A voice
for Vermont’s students

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 & president

The topic of higher education in Vermont is getting a fresh perspective and taking on a new sense of urgency — and that is a good thing.

Across the state, business and community leaders are joining the legislature and Governor, focusing policy discussion on higher education, workforce development and the import they hold on Vermont’s economic development and future health.

**Vermont funding for higher education ranks among the lowest in the country.** In fact, since 1980, funding for higher education has risen at less than half the rate of growth of the state’s General Fund budget. This disinvestment in higher education is at the heart of the challenge to creating a highly educated workforce for Vermont’s future economic needs. Vermont cannot achieve significant improvements in access, affordability, degree and certificate completion and workforce development without a renewed investment in postsecondary education.

**National data indicate that by 2020 two-thirds of all new jobs will require postsecondary education (Lumina Foundation 2013).** The Vermont Department of Labor projects that by the year 2022, Vermont will have nearly 10,000 new job openings — due to both growth and replacing retiring workers — that require at least a postsecondary certificate (Vermont Department of Labor 2015).

**Achieving these goals is critical to Vermont’s economic and workforce development goals — and even more critical to the futures of Vermonters.** Real wages for high school graduates have declined by 11 percent since 1965. Real wages for college graduates have increased by 17 percent during this same period. Education and training hold the key to addressing income inequality across the nation and in Vermont. All Vermonters need education or training after high school to achieve a livable wage.

**VSAC is unique in its scope and role.** Created by the legislature in 1965, we advocate for students and their families to ensure that they have the information, the counseling and the financial aid to achieve their education goals. Our mission is to create opportunities for all students, but particularly for those — at any age — who believe that the doors to postsecondary education are closed to them.

We begin by helping families save for education. Our counselors work with students in nearly every middle school and high school, and again as adults. Our financial aid programs attract national recognition, and our loan programs and loan forgiveness programs are saving Vermont families thousands of dollars in interest.

**The good news is, our efforts are working, as you’ll see on the following pages.** Our story, however, is really the story of Vermont students and their families, of their grit and determination. We are privileged to be part of their journey.

Dorothy Mitchell
VSAC Board Chair

Scott A. Giles
VSAC President & CEO
Outreach services for high school students & families

In FY15, VSAC provided individual counselor contact or classroom workshops to:

• 3,234 middle school students
• 7,308 secondary school students
• 1,746 adults

• 83 percent of Talent Search and 66 percent of GEAR UP priority students continued their education after high school.

• VSAC’s outreach team counseled over 5,900 low-income and/or college-bound students of all ages through three federal grants: Talent Search, GEAR UP and Educational Opportunity Center.

• Our new GUIDE program provides outreach services to 194 first-year Vermont students attending schools both in- and out-of-state.

• VSAC’s GEAR UP program provides more than 50 schools and 10 state partners with resources and support to enhance school efforts involving career and college readiness initiatives and professional development, and to assist with statewide systemic change.

College planning assistance & financial aid outreach

• In FY15, nearly 2,000 Vermonters attended Paying for College sessions and workshops on the completion of financial aid forms, held at high schools statewide.

• Online presentations on the FAFSA, college costs and financial aid, the scholarships process, net price calculators, and admissions essays are available at vsacroadmaps.org.

• Annual College Pathways events on three Vermont college campuses draw 1,200 Vermont high school students and parents for workshops on topics like college planning and financing.

Publications & online resources

• VSAC distributes 65,000 financial aid materials, adult student handbooks, and scholarships booklets to 650 Vermont schools, libraries, and agencies.

• VSAC also offers online publications for college planning and education debt management, in addition to newsletters for high school families and adult learners with links, resources, tips, and timelines for education planning.

• vsacroadmaps.org provides resources and information on college readiness, career exploration, college admissions requirements, the application process, and college costs and financial aid. Students and parents can sign up for e-mail updates about free college planning events, deadlines, financial applications, and more.
Saving for college

VSAC administers Vermont’s 529 college savings plan, the Vermont Higher Education Investment Plan (VHEIP). In addition to state and federal tax-deferred growth and tax-free withdrawals for qualified higher education expenses, Vermont encourages families to save by offering a tax credit on annual contributions to their VHEIP accounts.

• VHEIP’s Managed Allocation Option has one of the lowest fees among nationwide 529 plans.
• Since 1999, more than $115 million has been used to fund education for over 4,700 students.
• More than $270 million is invested in almost 17,000 accounts as of December 2015.

Education loans

VSAC’s financing:

• serves 43,914 FFEL/HEAL loan borrowers’ portfolio of $837.5 million and 17,359 Vermont Advantage loan borrowers representing $290.4 million.
• borrower benefit programs saved borrowers over $3.2 million last year and $172 million since 1995.
• serves 87,706 federal portfolio borrowers, representing $2.1 billion in outstanding loans.
• originates and services the nonfederal Vermont Advantage loan for Vermont students and parents at rates currently lower than the federal PLUS loan.

Grants & scholarships

In FY15, VSAC provided Vermont students with 13,450 need-based state grants worth $19.2 million, allowing 100 percent of state funds to go directly to Vermont students for:

<table>
<thead>
<tr>
<th>Type</th>
<th>Amount</th>
<th>Number of Awards</th>
</tr>
</thead>
<tbody>
<tr>
<td>full-time study</td>
<td>$14.8M</td>
<td>8,701 awards</td>
</tr>
<tr>
<td>part-time study</td>
<td>$1.4M</td>
<td>3,057 awards</td>
</tr>
<tr>
<td>nondegree programs</td>
<td>$2.9M</td>
<td>1,692 awards</td>
</tr>
</tbody>
</table>

VSAC administered more than 160 scholarships funded by public or private sources, disbursing 2,702 awards worth more than $5.7 million during the 2014–15 academic year. VSAC also awards or administers:

• the Vermont Opportunity Scholarship for foster youth.
• the Vermont Honor Scholarship, awarded to a high-achieving graduate from each participating Vermont high school.
• the federal Chafee Education and Training Program voucher on behalf of the Vermont Department of Children and Families.
Statements of Net Position (in thousands)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; investments</td>
<td>$83,520</td>
<td>$93,628</td>
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<tr>
<td>Education loans receivable (plus interest)</td>
<td>1,104,907</td>
<td>1,266,921</td>
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<tr>
<td>Other assets</td>
<td>17,908</td>
<td>18,232</td>
</tr>
<tr>
<td>Total assets</td>
<td>$1,206,335</td>
<td>$1,378,781</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds &amp; notes payable (plus interest)</td>
<td>$987,114</td>
<td>1,148,713</td>
</tr>
<tr>
<td>U.S. Treasury rebates payable</td>
<td>1,875</td>
<td>1,467</td>
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<tr>
<td>Other liabilities</td>
<td>8,664</td>
<td>9,456</td>
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<tr>
<td>Total liabilities</td>
<td>997,653</td>
<td>1,159,636</td>
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<tr>
<td><strong>Deferred inflows of resources</strong></td>
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<tr>
<td>Deferred gains on early refunding of bonds payable</td>
<td>42,307</td>
<td>50,653</td>
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<tr>
<td>Total liabilities &amp; deferred inflows of resources</td>
<td>1,039,960</td>
<td>1,210,289</td>
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<tr>
<td><strong>Net Position</strong></td>
<td></td>
<td></td>
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<tr>
<td>Restricted</td>
<td>57,631</td>
<td>39,776</td>
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<tr>
<td>Unrestricted</td>
<td>92,927</td>
<td>112,631</td>
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<tr>
<td>Net investment in capital assets</td>
<td>15,817</td>
<td>16,085</td>
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<tr>
<td>Total net position</td>
<td>166,375</td>
<td>168,492</td>
</tr>
<tr>
<td><strong>Total liabilities, deferred inflows of resources &amp; net position</strong></td>
<td>$1,206,335</td>
<td>$1,378,781</td>
</tr>
</tbody>
</table>

Statements of Revenues, Expenses & Changes in Net Position

**Operating revenues**

- Interest earned from education loan financing $44,069 $48,607
- Other loan & guarantee program revenues 5,044 6,729
- Investment interest 239 264
- Vermont state appropriations 20,274 20,468
- Federal grants 5,256 5,572
- Scholarship & gift income 4,256 3,701
- Federal loan servicing income 2,516 2,688
- Other income 1,030 1,365
- Total operating revenues 82,684 89,394

**Operating expenses**

- Grants & scholarships 24,880 24,896
- Interest rebated to borrowers 3,224 3,937
- Interest on debt, net of amortization 5,619 6,920
- Other loan financing costs 15,884 20,273
- Corporate operating expenses & depreciation 35,194 29,669
- Total operating expenses 84,801 85,695
- Change in net position from operations (2,117) 3,699
- Gains on early bond extinguishments – 887
- Change in net position (2,117) 4,586
- Net position, beginning of year 168,492 163,906
- Net position, end of the year $166,375 $168,492

A complete set of financial statements as audited by an independent public accounting firm is available on VSAC’s website or by request.
2015 VSAC Executive Committee
Scott Giles, President & CEO
Tom Little, Vice President & General Counsel
Mike Stuart, Vice President & Chief Financial Officer
Marilyn Cargill, Vice President of Financial Aid Services & Research
Patrick Leduc, CIO & Vice President of Career & Education Outreach

2015 VSAC Staff Directors
Wanda Arce, Research
Bruce Hicken, Finance & Controller
Jaye O’Connell, Collections, Compliance & Information Security Officer
Laurie M. Oliver, Internal Audit & Risk Management
Sabina Haskell, Public Affairs
Deborah Unica, Social Marketing & VHEIP

2015 VSAC Board of Directors
Dorothy R. Mitchell, Chair
Martha P. Heath, Vice Chair
David Larsen, Secretary
Representative Sarah E. Buxton
Pamela A. Chisholm
David Coates
Senator Ann E. Cummings
Katharine B. Hutchinson
G. Dennis O’Brien
State Treasurer Elizabeth “Beth” Pearce
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.vsac.org E-mail us at info@vsac.org
Find us on Facebook at www.facebook.com/VermontStudentAssistanceCorporation

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