



# FY19 Annual Report

## A Message from **VSAC's Board Chair and President**

**VSAC works for Vermont students and families. We will continue to be the voice for Vermonters' rights to choose what they want to study, where they want to study it. And we'll help them figure out how to pay for it.**

It's an inescapable fact that Vermonters must continue their education and training after high school. National economists say that nearly 7 out of 10 jobs available today require postsecondary education or training—and for careers emerging in the next decades, technology and automation will probably only increase that figure.

The need for postsecondary training, even today, is especially true in Vermont, where every conversation about the economic future of our state begins and ends with the need for greater workforce development. We all share the responsibility to ensure that Vermont residents have the skills they need to achieve their career and life goals, and that employers—the engine of our economy—have the qualified workers they need to fuel Vermont's growth.

Against this backdrop, VSAC's work is more important than ever before. Our mission of increasing access and equity in the pursuit of education is the cornerstone to building better, stronger futures for Vermonters, our colleges, and our employers. And while there's no shortage of challenges, there are also many bright spots—which is where we should look as we consider how to advance our higher education system. Take a look at some of the initiatives that VSAC has been proud to be a part of this year:

**More funding for adult learners.** Thanks to Governor Phil Scott and the Legislature, VSAC received an additional \$500,000 in funding for VSAC's [nondegree grant program](#), newly renamed the Advancement Grant Program. As a result, we've been able to help nearly 300 more adult Vermonters pursue training and credential programs that build their job skills for a variety of industries and occupations. This one-time appropriation represents a 25% increase in funding for the program.

**Financial aid and loan counseling.** We've created additional educational resources to help our students and families learn how to compare loans as they figure out how to pay for higher education. We call it [Know More. Borrow Less.](#)<sup>™</sup> From applying for all available financial aid opportunities to being "loan smart," VSAC is giving students and families greater control over their education costs, thanks to robust counseling and a loan rebate program that returned over \$1.3 million to our borrowers in 2019.

**Helping students be math ready.** [Research](#) shows that students who study math at least through Algebra II in high school are more than twice as likely go to school, stay in school, and earn a 4-year degree. VSAC, the Vermont State Colleges System, and the Agency of Education have created EMC<sup>2</sup>, Essential Math for College and Careers, to ensure that graduating seniors are ready for college-level math when they successfully complete the course. This saves students money on remedial courses that don't count toward college graduation. [Eight high schools](#) in Vermont are participating in the pilot.

**Keeping them in school.** We've partnered with Vermont colleges to provide additional outreach tools so that students not only enroll in college, but actually continue and graduate. Our [GUIDE program](#)





for first-year students works: 83% of participating students who enrolled in 2- and 4-year institutions persisted into their second year, compared with 73% of all low-income Vermont freshmen.

**Helping families save.** VSAC manages Vermont's 529 plan, and this year, we saw Vermonters' investments in the Vermont Higher Education Investment Plan total more than \$400 million across 22,000 accounts. Not only that, students used \$42 million last year alone to pay for their education. With a 529 account, Vermonters earn interest now rather than pay interest later.

**Expanding College & Career Pathways.** VSAC added a fourth location in southern Vermont and built an evening program especially for adult learners. The result? Double the number of participants got access to the information they needed to pursue their career paths.

**Providing a new and valuable employee benefit.** VSAC's [Career & Education Wellness](#) program, offered to employees right in their workplace, provides working Vermonters with advice on their own continuing education needs and guidance on how to pay for their children's college education. From group workshops to 1:1 personalized sessions, VSAC experts offer valuable counseling in a convenient location, and give employers another tool to attract and retain quality employees.

As we look to a new year and a new decade here in Vermont, VSAC will remain committed to the needs of Vermonters, our colleges, and our community partners. Together, by partnering on innovative initiatives, we'll build a vibrant Vermont where all have the opportunity to succeed.

Dorothy Mitchell  
VSAC Board Chair

Scott Giles  
VSAC President & CEO



## 20.1 million

in need-based **grants** that 11,766 Vermont students of all ages received

7,710 full-time students received \$15,103,270

2,578 part-time students received \$1,802,779

1,478 nondegree students received \$2,662,147



## \$5.4 million

from 150 public & private **scholarships** in 3,195 awards.

Noteworthy & new scholarships:

*Vermont National Guard Assistance Program*

*The Tatarczuch Family Scholarship* to help students pursue a BA degree in accounting, finance and/or business management

*The Franklin County Dual Enrollment & Early College Scholarship* to support high school students who successfully completed a DE or EC course.



## \$45 million

amount that VSAC issued in its **Vermont Advantage loans**

**\$1.7 million**

saved by VSAC borrowers in FY19 through our **borrower benefit program** and \$180.5 million since 1995

**\$702 million**

serviced in **federal & private** loans

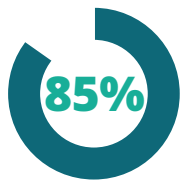


## \$406 million

value of the **22,478 accounts** in the Vermont Higher Education Investment Plan as of August 31, 2019

**\$41 million**

amount from the plan used by students in FY19 to pay their education expenses



**Talent Search** students who graduated from high school in 2018 continued their education in the fall



**62,000**

# of phone calls answered by VSAC financial aid services staff from Vermonters and borrowers who needed help with their financial aid and repayment questions



**> 4,100**

Vermonters assisted by VSAC in managing college costs and completing financial aid forms during high school workshops, college events, and individual appointments



**> 3,100**

middle school and high school students served by GEAR UP partnerships, including:

- Career Clics
- Community College of Vermont's Introduction to College & Careers
- Governor's Institute of Vermont
- Vermont Afterschool
- Vermont Virtual Learning Cooperative



**356**

**education professionals** who received training from VSAC staff



**1,523**

students, parents, adults returning to learning, and education professionals attended **free College & Career Pathways events** at four VT locations.



**7,490**

low-income and/or first-generation, college-bound Vermont students of all ages with whom VSAC counselors worked through the VSAC Aspirations Project and 3 federal grants: Talent Search, GEAR UP, and Educational Opportunity Center.



*VSAC Day at the Statehouse is our way of thanking our lawmakers for all they do to support students. Every year, we host more than 80 students for a day of learning and engagement with Vermont's leaders, including Governor Phil Scott!*



*When it comes to financing for students continuing their education and training after high school, VSAC makes sure students don't get conned by student loan debt relief scams. Vermont Attorney General T.J. Donovan partners with VSAC to protect student loan borrowers.*

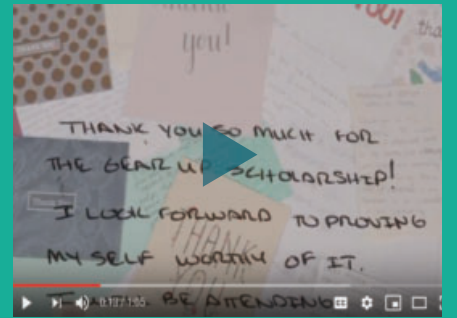
*VSAC's story is really the story of Vermont students and their families. It's the story of their aspirations, needs, grit and determination. We're privileged to be part of their journey.*



VSAC has served as The Curtis Fund's administrative and recruitment partner since 1995, helping to disburse approximately \$30 million in scholarships. Listen to the moving stories of this year's scholarship recipients.



Vermonters lose out on over \$4 million in grants each year for the education after high school all because they don't fill out the FAFSA, the Free Application for Federal Student Aid. It's easy to do—30 minutes for most—as VSAC outreach counselor Soren explains.



VSAC is honored to manage over 150 scholarship programs—with more than \$5 million awarded every year—and only for Vermonters! Education changes lives, and these scholarship programs help make that happen.

**VSAC BOARD OF DIRECTORS**

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**EXECUTIVE COMMITTEE**

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*President & CEO*

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*Vice President, CFO, and Assistant Secretary*

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*Vice President, General Counsel, and Assistant Secretary*

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

Patrick J. Leduc  
*CIO and Vice President of Career and Education Outreach*

**Statements of Net Position**

**FY2019**      **FY2018**  
*(in thousands)*

**ASSETS**

Cash & investments	\$ 117,785	\$ 114,054
Education loans receivable (plus interest)	717,461	784,894
Other assets	19,119	18,950
Total assets	<u>\$ 854,365</u>	<u>\$ 917,898</u>

**LIABILITIES**

Bonds & notes payable (plus interest)	\$ 625,484	\$ 694,154
U.S. Treasury rebates payable	3,626	3,093
Other liabilities	10,405	8,861
Total liabilities	<u>\$ 639,515</u>	<u>\$ 706,108</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred gains on early refunding of bonds payable	\$ 19,105	\$ 23,500
Deferred inflow from leasing activity	3,307	2,347
Total liabilities & deferred inflows of resources	<u>\$ 661,927</u>	<u>\$ 731,955</u>

**NET POSITION**

Restricted	\$ 106,960	\$ 99,328
Unrestricted	72,355	72,708
Net investment in capital assets	13,123	13,907
Total net position	<u>192,438</u>	<u>185,943</u>
Total liabilities, deferred inflows of resources & net position	<u>\$ 854,365</u>	<u>\$ 917,898</u>

**Statements of Revenues, Expenses & Changes in Net Position**

**OPERATING REVENUES**

Interest earned from education loan financing	\$ 44,323	\$ 42,566
Other loan & guarantee program revenues	3,371	4,830
Investment interest	2,192	1,217
Vermont state appropriations	20,093	20,326
Federal grants	5,296	4,896
Scholarship & gift income	4,386	3,968
Federal loan servicing income	416	—
Other income	1,088	1,119
Total operating revenues	<u>\$ 81,165</u>	<u>\$ 78,922</u>

**OPERATING EXPENSES**

Grants & scholarships	\$ 25,606	\$ 24,646
Interest rebated to borrowers	1,707	2,081
Interest on debt, net of amortization	17,852	14,940
Other loan financing costs	6,310	7,606
Corporate operating expenses & depreciation	23,195	22,800
Total operating expenses	<u>74,670</u>	<u>72,073</u>
Change in net position	6,495	6,849
Net position, beginning of year	<u>185,943</u>	<u>179,094</u>
Net position, end of the year	<u>\$ 192,438</u>	<u>\$ 185,943</u>

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