



# FY18 Annual Report

**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.**

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

Every conversation about Vermont's future eventually focuses on the critical importance of ensuring that we have the workforce to support economic growth. Employers across the state are having trouble hiring employees with the skills they need. Economists tell us that nearly 70% of the high-growth, high-wage jobs will require some education or training after high school. At VSAC we see, time and time again, how helping students obtain the right education or training can change the whole trajectory of their lives and strengthen the communities in which they live.

### **Limiting access becomes an "engine of inequality"**

Attaining an associate or bachelor's degree, certificate, or training credential is the single most important thing Vermonters can do to improve their quality of life after high school. The research is clear that obtaining postsecondary education or training is associated with higher levels of homeownership, better health, and lower unemployment. As Richard Reeves, author of "Dream Hoarders," shared at the annual meeting of the Vermont Community Foundation this past year, education and training are more important than ever. When access is limited to those with means, it becomes an "engine of inequality." When access is open to everyone who needs and wants it, it becomes one of the only proven ways to reduce income inequality in Vermont and across the nation.

Our work imperative: to reduce and eliminate barriers for those who think the doors to higher education are closed to them. They are not. Opportunity exists for each and every one of us to receive training and education necessary to achieve professional and personal success.

Through our work, we get to see dreams fulfilled and futures unfold. It's exhilarating; it's also an honor and responsibility to our fellow Vermonters.

And as education pathways are now beginning to diversify—from internships and apprenticeships to career credential programs and traditional degrees—VSAC's strategies are changing too to meet the demand.

We believe it's critical to embrace our role as a "perceiving organization" to reduce barriers for Vermonters. By perceiving, we mean that we are re-organizing our efforts to listen carefully to our customers, our partners, and stakeholders across our work, to streamline and simplify so that continuing your education will become second nature. This work includes efforts to help students experiencing personal challenges beyond finances by becoming a trusted and consistent member of their support team.

### **Making it easier to apply for financial aid**

We've also made significant improvements by making it easier to apply for a Vermont state grant, any one of our 160 scholarships and, when you need to borrow, our Advantage loans.





Now that families can file their FAFSAs—and the Vermont state grant—in October, we've rescheduled our popular Financial Aid Forms Workshops earlier in the year to help maximize financial aid.

With college loan debt a national conversation, VSAC provided \$2 million in rebates to borrowers this year; we joined Congressman Peter Welch in calling for simplification of the Public Service Loan Forgiveness and Teacher Loan Forgiveness programs. We joined with Vermont Attorney General TJ Donovan to combat predatory student loan servicing scam companies, and we're working with thousands of Vermont borrowers—whether they're customers of ours or not—to make sure they get the loan repayment counseling they need but aren't getting from their lenders or their federal loan servicers.

Vermont's 529 college savings plan topped \$370 million in over 20,000 accounts this year. But even more important, Vermonters used over \$31 million from the plan to pay their education expenses. Importantly, every dollar saved is a dollar that a Vermont family does not have to borrow. This will have lasting impacts on their ability to afford the places they want to live, the careers they can afford to pursue, and their ability to fully participate in the Vermont economy when they graduate.

We're also ramping up our College & Career Pathways events in 2019 to address the variety of new opportunities for students and parents. Families in southern Vermont asked for an event closer to home, so we've added a fourth event at Southern Vermont College.

#### **A mentoring program to replicate**

Now in our second year of partnership with Winooski High School, we're creating a pilot mentoring program that we hope will become the basis for similar community partnerships with local high schools across the state. It's another example of breaking down barriers, perceiving the needs of Vermonters with agility. Our aspiration projects in Bellows Falls, Twinfield, and Hazen, and our partnership with the McClure Foundation in Franklin County, are other representations of this work.

Check out more milestones in this annual report or [get information](#) on what's going on in your county.

This past year has been both challenging and rewarding. The process of pursuing and paying for education and training is too complex and closes doors to too many Vermont students of all ages. Our focus remains, as it has been throughout our history, on advocating for the needs of students and their families and working with our partners to open doors that otherwise would be closed.

Dorothy Mitchell  
VSAC Board Chair

Scott Giles  
VSAC President & CEO



# > \$19.7 million

in need-based **grants** that 12,476 Vermont students of all ages received



8,028 full-time students received  
\$15,305,474



2,768 part-time students received  
\$1,354,594



1,680 nondegree students received  
\$3,044,262

# > \$5 million

from 150 public & private **scholarships** in 3,500 awards

Noteworthy scholarships include:

- Vermont National Guard Assistance Program
- Curtis Fund Scholarship
- Frank M. and Olive F. Gilman Foundation Scholarship
- federal GEAR UP scholarship



# \$45 million

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

**\$2.1 million**

saved by VSAC borrowers in FY18 through our **borrower benefit program** and \$180 million since 1995

**\$825.3 million**

serviced in **federal & private loans**



# \$372,631,587

value of the **20,765 accounts** in the Vermont Higher Education Investment Plan as of June 30, 2018

# \$31,852,196

amount from the plan used by students in FY18 to pay their education expenses



# 69,000

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



# of **Talent Search** students who graduated from high school in 2017 continued their education in the fall

# > 6,642



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



# > 4,100

middle school and high school students served by GEAR UP

partnerships, including:

- Vermont Afterschool
- Governor's Institutes of Vermont
- University of Vermont
- Community College of Vermont's Introduction to College & Careers



# > 4,900

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



# of **GEAR UP** priority participants who graduated from high school in 2017 continued their education in the fall



# 397

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

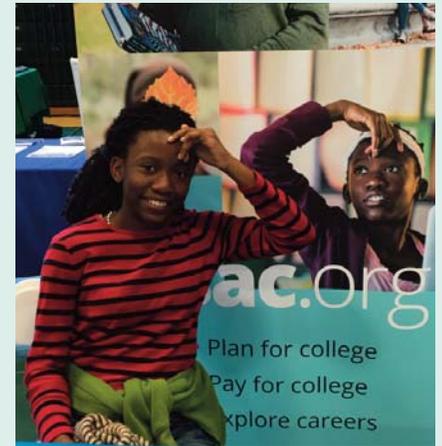
# > 800



students and parents attended free **College & Career Pathways** sessions at 3 Vermont locations



**Giving Thanks for Vermont Scholarships:** "Dear VSAC ... something as simple as a scholarship can really change a life and I will be forever grateful."



2 years after she was photographed for VSAC's new website, Stephie Sike, recreates her now-famous pose!



Babies born on 5/29 get \$100 in a 529 account



**Vermont GEAR UP works.** Meet Cody McAllister, a student at Vermont Technical College who graduated from Richford Junior/Senior High School.



We help student loan borrowers get a fresh start. VSAC and Jess Richardson worked together to manage her student loan default so she could fulfill her dream: Go back to school to become a middle school math teacher. We're here to help you make your fresh start, too.



Vermont's top speller in the Scripps Spelling Bee gets \$250 in a college savings account from VSAC.

**VSAC BOARD OF DIRECTORS**

Dorothy R. Mitchell  
*Chair*

Martha P. Heath  
*Vice Chair*

David Larsen  
*Secretary*

Pamela A. Chisholm

David Coates

Sen. Ann E. Cummings

G. Dennis O'Brien

State Treasurer  
Elizabeth "Beth" Pearce

Michael K. Smith

Chuck Soule

Rep. Matthew Trieber

**2018 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*

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**

**FY2018**      **FY2017**  
*(in thousands)*

**ASSETS**

Cash & investments	\$ 114,054	\$ 120,671
Education loans receivable (plus interest)	784,894	865,711
Other assets	18,950	16,315
Total assets	<u>\$ 917,898</u>	<u>\$ 1,002,697</u>

**LIABILITIES**

Bonds & notes payable (plus interest)	\$ 694,154	\$ 782,804
U.S. Treasury rebates payable	3,093	3,255
Other liabilities	8,861	8,874
Total liabilities	<u>706,108</u>	<u>794,933</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred inflow from leasing activity	2,347	—
Deferred gains on early refunding of bonds payable	23,500	28,670
Total liabilities & deferred inflows of resources	<u>\$ 731,955</u>	<u>\$ 823,603</u>

**NET POSITION**

Restricted	99,328	90,163
Unrestricted	72,708	74,367
Net investment in capital assets	13,907	14,564
Total net position	<u>185,943</u>	<u>179,094</u>
Total liabilities, deferred inflows of resources & net position	<u>\$ 917,898</u>	<u>\$ 1,002,697</u>

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

**OPERATING REVENUES**

Interest earned from education loan financing	\$ 42,566	\$ 40,983
Other loan & guarantee program revenues	4,830	4,807
Investment interest	1,217	532
Vermont state appropriations	20,326	21,069
Federal grants	4,896	4,902
Scholarship & gift income	3,968	4,218
Federal loan servicing income	—	379
Other income	1,119	1,008
Total operating revenues	<u>78,922</u>	<u>77,898</u>

**OPERATING EXPENSES**

Grants & scholarships	24,646	25,885
Interest rebated to borrowers	2,081	2,124
Interest on debt, net of amortization	14,940	9,770
Other loan financing costs	7,606	6,454
Corporate operating expenses & depreciation	22,800	24,416
Total operating expenses	<u>72,073</u>	<u>68,649</u>
Change in net position	6,849	9,249
Net position, beginning of year	<u>179,094</u>	<u>169,845</u>
Net position, end of the year	<u>\$ 185,943</u>	<u>\$ 179,094</u>

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