

# Changing Vermonters' lives since 1965



**VSAC'S MISSION IS TO ENSURE THAT  
ALL VERMONTERS HAVE THE NECESSARY  
FINANCIAL AND INFORMATION RESOURCES  
TO PURSUE THEIR EDUCATION GOALS  
BEYOND HIGH SCHOOL.**

# A message from VSAC's board chair and president

**We're celebrating our 50th anniversary this year!**

The Vermont Student Assistance Corporation was established by Governor Phil Hoff and the 1965 Legislature to open the doors to education after high school — and a world of opportunity — for generations of Vermonters.

It was Governor Hoff's vision that created VSAC and made the Vermont State Grant Program possible, so that all Vermont students, regardless of background or means, would have the access and ability to choose the program of study that best fits their goals.

At VSAC, we see how education changes lives. Governor Hoff saw it too. His dedication to education has helped Vermont forge a path for social justice and economic opportunities that come with educational attainment.

VSAC's mission, built on this vision, has expanded over the years. We offer a wealth of online resources and host workshops and events like College Pathways for students and parents. We also provide professional development for those who work with students — including school administrators, guidance counselors and teachers. Every year, our outreach staff counsels more than 5,000 low-income and first-generation, college-bound Vermont students of all ages through three federal grants: Talent Search, GEAR UP and the Educational Opportunity Center.

We know our programs work. The students we counsel go on to college and other training at much higher rates than their peers. And with the new VSAC Guide Program, we now continue that outreach into their third semester, to ensure continuation and graduation. The Guide Program is one of several new programs and partnerships for VSAC, including:

- partnering with the Agency of Education to implement personalized learning plans, part of Act 77
- participating in the nationwide FAFSA Completion Project, providing Vermont high schools real-time information on their students' FAFSA filing — a crucial first step to paying for college
- administering the dual enrollment stipend, a program that provides \$150 to help offset the cost of these free college-level courses for low-income students

When Vermonters pursue education after high school, it's good for them *and* for the state: more Vermonters are employed and with better salaries; they're healthier and more involved in their communities; and the state sees increases in tax revenues and reduced need for public assistance.

Education and training after high school has never been more important; it's the surest way to achieving career goals. And, yet, financing your education has never been as complicated as it is today. That's why we're here to help.

Visit [www.vvac.org](http://www.vvac.org) to find a myriad of resources. Attend one of our many workshops across the state. Plan a day with College Pathways, or call a counselor with your specific questions.

At VSAC, we've been changing Vermonters' lives for the better, for over 50 years.



Dorothy Mitchell  
VSAC Board Chairwoman



Scott A. Giles  
VSAC President & CEO

50  
years

**VSAC'S MISSION IS TO ENSURE THAT ALL VERMONTERS  
HAVE THE NECESSARY FINANCIAL AND INFORMATION  
RESOURCES TO PURSUE THEIR EDUCATION GOALS  
BEYOND HIGH SCHOOL.**

As VSAC celebrates 50 years of changing lives through education and training, we join the thousands of Vermonters who thank Governor Phil Hoff for his vision and leadership as the “founding father” of VSAC. Hoff has spoken of his pride in VSAC, saying without it there would have been “thousands of Vermont kids who could not have gone on to college.” His comments are as refreshing and relevant today as they were in 1965; watch our interview [here](#).

We’re also grateful to the generations of legislators who have supported our mission and made it possible to provide more than \$500 million in grants to Vermont students.

To that end, we continue to:

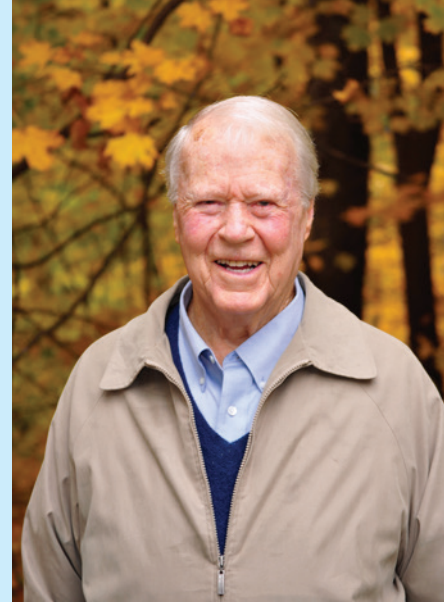
- **encourage college savings** through the VSAC-administered 529 plan and other options
- **invest heavily in career and education planning resources**, including online tools and personal interaction, so that students can identify their interests and skills and connect them with available careers
- **promote a range of college options**, including apprenticeship programs and one- and two-year degrees, as well as traditional four-year degrees
- **encourage students to access all available “gift aid”** (federal and state grants, public and private scholarships and college aid) before using education loans
- **provide lower rates** on education loans for those who need them

**State appropriations are the only source of funding** for three forms of assistance VSAC provides — need-based Vermont State Grants for full-time, part-time or nondegree study.

**Vermont funding for higher education ranks among the lowest in the country.** Since 1980, funding for higher education has risen at less than half the rate of growth of the General Fund, resulting in the loss of federal higher education funds otherwise earmarked for Vermont. Investment in higher education is important to Vermont’s future as the majority of occupations require education and training after high school.

**Financial resources are only half of the challenge that Vermont families face.** Too many students and families do not know how to select an education or training program, apply for admission or apply for financial aid. For some, this information is readily available, but for most, especially students in high-need schools, it is not. Seventy-seven percent of low- and lower-middle income Vermont students participating in VSAC’s one-on-one counseling programs go on to education after high school — 35 percentage points higher than the rate of similar students who do not receive these services.

Vermont must do more to level this playing field. Together, we must expand the delivery of VSAC’s career and education counseling for middle school, high school and adult students.



**VSAC founder and former  
Vermont Governor Phil Hoff  
(John Lazenby Photo)**

## VSAC services

VSAC is unique among agencies of our kind in that we provide, under one roof, a full range of services aimed at helping residents save for education, explore careers and plan and pay for education or training beyond high school. We also support a variety of education initiatives and address Vermont's education and workforce-development goals through myriad collaborations with state agencies and many public and private organizations.

### Services supported by state appropriations and/or administered on behalf of the state

The following is a sample of programs and initiatives that VSAC administers at no cost to the state or taxpayers, allowing 100 percent of state funds to go directly to Vermont students. State-appropriated dollars are the only source of funding for three forms of grant and scholarship assistance provided to eligible Vermonters:

- the **Vermont State Grant**, the need-based grant program for full-time, part-time or nondegree study
- the **Vermont Opportunity Scholarship**, for foster youth
- the **Vermont Honor Scholarship**, for a high-achieving graduate from each participating Vermont high school

In addition, VSAC administers the **Vermont Higher Education Investment Plan**, Vermont's 529 college savings plan. In FY14, we added the **Lamoille Education Aspiration Pilot Project (LEAP)** and the **Dual Enrollment Stipend** program to our list of services.

### VSAC Grant Programs, FY14

VSAC awarded 13,586 need-based education grants to students attending school full- or part-time, or enrolled in nondegree courses of study.

The nondegree program has increased by 42 percent over the last decade.

Program	Amount	Awards
Full-time	\$15.6 M	8,909
Part-time	\$1.6 M	3,312
Nondegree	\$2.5 M	1,365

### Services supported by private funds and education loan revenues

VSAC administers 165 mostly private scholarships via the online **Unified Scholarship Application** and finances, originates and services a nonfederal student loan, the **Vermont Advantage Loan**. VSAC continues to service about \$1.3 billion in federal student and parent loans made under the Federal Family Education Loan Program (FFEL). Prior to 2010, when FFEL was replaced with federal direct lending, VSAC was able to pay for many of our services with loan revenues.

### Services supported by federal grants, loan revenues and other resources

VSAC outreach counselors serve students in middle schools, high schools and agencies serving adult learners throughout the state. Counselors funded by federal **GEAR UP**, **Talent Search** and **Educational Opportunity Center** grants work with low-income and first-generation, college-bound individuals through caseload or group models and also provide career and education planning services to the general population of Vermonters.

VSAC's **College Pathways** program, the state's largest college planning event, celebrated its 13th anniversary in 2014. Nearly 12,000 Vermonters have attended this free, day-long conference since its inception. We partner with Vermont colleges to host the events on their campuses, providing many first-generation students the opportunity to visit a college campus for the first time. These events offer high school sophomores, juniors and parents a wide range of workshops led by experts on a variety of college planning topics. In addition to three College Pathways events hosted at college campuses in Chittenden, Rutland, and Caledonia counties, VSAC hosted a virtual conference via Vermont Interactive Technologies (VIT), providing access to Vermonters statewide.



The VSAC Research Department, which has conducted the biennial **Senior Survey** since 1978, is increasingly regarded as a statewide resource on higher education matters. In FY14, VSAC published [“2012 Senior Survey: A Look at Geographic and Gender Differences in Postsecondary Education Aspiration,”](#) an extensive look at aspiration trends in Vermont. Its conclusions prompted the Legislature to direct VSAC to create a pilot program on improving outcomes for high school graduates (see spotlight, below). For FY15, VSAC is working with both the Agency of Education and Vermont State Colleges on data and research collection projects.



Rusty DeWees with  
GEAR UP students

### **SPOTLIGHT: Lamoille Educational Aspiration Project (LEAP)**

VSAC kicked off the Lamoille Educational Aspiration Project, a year-long pilot at Lamoille Union High School, with more than 20 workshops, smart advice from Rusty DeWees (“The Logger”) and two panels of local employers moderated by House Speaker Shap Smith and Sen. Rich Westman.

All high school students participated to learn more about education and training after high school and to talk about career goals and interests.

LEAP is a direct response to VSAC research that found alarming geographic differences among Vermont’s 14 counties in aspirational goals of the students in continuing education beyond high school. This pilot program will become the basis for future efforts at similar schools in Vermont as we look to increase awareness of postsecondary opportunities and the financial aid resources for students and parents.

#### **Among the initiatives of LEAP:**

- develop strategies to encourage parents to begin conversations about education and training after high school as early as possible
- explore alternatives for how, who, and when to provide career and post-secondary education information and adapt the delivery of this “aspiration curriculum” to meet the individual needs of the school and its students

## FY16— Student needs for academic year 2015–16



Gathering information  
at a VSAC event

### The need

All Vermont students need to acquire education or training after high school in order to earn a livable wage. Likewise, the state needs an educated workforce in order to remain competitive in a global economy and to provide Vermonters with an acceptable standard of living. Even in the face of the recession, college graduates' incomes are on the rise. In contrast, real incomes are declining for those with only a high school education. These trends are expected to accelerate in the future.

Vermont enjoys one of the highest high school graduation rates in the country. In contrast, too many Vermont students fail to pursue the education or workforce training after high school that is needed to earn a livable wage. This failure of our system consigns these students and their families to low wages and limited opportunity.

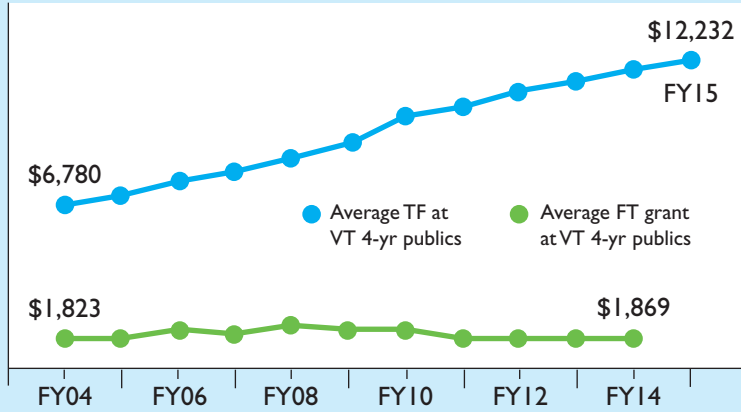
To provide postsecondary education and workforce training access for all, Vermont must ensure that no one is shut out due to lack of information or inability to pay. Student grants and scholarships — whether state, federal or private — are essential elements in motivating Vermonters to pursue education beyond high school, in making college more affordable by reducing debt burdens and in guaranteeing that Vermont has the skilled workforce it needs. Just as important as financial aid, is providing Vermonters with early and consistent career and education counseling throughout the middle and high school years and beyond. Knowledge, resources and support will empower students and families to make the best choices in pursuing and financing their postsecondary aspirations.

Achieving this goal is critical for the future of Vermont higher education as well. While a great deal of attention has been directed toward declining high school graduation numbers, low retention rates and low four-year graduation rates (18% to 34%) pose an even greater challenge for our institutions.

Increased financial aid, in the form of grants, is critical to our cooperative efforts to ensure that Vermont students who begin their education at Vermont colleges actually obtain their degrees. Unfortunately, the average full-time grant has not kept pace in the increased costs of attending Vermont's four-year public institutions.

In response to this, VSAC, through our federal grants, is also extending the scope of our counseling programs in order to provide ongoing support to students once they matriculate at partnering Vermont colleges and universities. It is hoped that these efforts, in combination with work done by the institutions, will begin to bend the curve and improve student retention.

**Average tuition and fees and full-time VSAC grant awarded at Vermont 4-year public colleges**

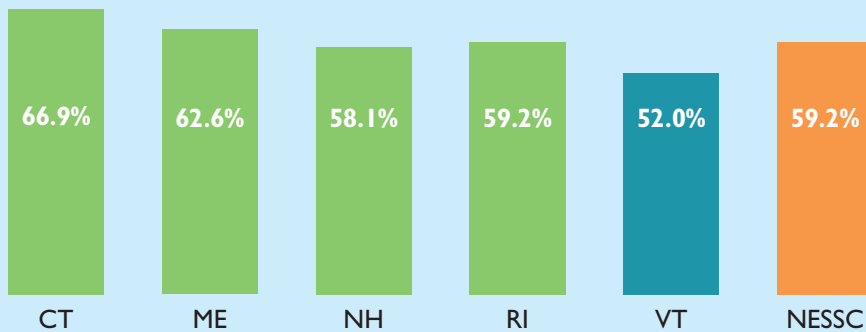


VSAC’s goal is always to provide a level of aid — comprising the family contribution, the federal Pell grant and the state grant administered by VSAC — that covers 100 percent of tuition and fees for eligible students attending Vermont’s state colleges. (This does not take into account charges other than tuition and fees, such as room and board, books, computers, supplies and other expenses.)

Vermont funding for higher education is among the lowest in the nation. In fact, since 1980, funding for higher education has grown at less than half the rate of growth of the General Fund. This has resulted in the loss of federal higher education funds targeted for Vermont and may be a contributing factor to why Vermont has the lowest college enrollment in the region.



**2013 college enrollment**



**Inspiring aspiration at Winooski High School**

# The challenges facing Vermont students

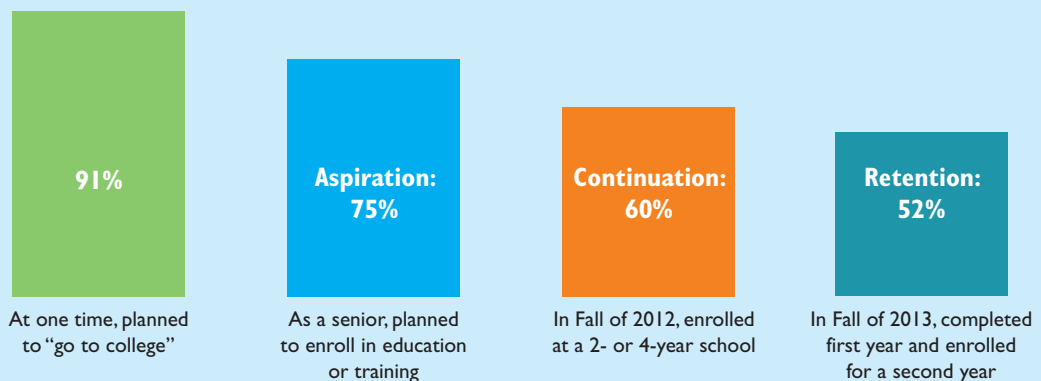
Vermont students face a number of financial challenges:

- **Increases in state (VSAC) and federal (Pell) grants have not kept pace with increases in charges**, resulting in heavier education loan burdens for students and their families. As of 2010, the most recent year for which VSAC data are available, Vermont grant recipients attending four-year schools had average total debt of more than \$41,000 (federal and private student loans, and parent loans) after four years of borrowing. Those who take longer to complete a degree program (increasingly the norm) have even higher debt.
- **Nationally, only 60 percent of students graduate within six years.** At Vermont's public institutions, the four-year graduation rate ranges from 17 to 65 percent, while the six-year graduation is slightly better: 34 percent at the low end to a high of 76 percent. The longer students stay in school, the less likely they are to graduate and the more likely they are to acquire high levels of debt.
- **College charges are expected to continue rising at a rate higher than the rate of inflation**, resulting in a higher percentage of students choosing to enroll part-time rather than full-time. Less than full-time enrollment places students at a higher risk of failing to complete their studies, which makes it more difficult for students to repay education debt.
- **Federal budget sequestration has resulted in cuts to federal programs that aid students** (TRIO counseling for low-income/first-generation students, Supplemental Educational Opportunity Grants and work-study funding), as well as increases in origination fees on federal education loans.
- **The federal government is charging above-market rates** for federal student and parent loans. In 2013, the federal government earned \$50 billion on the federal student loan programs. Congress made this problem worse when it changed interest rates to provide temporary reductions to some students in exchange for higher rates to other students and parents.

## A new Vermont PSE pipeline: From college aspiration to retention

Aspiration, participation and retention rates are just three measures of how well the state is doing in its efforts to support higher education access and affordability. VSAC determines the rates through a survey given to students in their senior year and by using records obtained from the National Student Clearinghouse, respectively.

### Postsecondary outcomes for Vermont high school class of 2012





# Why invest in career and education planning and student aid?

## Benefits for workforce development

Education and training after high school are essential strategies for earning a livable wage. In 2013, U.S. adults aged 25 to 32 with only a high school diploma earned \$28,000 annually, 11 percent less in constant dollars than they did in 1965. In contrast, adults aged 25 to 32 with a baccalaureate degree earned \$45,500 annually, 17 percent more than they did in 1965.

Studies also indicate that individuals with some postsecondary training after high school, even if they do not earn a degree, on average have higher wages and lower unemployment rates than individuals with only a high school diploma.

The Bill and Melinda Gates Foundation cites studies reinforcing the concerns of Vermont employers. The U.S. lags behind a number of countries in producing college graduates and now ranks below average internationally — a situation that will suppress U.S. job creation. The foundation not only thinks more students should be encouraged to attend college but that efforts must be made to help more students complete college in a timely fashion.

## Benefits to the individual and society

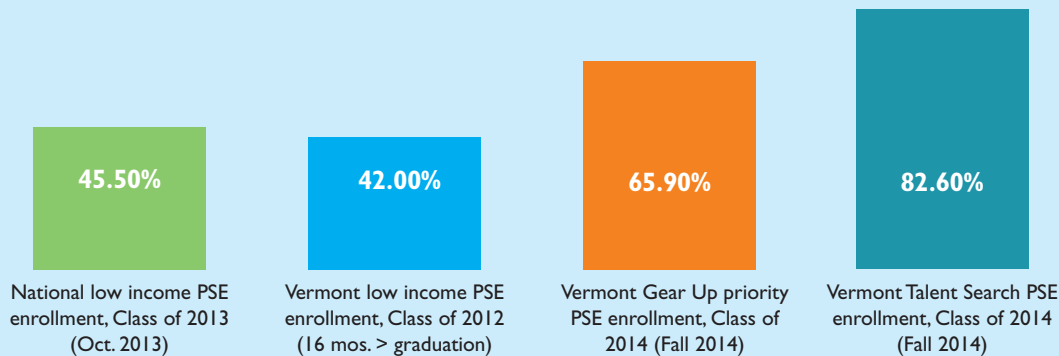
There have always been significant benefits, both to individuals and to society, of having an educated populace. Those with higher levels of education:

- earn more, pay more in federal and state taxes and accumulate more retirement savings than those with less education
- have lower rates of unemployment and are less likely to require public assistance
- have better health outcomes and are more involved in the community
- have children who do better in school and are more motivated to pursue higher education

These outcomes make it clear that more of our high school students need to participate in postsecondary education in order to benefit from the lifetime advantages that education provides.

The state of Vermont needs more high school students to participate in postsecondary education or training and more graduates of Vermont colleges, universities and training programs to remain within our state to help our economy grow.

## Counseling works





**Scott Giles, VSAC president, joins Congressman Peter Welch and CCV students to talk about affordability**

### **Benefits to Vermont’s institutions of higher learning**

Vermont has the second-oldest population in the nation, and the school-aged population has already decreased by nearly 15 percent in the past five years. And experts predict continuing declines exceeding 15 percent until 2028.

The trend in these demographics represents a huge challenge for Vermont postsecondary institutions. With an education model focused on admitting enough students to “fill seats,” a new strategy to “keep students in the seats” will be imperative for institutions to operate successfully.

At Vermont’s public institutions, the number of students who graduate within four years ranges from 17 percent to 65 percent, while those who graduate in six years range is as low as 34 percent to as high as 76 percent.

### **This leads to some state policy options for consideration:**

- work to ensure that all students graduate from high school “work- and college-ready”
- permit use of dual enrollment and Intro to College Studies vouchers by high school students to support remediation where necessary and appropriate
- provide additional funding to Vermont institutions of higher education to build institutional capacity and to support retention and completion efforts
- support expansion of middle school and high school career and education counseling to support being “good consumers” of education
- support expansion of career and education counseling for adult students to enable them to identify the education and training programs that will best meet their needs and to enable them to re-enter college or training
- provide additional funding to the state grant program to reduce debt and increase the percent of tuition and fees that are paid through grant aid



**Students attend VSAC Day at the Vermont Statehouse**

# FY14 — Summary of activities and outcomes for academic year 2013–14

VSAC remains a steadfast proponent of encouraging as many students as possible to pursue some form of education or training beyond high school. Because of the structure of our agency, we are able to serve both local schools and statewide constituencies while promoting a systemic and holistic approach to increasing postsecondary participation.

In accordance with our mission, VSAC in FY14:

- provided **13,586 need-based, state-funded grants** to students
- administered more than **165 scholarships**, disbursing 2,221 scholarship awards worth more than \$5.1 million
- administered the federal **Chafee Education and Training Voucher program** on behalf of the Vermont Department for Children and Families
- served **67,165 commercial portfolio borrowers**, representing \$1.3 billion in outstanding loans
- served **91,068 federal portfolio borrowers**, representing \$2.2 billion in outstanding loans
- **saved borrowers more than \$3.9 million** through borrower benefit programs that have totaled \$168.8 million since 1995
- attracted **706,000 visitors** to our website, **www.vvac.org**
- conducted “**Paying for College**” workshops at **68 high schools**, reaching more than 2,260 high school students and parents, and held work sessions to assist 647 individuals in completing financial aid forms
- helped **81 percent of Talent Search** and **77 percent of GEAR UP’s** caseload participants graduating high school in FY13 enroll in a postsecondary program in the fall of 2013
- sponsored workshops and events for professionals who work with students and families on the topics of career exploration, college planning, and applying for financial aid, attracting **821 attendees**
- had more than **1,500 visits** to the Start Where You Are Pro Web site (**www.startwhereyouarevtpro.org**), a portal for professionals who work with students on career planning

## College saving options

The Vermont Higher Education Investment Plan, Vermont’s qualified 529 college savings plan, celebrated its 15th anniversary in 2014. Established to encourage Vermont families at all income levels to invest for college and reduce their need for borrowing, VHEIP provides state and federal tax benefits. VHEIP assets crossed the \$252 million threshold in November 2014. Additional details are available at **www.vheip.org**.



Since its inception, VHEIP families have withdrawn \$94.6 million to help 4,065 students pay for their education.

A promotional poster for VSAC's College Pathways '14 program. At the top, it says "JUNIORS, SOPHOMORES &amp; PARENTS" in white on a blue background. Below that, "College Pathways '14" is written in white on a black background. The VSAC logo is prominently displayed on the left side. The central image shows a silhouette of a person standing on a platform, looking at a compass rose with a red rooster on top. Below the image, it says "FREE college planning workshops". At the bottom, there is a "Register today!" button, the website "www.vvac.org/CollegePathways", and a QR code. A list of workshop dates and locations is provided: Saturdays March 15 at Saint Michael's College, March 29 at Castleton State College; Monday evening April 7 with the college fair at Lyndon State College. A "Workshops include:" section lists: writing an essay that stands out, strategies for the SAT/ACT tests, your college search factors to consider and tools to use, and college costs and financial aid and more!

## FY15 — Status of developments in academic year 2014–15

VSAC continues to offer the services outlined in FY14, as well as several additional developments worth noting for FY15. In addition to the **Lamoille Educational Aspiration Project** and **Naviance**, we:

- expanded the scope of services provided to high schools by introducing the **FAFSA Completion project**. With authority granted by the U.S. Department of Education, VSAC is able to provide real-time information to high schools about their students' *Free Application for Federal Student Aid* filing status. The goal of this project is to increase the percentage of seniors who complete the FAFSA and pursue education and training after high school.
- publicized and administered the **Dual Enrollment Stipend** program, in collaboration with CCV (which provides the applicant information to VSAC). The Legislature provided \$50,000 in stipends, out of the Vermont State Colleges Dual Enrollment appropriation, to help eligible high school students cover the costs of books, fees and travel associated with dual enrollment courses. Students who plan to take a dual enrollment class, are eligible for free- and reduced-price lunch and need additional financial assistance to cover the costs of books, fees or travel, are automatically considered for an annual stipend of \$150 to assist with these costs. VSAC recommends that this \$50,000 appropriation be continued.
- joined with stakeholders to begin strategizing implementation of the **VT Strong Scholars Program**. This loan-forgiveness program has three policy initiatives: promote postsecondary education; target high-demand, high-wage fields of study; and increase the number of younger Vermonters who choose to live and work in the state in critical job sectors. Beginning in July 2015, Vermonters enrolled in eligible two- or four-year degree programs will be eligible for loan forgiveness if they stay and work in Vermont in one of these job sectors for a specified amount of time. The loan-forgiveness awards are subject to specific funding to be identified by the General Assembly.

### SPOTLIGHT: Naviance

Schools mandated to implement Personalized Learning Plans now have access to Naviance, a valuable resource designed to meet — and exceed — the state's PLP requirements.

VSAC, with support from the Vermont Agency of Education, has offered all public and public-serving middle and high schools this online career and college planning tool with PLP-integrated functionality at a significantly reduced cost.

Naviance provides schools with the necessary tools to support PLPs while efficiently engaging students and parents/guardians in this process. The product provides various assessments and inventories, and includes task and goal-setting capabilities, robust reporting and connectivity to other applications.

*To date, 90 schools, representing 72 percent of students and parents, have access to Naviance.*



## Federal outreach grants

With the help of three federal grants, VSAC provides targeted information and counseling services to low-income and first-generation, college-bound Vermonters as well as a range of college and career planning services for all Vermonters.

The federal grants — Talent Search, GEAR UP and Educational Opportunity Center — were last renewed in FY12 for multi-year periods. EOC serves adult learners and the other two programs serve middle and high school students and their families.

VSAC is able to leverage our federal resources by partnering with Vermont colleges and organizations to serve students and families. In FY14, GEAR UP provided significant funding to the following partners:

- **\$251,171 to the Vermont State College system**, for Intro to College Studies classes and dual enrollment vouchers for high school students statewide
- **\$171,900 to the Vermont Agency of Education**, for the Personalized Learning Plan Workgroup and website
- **\$121,068 to the University of Vermont**, to help middle and high school teachers implement the latest changes in the way science is taught through the Champlain Research Experience for Students and Teachers program
- **\$51,333 to Navicate** (formerly Linking Learning to Life, Inc.), for Learn to Earn presentations in schools throughout Vermont
- **\$49,994 to the Vermont Principals Association**, for leadership training for principals
- **\$23,006 to the DREAM program**, for teen mentorship programs

In addition to helping low-income and first-generation students prepare and apply for college, VSAC is in its second year of a program funded by GEAR UP to help these students successfully transition to college (serving 211 first-year students in FY14). By focusing on first-year retention, **GUIDE** (Giving Undergraduates Important Direction in their Education) builds on VSAC's college aspiration and continuation work prior to students' enrollment.

This year VSAC launched **College Snapps**, a texting platform to help reduce the number of students who in June plan to enroll and by the fall have decided not to matriculate, commonly referred to as "summer melt." Recent high school graduates and all GUIDE students are encouraged to subscribe, and receive text messages that are scripted to specifically keep our student population motivated and enrolled in college. If students indicate they may be at risk to not continue with their education plans, we are able to respond to their needs in a timely manner.



**Gov. Peter Shumlin with Theo Advent,  
Springfield High School student**



**New American students at VSAC event**

## Assisting New American students

There are a number of New American students who are currently enrolled in VSAC's GEAR UP or Talent Search programs throughout Vermont public schools. Often referred to by their school counselors, these students receive ongoing assistance with career and college planning services and have monthly meetings with a VSAC outreach counselor. They participate in college visits and summer programs and receive waivers for standardized tests and college applications.

VSAC also provides services to adult New American students, including assistance with financial aid applications, career and educational planning and financial aid. The Vermont nondegree grant is of particular value to New Americans as they seek to improve their language skills and access educational and training opportunities to improve their employability.

## Federal and private lending

Congress eliminated VSAC's authority to finance and issue new federal education loans in 2010 when the federal government switched to a system of 100 percent direct lending. As a result of efforts by Vermont's congressional delegation, however, the government allowed nonprofit, state-based agencies like VSAC to compete alongside private corporations for direct loan servicing contracts. Servicing involves issuing loan bills, helping borrowers select a payment plan, collecting payments and assisting borrowers at risk of default.

After nearly three years, VSAC competed for and was awarded a contract to continue as a U.S. Department of Education loan servicer. In FY14 we served 91,068 federal portfolio borrowers, representing \$2.2 billion in outstanding loans.

In addition to managing new federal loan accounts, VSAC continues to service an outstanding loan portfolio of \$1.3 billion consisting of federal loans made prior to 2010 and VSAC's own loans for students. We issued \$24.3 million in our own student loans in FY14, with highly competitive rates and terms, for students who needed additional funds to pay for college.

Statements of Net Position *(in thousands)*

	2014	2013
<b>Assets</b>		
Cash & investments	\$ 93,628	\$ 100,314
Education loans receivable (plus interest)	1,266,921	1,437,985
Other assets	<u>18,232</u>	<u>19,072</u>
Total assets	<u>\$1,378,781</u>	<u>\$ 1,557,371</u>
<b>Liabilities</b>		
Bonds & notes payable (plus interest)	\$1,148,713	1,322,867
U.S. Treasury rebates payable	1,467	1,200
Other liabilities	<u>9,456</u>	<u>10,794</u>
Total liabilities	1,159,636	1,334,861
<b>Deferred inflows of resources</b>		
Deferred gains on early refunding of bonds payable	<u>50,653</u>	<u>58,604</u>
Total liabilities & deferred inflows of resources	<u>1,210,289</u>	<u>1,393,465</u>
<b>Net Position</b>		
Restricted	39,776	33,850
Unrestricted	112,631	113,225
Net investment in capital assets	<u>16,085</u>	<u>16,831</u>
Total net position	<u>168,492</u>	<u>163,906</u>
Total liabilities, deferred inflows of resources & net position	<u>\$1,378,781</u>	<u>\$1,557,371</u>

Statements of Revenues, Expenses  
& Changes in Net Position

<b>Operating revenues</b>		
Interest earned from education loan financing	\$ 48,607	\$ 56,273
Other loan & guarantee program revenues	6,729	6,209
Investment interest	264	376
Vermont state appropriations	20,468	19,444
Federal grants	5,572	5,955
Scholarship & gift income	3,701	3,621
Federal loan servicing income	2,688	3,050
Other income	<u>1,365</u>	<u>923</u>
Total operating revenues	89,394	95,851
<b>Operating expenses</b>		
Grants & scholarships	24,896	24,535
Interest rebated to borrowers	3,937	4,727
Interest on debt, net of amortization	6,920	9,953
Other loan financing costs	20,273	37,187
Corporate operating expenses & depreciation	<u>29,669</u>	<u>29,525</u>
Total operating expenses	<u>85,695</u>	<u>105,927</u>
Change in net position from operations	3,699	(10,076)
Gains on early bond extinguishments	<u>887</u>	<u>19,035</u>
Change in net position	4,586	8,959
Net position, beginning of year	<u>163,906</u>	<u>154,947</u>
Net position, end of the year	<u>\$ 168,492</u>	<u>\$ 163,906</u>

A complete set of financial statements as audited by an independent public accounting firm is available on VSAC's [website](#) or by request.

## 2014 VSAC Executive Committee

Scott Giles, *President & CEO*

Marilyn Cargill, *Vice President of Financial Aid Services and Research*

Patrick Leduc, *CIO & Vice President of Career and Education Outreach*

Tom Little, *Vice President & General Counsel*

Mike Stuart, *Vice President & Chief Financial Officer*

## 2014 VSAC Staff Directors

Wanda Arce, *Research*

Joe Gallagher, *Claims & Collections*

Sabina Haskell, *Public Affairs*

Bruce Hicken, *Finance/Controller*

Jaye O'Connell, *Compliance*

Laurie M. Oliver, *Internal Audit & Risk Management*

Linda Shiller, *Career & Education Outreach*

Susan Stasny, *Human Resources*

Deborah Unica, *Social Marketing & VHEIP*

## 2014 VSAC Board of Directors

Dorothy R. Mitchell, *Chair*

Rep. Martha P. Heath, *Vice Chair*

David Larsen, *Secretary*

Pamela A. Chisholm

David R. Coates

Virginia Cole-Levesque

Sen. Ann E. Cummings

Katharine B. Hutchinson

G. Dennis O'Brien

Elizabeth "Beth" Pearce, *State Treasurer*

Michael K. Smith



### Vermont Student Assistance Corporation

10 East Allen Street, PO Box 2000, Winooski, VT 05404

Toll-free **800-642-3177** In the Burlington area **655-9602**

Visit us online at [www.vvac.org](http://www.vvac.org) E-mail us at [info@vsac.org](mailto:info@vsac.org)

Find us on Facebook at [www.facebook.com/VermontStudentAssistanceCorporation](https://www.facebook.com/VermontStudentAssistanceCorporation)

VSAC does not discriminate in employment or the provision of services on the basis of race, color, religion, national origin, sex, sexual orientation, gender identity, ancestry, place of birth, age, veteran or military status, genetic information, disability, or any other legally protected status. Please contact VSAC at 800-642-3177 or 655-9602 in the Burlington area (TDD for hearing impaired, 800-281-3341 or 654-3766) if auxiliary aids or services are needed for application or participation in VSAC services.