be taken from the guarantee reserve fund. Any such reserve funds

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on such loans may not be funded from monies appropriated by the general assembly to the corporation unless specifically appropriated for such purposes.

(b) The board is authorized to enter into agreement with the United States commission of education to reinsure its guarantee of any loans made under this subchapter.—1965, No. 198, § 7(d); amended 1969, No. 83, § 2, eff. April 18, 1969; 1981, No. 174 (Adj. Sess.), § 4, eff. April 20, 1982.

HISTORY

References in text. Act Number 38 of the acts of 1964, referred to in subsec. (a), was classified to § 2551 et seq. of this title which was repealed by 1965, No. 198, § 12. Financial assistance for students is now covered by § 2821 et seq. of this title.

Amendments—1981 (Adj. Sess.). Subsection (a): Added the last sentence.

—1969. Designated the existing provisions of the section as subsec. (a), rewrote the subsection, and added subsec. (b).

§ 2865. Default

The bank, a credit union or a savings and loan association may submit a default claim to the corporation when a student borrower has failed to make an installment payment of principal or interest or both when due or to comply with other terms of the note or other written evidence of agreement, which persists in the case of a loan repayable in monthly installments for 120 days beyond the last scheduled unpaid payment or in the case of a loan repaying in less frequent installments for 180 days beyond the last scheduled unpaid payment. The corporation shall pay the bank, credit union or savings and loan association the amount due as described in section 2863 of this title subject to any claim for federal reinsurance upon receipt of a default claim properly filed in accordance with the rules and regulations of the corporation regarding defaults. Upon reimbursement, the bank, a credit union or a savings and loan association shall assign the note to the corporation, but such assignment may be without representation or warranty, expressed or implied, and without recourse.—1965, No. 198, § 7(e); amended 1969, No. 83, § 3, eff. April 18, 1969; 1975, No. 170 (Adj. Sess.), § 5.

HISTORY

Amendments—1975 (Adj. Sess.). Amended section generally.

—1969. Inserted "a credit union or a savings and loan association" following "bank" in three places in the first and second sentences and added "subject to any claim for federal reinsurance" following "reserve fund" in the third sentence.

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§ 2866. Rights of minors

A person under eighteen years of age shall not be disqualified by reason of his minority, but shall have the rights, powers, privileges and obligations of a person of full age with respect to executing instruments under this subchapter.—1965, No. 198, § 7(f).

HISTORY

Revision note. Substituted "eighteen" for "twenty-one" pursuant to 1971, No. 184 (Adj. Sess.), § 29. See note under § 173 of Title 1.

§ 2867. Repealed. 1969, No. 83, § 4, eff. April 18, 1969.

HISTORY

Former § 2867 relating to administration of the national vocational loan act of 1965 was added by 1967, No. 76.

§ 2868. Notes, bonds, and other obligations

(a) The corporation may issue its negotiable notes, bonds and other obligations in such principal amount as the corporation determines to be necessary to provide sufficient funds for achieving its corporate purpose of providing for the availability of student loans to residents or students at approved colleges, including the payment of the principal of and interest on notes, bonds and other obligations of the corporation, the funding, refunding or renewal of the reserves to secure the notes, bonds and other obligations, and all other expenditures of the corporation incident to and necessary or convenient to carry out such corporate purpose including costs of issuance of such debt. The corporation may provide by resolution that every issue of its notes, bonds and other obligations shall provide for the pledging or granting of a security interest in all or a portion of its property and revenues, the terms upon which payments are to be made upon such notes, bonds and other obligations by the corporation and the conditions upon which such notes, bonds and other obligations may be transferred.

(b) Any pledge made by the corporation shall be valid and binding from the time when the pledge is made; the revenues, moneys or property so pledged and thereafter received by the corporation shall immediately be subject to the lien of the pledge without any physical delivery of it or further act. That pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the corporation, irrespective of whether those parties have notice of it.

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(c) Neither the members nor executive officers of the corporation nor any other person executing the notes, bonds or other obligations shall be subject to any personal liability or accountability by reason of the issuance of the notes, bonds or other obligations.

(d) Any law to the contrary notwithstanding, a bond, note or other obligation issued under this chapter is fully negotiable for all purposes of section 1-101 et seq. of Title 9A, and each holder or owner of such, or of any coupon appurtenant thereto, by accepting the bond or note or other obligation or coupon shall be conclusively deemed to have agreed that such instrument is fully negotiable for those purposes, and all bonds, notes or other obligations and interest coupons appertaining to them issued by the corporation shall have and are hereby declared to have all the qualities and incidents of investment securities under section 1-101 et seq. of Title 9A, but no provision of those sections respecting the filing of a financing statement to perfect a security interest shall be applicable to any pledge made or security interest created in connection with the issuance of the bonds, notes, other obligations or coupons.

(e) The state does hereby pledge to and agree with the holders of the notes, bonds and other obligations issued under this chapter that the state will not limit or restrict the rights hereby vested in the corporation to perform its obligations and to fulfill the terms of any agreement made with the holders of its bonds or notes or other obligations. Neither will the state in any way impair the rights and remedies of the holders until the notes and bonds and other obligations, together with interest on them, and interest on any unpaid installments of interest, are fully met, paid and discharged. The corporation is authorized to execute this pledge and agreement of the state in any agreement with the holders of the notes or bonds or other obligations.

(f) Notes, bonds or other obligations issued under the provisions of this chapter shall not be deemed to constitute a debt or liability or obligations of the state of Vermont or of any political subdivision of it, nor shall it be deemed to constitute a pledge of the faith and credit of the state or of any political subdivision, but shall be payable solely from the revenues or assets of the corporation pledged thereto. Each obligation issued by the corporation shall contain on its face a statement to the effect that the corporation shall not be obligated to pay the same nor the interest on it except

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from the revenues or assets pledged for those purposes and that neither the faith and credit nor the taxing power of the state of Vermont or of any political subdivision of it is pledged to the payment of the principal of or the interest on these obligations.

(g) Notwithstanding any other law, the state and all public officers, governmental units and agencies of the state, all banks, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies, and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, all credit unions, and all executors, administrators, guardians, trustees and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds or notes or other obligations issued under this chapter, and the bonds or notes or other obligations are authorized security for any and all public deposits.—Added 1981, No. 174 (Adj. Sess.), § 5, eff. April 20, 1982.

HISTORY

Revision note. References to "sections 1-101 et seq. of Title 9A" in subsec. (d) changed to "section 1-101 et seq. of Title 9A" to conform references to V.S.A. style.

Subchapter 6. Part-Time Student Grants

§ 2871. Establishment of rules

Part-time student grants are established to aid Vermont residents who need financial assistance and are pursuing undergraduate studies less than full-time. The board may adopt procedures, according to the standards set forth in § 2872 of this subchapter, for awarding grants and determining grant amounts.—Added 1981, No. 128 (Adj. Sess.).

§ 2872. Eligibility

To qualify for a part-time student grant, a student shall be a Vermont resident; be enrolled in a course of study leading to a degree, certificate or diploma at an approved college; be making satisfactory academic progress or been accepted for admission in a program leading to a degree, certificate or diploma; demonstrate financial need; be an undergraduate student; and not have received a baccalaureate degree. Recipients may be eligible to receive both a

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Vermont senatorial scholarship and a part-time student grant.—
Added 1981, No. 128 (Adj. Sess.).

HISTORY

Cross references. Senatorial scholarships, see § 2531a et seq. of this title.

§ 2873. Verification

The commissioner of taxes, when requested by the board, may compare any information filed under this subchapter with the state income tax returns filed by the persons filing that information, and shall report any discrepancy to the board.—Added 1981, No. 128 (Adj. Sess.).

VERMONT STATUTES ANNOTATED

*Title 16, sections 1691-end
Titles 17 and 18, sections 1-5000*

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Chapter 87. Scholarship and Student Loan Program

SUBCHAPTER 5. STUDENT LOAN PROGRAM

NEW SECTION

2869. Loan cancellation.

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Subchapter 1. General Provisions

§ 2822. Definitions

* * *

(j) "Taxable," when used in reference to a note, bond or other obligation means that the interest on that obligation is includable in the gross income of the holder under the laws of the United States relating to federal income taxes.—Amended 1985, No. 24, § 2, eff. April 26, 1985.

1985 amendment. Subsection (j): Added.

Subchapter 5. Student Loan Program

§ 2862. Rules and regulations

* * *

(c) The rules and regulations may provide that educational loans guaranteed, made, financed, serviced or otherwise administered by the corporation are exempt from the interest rate and charges limitations in sections 41a and 42 of Title 9.

(d) Loans made pursuant to PL 89-329, as amended, by institutions doing business in Vermont shall be made pursuant to this chapter.—Amended 1983, No. 76, § 2; 1987, No. 79, § 2, eff. June 9, 1987.

References in text. PL 89-329, referred to in subsec. (d), is Act Nov. 8, 1965, 79 Stat. 219, which was known as the Higher Education Act of 1965, and was classified principally to 20 U.S.C. §§ 1061-1069 and 1071-1085.

Revision note. In subsec. (c), "sections 41a and 42 of Title 9" was substituted for "9 V.S.A. §§ 41a and 42" to conform language to V.S.A. style.

1987 amendment. Subsection (d): Added.

1983 amendment. Subsection (c): Added.

Cross references. Federal taxation of interest on bonds, see § 995 et seq. of Title 32.

Issuance of private activity bonds, see §§ 991, 992 of Title 32.

§ 2868. Notes, bonds, and other obligations

(a) Power to issue obligations. The corporation may issue its negotiable notes, bonds and other obligations in such principal amount as the corporation determines necessary to provide sufficient funds for the availability of loans for educational purposes. The notes, bonds and other obligations may be issued in taxable form or nontaxable form or both. The taxability of one series shall not affect the taxability of any other series, nor shall the issuance of

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taxable obligations be deemed a waiver of the right of this state or the corporation to issue nontaxable obligations.

(b) **Repayment.** The corporation may make payment of the principal of and interest on its notes, bonds and other obligations and may determine the funding, refunding or renewal of the reserves to secure the notes, bonds and other obligations, and all other expenditures of the corporation incident to and necessary or convenient to carry out such corporate purpose, including costs of issuance of such debt. The corporation may contract with any person, including the state of Vermont or the United States, or any of their agencies or instrumentalities, to guarantee all or a part of the principal of or interest on the corporation's obligations or on the educational loans made, guaranteed or serviced by the corporation. The corporation may provide by resolution:

(1) that every issue of its notes, bonds and other obligations shall provide for the pledging or granting of a security interest in all or a portion of its property and revenues;

(2) the terms upon which payments are to be made upon such notes, bonds and other obligations by the corporation;

(3) the form of such notes, bonds and other obligations, which may include "book entry" if the corporation so determines; and

(4) the conditions upon which such notes, bonds and other obligations may be transferred.

(c) Any pledge made by the corporation shall be valid and binding from the time when the pledge is made; the revenues, moneys or property so pledged and thereafter received by the corporation shall immediately be subject to the lien of the pledge without any physical delivery of it or further act. That pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the corporation, irrespective of whether those parties have notice of it.

(d) Neither the members nor executive officers of the corporation nor any other person executing the notes, bonds or other obligations shall be subject to any personal liability or accountability by reason of the issuance of the notes, bonds or other obligations.

(e) Any law to the contrary notwithstanding, a bond, note or other obligation issued under this chapter is fully negotiable for all purposes of sections 1—101 et seq. of Title 9A, and each holder or owner of such, or of any coupon appurtenant thereto, by accepting the bond or note or other obligation or coupon shall be conclu-

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sively deemed to have agreed that such instrument is fully negotiable for those purposes, and all bonds, notes or other obligations and interest coupons appertaining to them issued by the corporation shall have and are hereby declared to have all the qualities and incidents of investment securities under sections 1—101 et seq. of Title 9A, but no provision of those sections respecting the filing of a financing statement to perfect a security interest shall be applicable to any pledge made or security interest created in connection with the issuance of the bonds, notes, other obligations or coupons.

(f) The state does hereby pledge to and agree with the holders of the notes, bonds and other obligations issued under this chapter that the state will not limit or restrict the rights hereby vested in the corporation to perform its obligations and to fulfill the terms of any agreement made with the holders of its bonds or notes or other obligations. Neither will the state in any way impair the rights and remedies of the holders until the notes and bonds and other obligations, together with interest on them, and interest on any unpaid installments of interest, are fully met, paid and discharged. The corporation is authorized to execute this pledge and agreement of the state in any agreement with the holders of the notes or bonds or other obligations.

(g) Notes, bonds or other obligations issued under the provisions of this chapter shall not be deemed to constitute a debt or liability or obligations of the state of Vermont or of any political subdivision of it, nor shall it be deemed to constitute a pledge of the faith and credit of the state or of any political subdivision, but shall be payable solely from the revenues or assets of the corporation pledged thereto. Each obligation issued by the corporation shall contain on its face a statement to the effect that the corporation shall not be obligated to pay the same nor the interest on it except from the revenues or assets pledged for those purposes and that neither the faith and credit nor the taxing power of the state of Vermont or of any political subdivision of it is pledged to the payment of the principal or of the interest on these obligations.

(h) Notwithstanding any other law, the state and all public officers, governmental units and agencies of the state, all banks, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies, and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, all credit unions, and all executors, administra-

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tors, guardians, trustees and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds or notes or other obligations issued under this chapter, and the bonds or notes or other obligations are authorized security for any and all public deposits.

(i) The corporation is designated as the guarantor, servicer, and secondary loan market for all educational loans in this state.— Amended 1985, No. 24, § 1, eff. April 26, 1985.

1985 amendment. Amended section generally.

§ 2869. Loan cancellation

(a) Loans obtained under this subchapter may be partially or completely cancelled and forgiven, for a borrower who is employed for a complete academic school year as a full-time certified teacher:

(1) in a Vermont elementary or secondary school which is approved by the state board of education; and

(2) in the subject area of mathematics, science, or computer science during a year when there is a critical shortage of certified teachers in that area.

(b) Annually the board shall determine, after consultation with the commissioner, whether a critical shortage of certified teachers exists in each of the subject areas of mathematics, science and computer science.

(c) The board shall determine the amount of loan to be cancelled for each complete academic year of teaching service. The amount so cancelled for each year shall not exceed 25 percent of the original principal amount plus any accrued interest.—Added 1983, No. 76, § 1.