



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.

VSAC

50 years

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



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.

Above: Participants in Gear Up's #802grit program; Right: Saving for college at a VHEIP event

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:

full-time study	\$14.8M	8,701 awards
part-time study	\$1.4M	3,057 awards
nondegree programs	\$2.9M	1,692 awards

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

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	<u>82,684</u>	<u>89,394</u>
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	<u>84,801</u>	<u>85,695</u>
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	<u>\$ 166,375</u>	<u>\$ 168,492</u>

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

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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*

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Find us on Facebook at www.facebook.com/VermontStudentAssistanceCorporation

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