



for Affordable Higher Education in Vermont

Vermont higher education faces the twin problem of overall underfunding for instruction and academic support and an overreliance on tuition dollars to supply that funding. This problem has grown since a decision in the 1980s to pursue a *high tuition-high aid* approach for state funding, coupled with subsequent overall state disinvestment. Act 148 – which created a working group to address this problem – is a recognition that these issues are at the core of the state’s challenge in sustaining a high quality system of public higher education.

Public higher education is a public good and Vermont’s students should pay the smallest possible share of its costs. Thus, the goals of the Act 148 Working Group are to:

1. lower student and family costs and debt so that UVM and VSC are more affordable for Vermonters;
2. return to the 1980 level of State funding for the student tuition support ratio for UVM and VSC; and
3. restore funding to the VSAC incentive grant program to reduce the difference between the VSAC incentive grant and the VSC and UVM tuition rates to the amount of that difference in 1980.

Timeline. The problem we are facing in public higher education in Vermont has taken many years to create, and we recognize it will take many years to resolve. Thus, we recommend a phased-in approach:

Short Term: Immediately infuse funds into the system so that tuition and fees are frozen.

Mid Term: Bring the family burden for higher education down to the New England average of 18% of median income by 2020.

Long Term: Increase the state’s investment in public higher education to 40% of the budgets of UVM/VSC by 2045.

Components of the Plan. The following are the components needed to implement the plan.

- A tax on break open lottery tickets, the revenues from which will be used in part to fund the Vermont Higher Education Trust Fund.
- A Tax Increase on the Top Income Earners would be used to support the increased state commitment to higher education.
- An extension of the state’s system of combined reporting for corporate income taxes to cover funds in known overseas tax shelters
- Delinking from the federal domestic production deduction.
- The legalization and taxation of marijuana. This will be dedicated at first to building the balance of the higher education trust fund.
- Limiting the use of VSAC grants for attendance at out of state and for profit tuition
- A real increase of 2% in state appropriations absent dedicated revenue. Given the state’s fiscal condition we project a real increase of 1% over the next five years.

The full report outlining this proposal can be found on the PreK-16 Council website:

<http://pluto.ccv.vsc.edu/prek16/Materials/reclaim%20the%20promise%20report.pdf>

Other materials considered by the Act 148 committee can also be found on the website:

<http://www.prek16vt.org/>

AFT Vermont - <http://vt.aft.org/>

Linda Olson – Vermont State Colleges Faculty Federation – 802-353-1965 / linda.olson@castleton.edu

Denise Youngblood – United Academics - 802-238-8785 / denise.youngblood@uvm.edu