



# FY16 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.**

Vermonters need to continue their education now more than ever, and VSAC is here to help make that happen.

Since the Great Recession of 2008, less than 1 percent of the 11.6 million new jobs created have gone to high school graduates. The American economy has shifted with the automation of jobs previously held by high school graduates. Increasingly, employers require at least some education and training after high school, be it a degree, an associate's degree, an apprenticeship, technical training or a certificate of value.

It's pretty simple: you have to continue your education; it's the single-most important decision you will make about your future. VSAC is here to help you plan your future. We start by helping you save with the **Vermont Higher Education Investment Plan**, Vermont's own 529 college savings plan. You can open an account with as little as \$25 and add to it over time. Studies show that children with 529 accounts are three times more likely to continue their education—no matter how much (or little) they've saved.

VSAC continues with you in middle school and on through high school graduation. Helping to guide the way with education and career counseling, applying to schools and picking the best one for your interests and your pocketbook.

We provide **need-based grants**, scholarships and lead workshops on **filling out financial aid forms** so that you get the aid you need. We also help families, who need extra financing to fill the gap, with lower rates and the trusted service that come with being Vermont's only nonprofit advocate for you as you continue your studies. Our new website is a virtual compendium of resources to make it understandable and easier.

We work with adults too. Our landmark **nondegree grant program** pays off in career opportunities and employment gains. This is a real opportunity for Vermonters who need education and training for our new economy and the jobs waiting to be filled. In fact, among adult students who were unemployed prior to completing the nondegree course, 61 percent were employed either full time or part time and an additional 10 percent were in school or training programs.

Starting this year, you will find VSAC in the workplace, with our new **Career & Education Wellness** program, helping employers improve recruiting and retention and workforce development. The program assists employees directly with their own education goals as well as those of their families. More than 1,000 employees at three Vermont companies are now enrolled.

Our commitment to creating opportunity for Vermonters doesn't end there: VSAC is home to a new statewide collective action organization, named 70x2025vt, with the ambitious goal of assuring that 70 percent of Vermonters will possess a postsecondary degree or credential of value by 2025.

From cradle to career, VSAC works with you to create opportunities for you and our state.

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Dorothy Mitchell  
VSAC Board Chair

Scott Giles  
VSAC President & CEO

## OUTREACH & COUNSELING

Outreach staff counseled more than 5,730 low-income and/or first-generation, college-bound Vermont students of all ages through three federal grants: Talent Search, GEAR UP and Educational Opportunity Center (EOC).

**83%**

2015 Talent Search participants who graduated high school and continued their education in the fall

**1,800**

adults used the EOC program; 7 out of 10 have enrolled in postsecondary education.

**68%**

2015 GEAR UP priority participants who graduated high school and continued their education in the fall

**>5,000**

middle school and high school students were served by GEAR UP partnerships.

## College Pathways

**3 events**

on college campuses statewide

**1,200**

students & parents attended

## Paying for College

**65 events**

presentations at high schools statewide

**1,368**

participants were assisted in completing financial aid forms.

**2,490**

students & parents attended

**1,184**

education professionals received training from VSAC.

## 529 COLLEGE SAVINGS PLAN

The Vermont Higher Education Investment Plan  
as of June 30, 2016:

**15,946**

accounts

**\$270 million**

invested

## FINANCIAL AID

VSAC has awarded more than \$600 million in grants and scholarships for Vermont students, and also administers Vermont's 529 college savings plan.

### Grants

Vermont students of all ages received 13,030 need-based grants worth nearly \$20 million:

**8,297**  
full-time  
awards for  
**\$15.5 million**

**3,008**  
part-time awards for  
**\$1.5 million**

**1,725**  
nondegree awards for  
**\$3 million**

The nondegree program has **nearly doubled** the number of awards over the last decade.

### Scholarships

**>160**  
public & private  
scholarships offered

**3,200**  
awards made for  
**> \$5.9 million**

### Loans

**\$34.8 million**  
in VT Advantage loans  
issued by VSAC

**\$2.6 million**  
saved by VSAC borrowers  
through borrower loan forgiveness  
benefits that have totaled  
nearly \$175 million  
since 1995

**\$991 million**  
in federal & private loans  
serviced by VSAC

**Loan Coach**  
VSAC's program to provide free,  
in-depth personalized  
education debt counseling  
as borrowers begin  
repayment

## Statements of Net Position

FY2016  
FY2015  
(in thousands)

### ASSETS

Cash & investments	\$ 107,301	\$ 83,520
Education loans receivable (plus interest)	968,227	1,104,907
Other assets	19,455	17,908
Total assets	<u>\$ 1,094,983</u>	<u>\$1,206,335</u>

### LIABILITIES

Bonds & notes payable (plus interest)	\$ 876,453	987,114
U.S. Treasury rebates payable	2,457	1,875
Other liabilities	11,332	8,664
Total liabilities	<u>890,242</u>	<u>997,653</u>

### DEFERRED INFLOWS OF RESOURCES

Deferred gains on early refunding of bonds payable	<u>34,896</u>	<u>42,307</u>
Total liabilities & deferred inflows of resources	<u>925,138</u>	<u>1,039,960</u>

### NET POSITION

Restricted	78,204	57,631
Unrestricted	76,440	92,927
Net investment in capital assets	<u>15,201</u>	<u>15,817</u>
Total net position	<u>169,845</u>	<u>166,375</u>
Total liabilities, deferred inflows of resources & net position	<u>\$1,094,983</u>	<u>\$1,206,335</u>

### VSAC BOARD OF DIRECTORS

Dorothy R. Mitchell  
*Chair*

Martha P. Heath  
*Vice Chair*

David Larsen  
*Secretary*

Rep. Sarah E. Buxton

Pamela A. Chisholm

David Coates

Sen. Ann E. Cummings

Katharine B. Hutchinson

G. Dennis O'Brien

State Treasurer  
Elizabeth "Beth" Pearce

Michael K. Smith

### 2016 EXECUTIVE COMMITTEE

Scott A. Giles  
*President & CEO*

Michael R. Stuart  
*Vice President, CFO,  
and Assistant Secretary*

Thomas A. Little  
*Vice President, General  
Counsel, and Assistant  
Secretary*

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*Vice President of  
Financial Aid Services,  
Marketing, and Research*

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

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

### OPERATING REVENUES

Interest earned from education loan financing	\$ 41,640	\$ 44,069
Other loan & guarantee program revenues	5,528	5,044
Investment interest	393	239
Vermont state appropriations	20,275	20,274
Federal grants	5,340	5,256
Scholarship & gift income	4,523	4,256
Federal loan servicing income	3,821	2,516
Other income	785	1,030
Total operating revenues	<u>82,305</u>	<u>82,684</u>

### OPERATING EXPENSES

Grants & scholarships	25,999	24,880
Interest rebated to borrowers	2,617	3,224
Interest on debt, net of amortization	6,816	5,619
Other loan financing costs	13,842	15,884
Corporate operating expenses & depreciation	29,561	35,194
Total operating expenses	<u>78,835</u>	<u>84,801</u>
Change in net position from operations	3,470	(2,117)
Gains on early bond extinguishments	—	—
Change in net position	3,470	(2,117)
Net position, beginning of year	<u>166,375</u>	<u>168,492</u>
Net position, end of the year	<u>\$ 169,845</u>	<u>\$ 166,375</u>

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