Student Loan Repayment Assistance Program for Early Childhood Educators

<u>Program Policy Guidance</u>

The Student Loan Repayment Assistance Program for Early Childhood Educators is administered by the Vermont Association for the Education of Young Children (VTAEYC). It is currently funded by the Child Development Division (CDD) with funds from the American Rescue Plan. The Program was established via Vermont Act 45 in May 2021 with the intent to "ensure that all families with young children have affordable access to high-quality early education and that early childhood educators are fairly compensated and well-supported." Program eligibility requirements and benefits are outlined in Act 45 and can be found here as they are written in statute. In June of 2022, S.11 was passed, updating some of the guidelines that were originally outlined in Act 45.

The purpose of the Program is to recruit and retain early childhood educators who have recently earned degrees in the early childhood field. Individuals actively working in early childhood education who have obtained early childhood specific degrees in the last five years have the opportunity to receive up to $4000 annually to defray the cost of monthly student loan payments and/or reduce their amount of overall student loan debt. Participants must commit to work in a Vermont regulated center-based or family child care home program for 12 months after award determination.

Payments will be made directly to the individual on a quarterly basis. The program participant is responsible for making any regularly scheduled loan payments throughout the year.

Awards are given on a first come first serve basis and are limited to available grant funds. The online application process is open May 2, 2022 and will remain open until grant funds are expended.

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It is important to read through the policies detailed in this document before completing an application.

Eligibility

Applicants must meet all of the following eligibility requirements and submit documentation to support each requirement to be considered for an award.

Program Criteria	Documentation or Verification
Participants must work in a privately operated center-based child care program or in a family child care home that is regulated by CDD for at least an average of 30 hours per week for 48 weeks of the year. If the individual is an employee of a Vermont Head Start program that operates fewer than 48 weeks per year, they qualify if they work a minimum of nine months of the year, inclusive of any employer-approved time off. Auxiliary staff, partner staff, volunteers, and household members are not eligible.	● Individual Application ● Employer Verification Form
Participants must have an annual salary of $50,000 or less. The income cap *only* includes a participant's wages from working in CDD regulated programs, not wages from other employment or household income.	● Individual Application ● Employer Verification Form (for center-based staff or staff or staff other than the owner in a Family Child Care Program) *or* Family Child Care Provider Monthly Income Worksheet, for Family Child Care Program Owners
Participants must have earned an associates or bachelor's degree on or after January 1, 2018 with a major or concentration in early childhood, child and human development, elementary education, special education with a birth to age 8 focus, or child and family services. (Current program participants with a degree earned after January 1, 2017 will remain eligible in the program's second year.)	● Individual Application ● Diploma or Transcript information is in the applicant's BFIS credential account. *Or* The applicant submits their documentation to Northern Lights ● Northern Lights will verify eligible degrees for VTAEYC
Participants must provide sufficient documentation regarding the amount in loans incurred toward the education noted in the application form.	● Copy(ies) of student loan statement(s), dated within 30 days of the application, that include the name of the loan servicer, total loan balance and monthly payment amount and type of loan

Participants may not simultaneously participate in T.E.A.C.H. Early Childhood® Vermont or the VSAC Scholarship Program for Perspective Early Childhood Educators.	● None, VTAEYC will verify from program records
Intent to work in a regulated, privately operated center-based child care program, family child care home in Vermont for at least the 12 months following the annual loan repayment award notification.	● Individual Application ● Quarterly Confirmation Form of continued qualifying employment

How to Apply

Applications for the Student Loan Repayment Assistance Program are accepted year-round. It is recommended that applicants apply between May 1 and July 1, 2022 to ensure eligibility for all four quarterly award payments.

Learn about the Program:
1. Read through this Program Guidance Document
2. Attend a live or recorded SLRAP information session here.
3. Make sure your degree information appears in your BFIS credential account
    a. If you need directions on how to submit your degree information click here.

Prepare to apply:
1. Gather the required documents.
2. For those not self-employed, alert your supervisor who will be asked to verify your employment.
3. For those that are self-employed, you will need your Schedule C Profit and Loss form from your previous year's tax documents.
4. Determine how much you will request up to a maximum of $4000/year ($333/month)

Apply online:
1. Visit https://webportalapp.com/sp/login/vtaeyc to create a login and password.
2. Complete the pre-screening questionnaire. This will confirm that you meet the basic eligibility for this program.
3. Complete the online application including uploading any required documents. You are able to save the application as a draft and return to your application at any time to complete all of the information.
4. Submit your application. You will receive a confirmation email letting you know it has been successfully submitted.

After you apply:

1. Wait for VTAEYC staff to review your application. VTAEYC aims to review all completed applications within 35 days.
2. Respond in a timely fashion to any requests from VTAEYC for additional information or clarification.
3. Look for an Award Notice sent to the email address you entered in the application.

To accept an award:
1. Complete electronic acceptance of the award including understanding of terms and payment schedule.
2. Enroll in Bill.com payment system to receive direct deposit into your bank account. If you would like paper checks, you will need to email studentloanrepayment@vtaeyc.org to request paper checks and confirm a valid mailing address.

Required Document Checklist

The following list will help ensure that your application includes all the required documents and can be processed as quickly as possible. Applications that do not include required documents will not be processed. Funds are awarded first come first serve upon receipt of completed application.

At the time of application	
	Submit degree information for BFIS credential account if you have not already
	Qualified Student Loan Debt Statements
	Family Child Care Provider Monthly Income Worksheet (FCCP Owners only)
During award period	
	Confirmation of Award letter
	Direct Deposit Information
	Quarterly confirmation of continuing employment

Student Loan Statements

For each qualifying educational loan to be considered for SLRAP, the applicant must provide proof of documentation for their monthly payment amount, total loan debt and type of loan. Documentation submitted must include the applicant's name, name of lender or source of information, and must be dated within 30 days of the date of the application. The following are acceptable sources of documentation:

- Lender statement that includes the participant's monthly payment amount
- For Federal Loans, visit studentaid.gov to download your monthly statement

Qualifying Student Loans

`The Student Loan Repayment Assistance Program is available to applicants with federal, state, and private student loans as well as those that may have consolidated. Only student loans incurred by the applicant, for the degree listed in the SLRAP application can be considered. The criteria below explains what types of loans qualify and which do not.

The following types of loans *do* qualify for SLRAP:
- Federal Stafford)
- Federal Perkins
- Federal Consolidation
- VSAC private loan
- Other Private loan
- Other Federal Loan

The following types of loans *do not* qualify for SLRAP:
- Federal PLUS loans
- Personal lines of credit

Consolidated loans group several federal student loans into one payment by paying off multiple loans, resulting in one loan and one payment. Consolidated loans that only include student loans incurred for a qualifying degree, do qualify for the Student Loan Repayment Assistance Program.

Refinanced Loans also group several loans into one payment by paying off multiple loans, resulting in one loan and one payment. Refinanced loans could include federal and/or private student loans as well as other debt. A refinanced loan that only includes student loans incurred for a qualifying degree, does qualify for the Student Loan Repayment Assistance Program. A refinanced loan that has other debt included does not qualify. For example, if your refinanced loan included credit card debt along with your student loans, then that refinanced loan would not qualify for the Student Loan Repayment Assistance Program.

Award Determination

Awards are given on a first come first serve basis after completed applications are received. Award amounts are based on a participant's total monthly payment for qualifying student loans. Applicants that have loans that are *not* on an Income Driven Repayment Plan may make a request for an award amount that exceeds their monthly income payment. Requests may not exceed $4000 for the program year. Income Driven Repayment Plans are not designed to allow for extra payments above the required monthly payment, therefore IDR loans are not eligible for additional funds at this time. All funds received by the loan repayment program must be used towards student loan debt.

Payment Schedule

Payments are distributed on a quarterly basis and are detailed in the award letter. The program year ends June 30, 2023 so it is recommended that applications be completed before July 1, 2022 if possible.

Application Completed By:	Award Notification By:	First Payment Received By:	Second Payment Received By:	Third Payment Received By:	Fourth Payment Received BY:
Jun 1, 2022	July 1, 2022	Aug 30, 2022	Nov 30, 2022	Feb 28, 2023	May 31, 2023
Jul 1, 2022	Aug 1, 2022	Sept 30, 2022	Dec 31, 2022	Mar 31, 2023	June 30, 2023
Aug 1, 2022	Sept 1, 2022	Oct 30, 2022	Jan 30, 2023	April 30, 2023	July 31, 2023
Sept 1, 2022	Oct 1, 2022	Nov 30, 2022	Feb 28, 2023	May 31, 2023	Aug 31, 2023

If funding remains for this program year after September 2022, we will provide an updated application and payment schedule at that time.

Tax Information

Program participants are encouraged to consult with their own financial advisor for advice and any tax obligations resulting from an SLRAP award. VTAEYC cannot provide legal advice on possible tax obligations.

Appeals Process

VTAEYC has a formal appeal process for any applicants or participants that would like to appeal a decision regarding their application or participation status in the Student Loan Repayment Assistance Program. All potential payments will be held until the appeal process is resolved. Appeal requests must be submitted on the SLRAP appeal form, located on the VTAEYC website at _____. An individual should complete the form and attach any supporting documentation. Once the appeal is received, the Student Loan Repayment Assistance Program Director will review the appeal and send electronic notification of approval or denial within 30 days of the date that the appeal was submitted.

If the appeal is denied, the individual will have 30 days from the date of denial to send a second appeal request that will be reviewed by an appeals committee. This should also be submitted via the SLRAP appeal form on the VTAEYC website.

The appeals committee will be composed of Student Loan Repayment Assistance Advisory Council members and include at least one representative from the Child Development Division. Notification of the appeals committee decision will be given to the individual within 30 days of receiving the second appeal request. The decision of the appeals committee is final.

Non-Discrimination Policy

VTAEYC does not discriminate on the basis of race, color, religion, gender, gender expression, age, national origin, disability, marital status, sexual orientation, or military status in any of its activities or programs. We are committed to providing an inclusive and welcoming environment for all members of our staff, program participants, volunteers, members, consultants, subcontractors, and vendors.

Confidentiality Policy

All information concerning the personal and financial information of our program participants, volunteers and members is confidential and is not disclosed or discussed with unauthorized individuals outside VTAEYC's organization. It is the policy of VTAEYC that such information be kept confidential both during and after employment, consultation or volunteer service. Unauthorized disclosure of confidential or privileged information is a violation of this policy and will subject the person(s) who made the unauthorized disclosure to appropriate discipline, including possible removal/dismissal.

Glossary

- Federal Loan
    - The U.S. Department of Education's federal student loan program is the *William D Ford Federal Direct Loan Program*. If you have a federal student loan, the US Department of Education is your lender. More information on federal student loans can be found [here](#).
- Income Driven Repayment Plan
    - Income Driven Repayment, IDR, plans are specific to federal student loans. Your monthly payment amount is adjusted based on your household income. IDR plans may allow for loan forgiveness after an individual meets certain criteria. They are *not* designed to support additional monthly payments above the required monthly payment. In fact, sending additional payments above the

required monthly payment can potentially delay the forgiveness of this type of loan. More information on IDR loans can be found [here](#).

- Loan Consolidation
    - Federal student loan consolidation is when you combine multiple federal student loans into one, it does not erase any of your loan debt. Information on federal student loan consolidation can be found [here](#) . This type of consolidation loan does qualify for the Student Loan Repayment Assistance Program.
- Loan Refinance
    - This is the term used for combining student loans into one loan with a private lender. This does not erase loan debt, but can be used to lower the interest rate of one or more loans. This type of loan does qualify for the Student Loan Repayment Assistance Program if it only includes student loans for your qualifying degree. If other debts were included in your refinanced loan, then that loan would not qualify for the Student Loan Repayment Assistance Program. For example, if you refinanced and rolled your credit card debt in with your student loans, then that loan would not qualify for this program.
- Private Loan
    - A private loan is made by a private organization, not the federal government. It could be a bank, credit union, online lender, state-based or state-affiliated organization.
- Public Service Loan Forgiveness
    - The PSLF program forgives the remaining balance on your Direct (federal) loans after you have made 120 qualifying payments under a qualifying repayment plan while working full-time for a qualifying employer. More information on PSLF can be found [here](#).
- SLRAP
    - Student Loan Repayment Assistance Program for Early Childhood Educators

Resources

[VTAEYC.org](#): The Vermont Association for the Education of Young Children's website for information about all VTAEYC programs, including the Student Loan Repayment Assistance Program.

[Studentaid.gov](#): This is the federal loan data website and has information about all federal student loans. Any private loans will not appear on this site.

[VSAC.org](#): Provides information, counseling and financial aid - in the form of grants, scholarships, and loans - to achieve their education goals.

[Thestudentloanlawyer.com](#): Josh Cohen's website with information on how to get in touch with him, learn about upcoming workshops.

[Northern Lights at CCV](#): Processes all training and degree information for early educators.

Frequently Asked Questions

Do early childhood educators working in public-school operated pre-kindergarten programs qualify for the Student Loan Repayment Assistance Program?
- According to Vermont Act 45, eligible Early Childhood Educators must be employed in a ***privately*** licensed and operated, CDD regulated center-based program or family child care home. If the licensee of a program is a public school or supervisory union, then that program would not qualify as privately operated. Head Start Programs are privately operated.

How do I verify that my degree information is in my Bright Futures Information System (BFIS) credential account?
- Visit this link: https://dcf.vermont.gov/childcare/providers/bfis and scroll down to click on "Log In for Credentialing Account"
- On the next page select the Login button for Quality-Credentialing Account and login to the system using your username and password
- Once logged in, click on the Education tab to see the degree and transcript documents that have been added to your account.
- If you have trouble logging in or forget your login information, contact the BFIS Help Desk (on the Login page, click the "BFIS Help Desk link)

What if I have submitted my degree information for BFIS, but it is not showing in my account?
- The application form has an option for you to let us know your information has been submitted but is not yet showing. You need to check that option, and then let us know the date of when you submitted your information. We will follow up with Northern Lights to verify that your degree information has been received.

How do I submit my degree information?
- If you have not submitted your degree information, you will need to submit your documents to Northern Lights, so they can be verified and uploaded into your account. Please be sure to send an official or unofficial transcript issued by the college registrar along with a completed and signed verification cover sheet to professional.development@ccv.edu. Be sure to write your name and VTAEYC in the subject line of your email.
- What documents to send to Northern Lights: https://northernlightsccv.org/training/make-training-count/
- Verification Cover Sheet: https://northernlightsccv.org/resource/verification-cover-sheet/

Why are qualifying degrees limited to early childhood, child and human development, elementary education, special education with a birth to age 8 focus, or child and family services?
- The Student Loan Repayment Assistance Program is a component of Act 45 that was designed to support recent early childhood graduates working in private early education programs. The legislation specifies which degrees meet eligibility requirements at this time. VTAEYC welcomes feedback regarding this or any part of the Student Loan Repayment Assistance Program. The Program was created after early childhood educators advocated for ways to make Higher Education more affordable. We will send

notification via email and social media if there are any updates regarding eligibility criteria.

Where can I find information about my student loans?
- Your loan servicer is the best resource for documentation and information on your specific loans.
- For each loan you list in your application, you must provide documentation that includes the name of the lender, monthly payment amount, total loan balance, and type of loan. Submitting a lender statement and/or a studentaid.gov report are usually sufficient.

Where can I find general information about student loans?
Listed below are some possible resources to better understand loan repayment options, income driven repayment plans and loan forgiveness.
- https://studentaid.gov/h/manage-loans
- https://www.vsac.org/pay/student-loan-repayment

What if my loan documents do not list my College/University?
- The majority of loan documents actually don't list the College or University that you attended. As long as your documentation shows the name of the lender, total balance due, monthly payment, and type of loan your documentation will be acceptable. You will need to confirm that you have only listed loans that were obtained for the purpose of earning your qualifying degree in this application.

What kinds of student loans are eligible for repayment assistance?
- Federal Stafford
- Federal Perkins
- Federal Consolidation
- VSAC private loan
- other Private loan
- Other Federal Loan
- A defaulted student loan of the type listed above may still qualify with an active rehabilitation contract between the applicant and loan service provider.

What kinds of loans are not eligible for this program?
- A loan in default with no rehabilitation contract
- Federal PLUS loans
- Personal lines of credit
- Refinanced loans that include non-qualifying degree related debt. (i.e. if you refinanced your student loans with a private lender and rolled credit card debt into the same loan, then we cannot approve that particular loan)

Why are loans on Income Driven Repayment (IDR) not eligible for additional funds?
- The majority of IDR plans will not pay off a loan, but instead will have an amount forgiven after time. The design of IDR plans mean that making payments above the minimum required payment can actually cause complications when trying to get the loan forgiven.

How do I know if my loans are on an Income Driven Repayment Plan?

- If you are unsure if one or more of your loans are on an Income Driven Repayment Plan, you need to contact your loan servicer and make sure you report this information accurately on your application.

Can I participate in the Student Loan Repayment Assistance program if the CARES Act federal student loan forbearance is in effect and I am not required to make monthly payments?
- You may be able to still participate in the Student Loan Repayment Assistance program if you have any loans that are **not** on an Income Driven Repayment Plan. If you have private loans or other loans that are not affected by the CARES Act, and still owe a monthly payment on those loans, then yes you may apply for this program using those loans. All funds awarded to you by the Student Loan Repayment Program must be paid toward your loan debt. Loans on Income Driven Repayment Plans would not be eligible to participate until the CARES Act forbearance period is over.

What is the difference between forbearance and deferment?
- Forbearance and deferment both allow you to temporarily suspend or reduce your federal student loan payments. The main difference is that if you are in deferment, no interest will accrue on your overall loan balance. If you are in forbearance, interest does accrue on your overall loan balance.

Can I apply if I have one or more loans in default?
- If you have a loan rehabilitation plan between you and your lender, you may still qualify for this program. You would need to submit a copy of your rehabilitation plan with your application.

Do I have to count household income or income from other jobs to the $50,000 annual salary limit?
- No, the $50,000 or below salary requirement only applies to your income from working in privately operated CDD regulated child care programs. You do not need to report income from your spouse or other household income, or income from another job you may have outside the field of child care.

What if I work in multiple regulated child care programs? Do all 30 hours per week, or all 48 weeks per year need to be in one program?
- You can work in multiple settings as long as they are privately operated CDD regulated programs. The minimum of 30 hours per week can be split between multiple programs, i.e. 15 hours in one and 15 or more hours in another. You will be able to enter multiple employers in your application.

How do I figure the average of 30 hours per week? What if my schedule changes each week?
- It is ok if your hours change a bit each week as long as you work an average of at least 30 hours per week. If you are unsure, total your hours worked for the last 4 weeks and divide your total hours by 4 to get your weekly average hours.

What happens if I stop working in a CDD-regulated program?
- If you stop working in a CDD regulated program for more than 4 weeks of the year, or that program closes permanently, you need to notify VTAEYC. Your Student Loan Repayment Assistance Award payments will stop.

What happens if I change employers, but remain employed in a privately operated CDD regulated program?

- If you change your job, but remain working in a CDD-regulated program, you need to notify VTAEYC, but there will not be a change to your award amount. Payments will continue as scheduled. It is important that you update us to ensure our records are accurate.

What happens if I fail to turn in my Quarterly Report?
- If you miss a deadline for a Quarterly Report, please turn it in as soon as possible. You will be contacted via email. If you miss the deadline, your payment may be delayed. If you fail to return 2 Quarterly Reports within the annual award period, you will receive a notification of removal from the Student Loan Repayment Assistance Program. After being removed, you can reapply, but would have to start as a new applicant.

What is the deadline for applications?
- Applications submitted by the 1st of each month will receive a decision by the first of the next month. You may submit an application at any time, but in order to get the maximum award possible applicants should try to complete applications before July 1, 2022.

Do I have to be a Vermont resident?
- No, you do not have to be a Vermont resident but you must be working in a regulated Vermont program. Any participants that are out-of-state residents need to check with their own tax advisor on any possible tax implications of the Loan Repayment Program funding. VTAEYC does not provide tax advice on tax obligations for any program participants.

How is my repayment award determined?
- Your award payment is determined based on your monthly payment plan. Loans that are not on an Income Driven Repayment plan may qualify for additional funds. The program application will ask you questions to help determine if you qualify for funds above your monthly loan payment. All additional funds must be paid to your loan service provider to help reduce your loan debt.

How is my payment distributed?
- Payments are distributed on a quarterly schedule. Your award letter will detail your payment schedule. Payments will be direct deposited into your bank account unless you request otherwise.

Are there tax implications for participation in the Loan Repayment Program?
- VTAEYC does not provide legal advice on possible tax obligations resulting from participation in the Early Childhood Educator Student Loan Repayment Program. Recipients of Student Loan Repayment Assistance awards are responsible for, and should consult with their tax advisors for advice on any tax obligations resulting from awards.

Does this program continue next year?
- This program has been established in state statute and is expected to continue beyond this year. More information on continuation of this program will be provided later this year.

Can I apply for funds next year, after I participate in this program year?

- Should the program continue beyond this first year, yes as long as you still have qualifying loan debt you would be able to apply again. You would be required to provide loan statements showing that you made regular payments to your loan servicer and applied Student Loan Repayment Assistance Program funds from the previous year, to your student loan debt.

For this program, a participant must have earned a qualifying degree within the previous 5 years, on or after January 1, 2018. Will this be the same next year, or will the date change to 2018?
- This eligibility date will change to 2019. Current program participants with a degree earned after January 1, 2017 will remain eligible in the program's second year.