



## FY20 Annual Report

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

#### *Reflecting on a year like no other*

**VSAC works for  
Vermont students  
and families. We  
will continue to  
be the voice for  
Vermonter's 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.**

To paraphrase Charles Dickens, this year has been a tale of two years and two cities. The first nine months of the year were one of VSAC's strongest—we were looking to wrap up our fourth quarter with strong financials and solidly on track to meet our mission: continuing to support Vermont students of all ages as they pursue and achieve their career, education, and training goals.

But the pandemic hit and upended life for Vermonters as we know it. Most students and families were suddenly dealing with financial hardships—and more. School went remote, and graduation celebrations were canceled. For students making decisions about their next steps in education, everything was different all of the sudden. Would there even be a school to start at or return to?

And to an even greater extent than we have seen in the past, the economic impact of the pandemic fell strongly along education lines. Across the nation and in Vermont, those with education and training were less likely to be unemployed or lose income. Those without education and training were more likely to experience the brunt of the economic, social, and health impact of the pandemic.

Critically intertwined and embedded with these disparities are the uncomfortable truths of how black, indigenous, and people of color have been impacted. Highlighted by the national reckoning ignited by the murders of George Floyd, Breonna Taylor and others, we, like many other organizations, have formally recommitted ourselves to making sure we fulfill our promise to support all those we serve equally, regardless of race, ethnicity, gender, or any other characteristic.

At VSAC, we believe education and training lie at the heart of ensuring social and economic equity and opportunity in our society. And that every Vermonter deserves to be able to access and obtain affordable education and training. That's why we take so seriously our commitment as advocates, partners, and service providers to helping all students achieve their career, education, and training goals.

So, on a Friday in mid-March, VSAC staff did what they always do: they got it done. They walked out for the weekend, office equipment in hand and set up their remote offices at home. They were back in action—never stopping since—by that following Monday morning.

VSAC wasn't alone in that. Businesses and organizations across the state and across the country "went remote." But what came next is extraordinary. Under the most challenging of circumstances, VSAC staff kept the educational engines running. And then some.

We dedicate this annual report to our VSAC employees and to the thousands of Vermonters they help all year long. Year in and year out.





Their achievements? Above and beyond:

- COVID-19 had an immediate impact on tens of thousands of Vermont families. VSAC loan counselors immediately began reaching out to counsel borrowers on how to access their CARES Act student loan benefits, as well as benefits available to them on student loans not covered by the CARES Act.
- VSAC partnered with Governor Scott and the Vermont Department of Financial Regulation to lead [a 15-state effort to provide payment relief to private loan borrowers](#) whose loans were not covered under the CARES Act. This agreement provided nearly 1,500 VSAC borrowers with payment relief during periods that they had lost income as a result of COVID-19 and ensured that these benefits would be extended to non-VSAC customers.

With the CARES Act funding that Vermont received, VSAC was able to:

- Provide \$2,099,247 in additional financial aid to 730 Vermonters who were negatively affected by the COVID pandemic.
- Award 110 microgrants worth \$43,480 to Vermont students, thereby ensuring they could continue their education.
- Introduce a new technology grant, \$1,429,000 funded through the CARES Act, to purchase laptops and/or high-speed Internet to allow 1,429 low- and moderate-income Vermonters to successfully complete remote learning.

All while pivoting to creating new highly successful online resources, from webinars, to personalized 1:1 financial counseling sessions. And special weekly Zoom Rooms for adult learners. No one was forgotten.

We strive to be the trusted partner and advocate for Vermont students and families as they continue education and training after high school. Now more than ever with all of the chaos and uncertainty in the world, we need to support the aspirations of students of all ages for the future so they are better prepared for the economic challenges ahead.

The pandemic has highlighted the critical importance of education and training that all Vermonters must have to fill critical roles in our communities—like health care, mental health, technology, and manufacturing. In fact, all of Vermont's high-growth, high-wage jobs require education and training after high school. And, as our state recovers, these jobs will be in greater demand and, very importantly, they provide security and good wages.

The current uncertainty around us is affecting students' decisions, both now and for the future, as they focus on the short-term and cope with current crises. In these uncharted waters, VSAC provides stability, reassurance, resources, and guidance for Vermonters of all ages as they navigate their career, education, and training possibilities. **#Here4VTstudents**

Dorothy Mitchell  
VSAC Board Chair

Scott Giles  
VSAC President & CEO

Thank you, VSAC.

*Sen. Patrick Leahy, Congressman Peter Welch, Governor Phil Scott, CCV President Joyce Judy and VSAC Board Chair Dodie Mitchell thank VSAC employees for their service to Vermont students in a year like no other.*



Rep. Peter Welch

**BERNARD SANDERS**  
VERMONT  
COMMITTEES:  
BUDGET, RANKING MEMBER  
ENERGY AND NATURAL RESOURCES  
ENVIRONMENT AND PUBLIC WORKS  
HEALTH, EDUCATION, LABOR, AND PENSIONS  
VETERANS' AFFAIRS

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November 25, 2020

Mr. Scott Giles  
President and CEO  
Vermont Student Assistance Corporation  
10 East Allen Street  
Winooski, VT 05404

Dear friends:

Thank you for the opportunity to share my appreciation for all the work each of you does every single day to help and support so many members of our community. While I am sorry that you cannot all be together in person today, I hope you are able to have a fulfilling virtual staff retreat.

The Vermont Student Assistance Corporation has consistently been recognized for a focus on promoting affordable post-secondary education and helping students attain their goals. This work, which has helped countless young people and families over the years, is only possible because of staff like you, who are steadfast in your commitment to our community.

You have never let obstacles stand in the way of serving Vermonters, and this year has been no exception. The health and economic crises caused by the COVID-19 pandemic, coupled with a renewed fight for racial justice, have created challenges and opportunities for all of us. The challenges presented to us in 2020 have also made it abundantly clear that we cannot simply return to the status quo. We must address the fundamental problems in our society and create a better future. In these times of great uncertainty, the work of VSAC is more important than ever before. Please know that I will continue to fight in Washington for an affordable education and a more just world for all.

Thank you for all you do, enjoy your day, and keep up the great work.

Sincerely,

BERNARD SANDERS  
UNITED STATES SENATOR



## \$19.5 million

in need-based **grants** for 11,806 Vermont students of all ages



**7,493 full-time students**  
received \$15,085,547



**2,609 part-time students**  
received \$1,731,025



**1,550 nondegree students**  
received \$2,652,000

**NEW in FY20: 154 microgrants awarded**  
worth \$58,662



## \$6.1 million

from 121 public & private **scholarships** in 3,493 awards

Noteworthy scholarships, including 9 new ones in FY20:

- Vermont National Guard Assistance Program
- Green Up VT Scholarship: Established to mark the 50th anniversary of Green Up Day, a statewide initiative to clear Vermont's roadsides of litter; intended for individuals who have participated in Green Up Day.
- The Harold and Sally Mitchell Scholarship: Created to provide financial aid to VT high school graduating seniors in Athens, Grafton, or Bellows Falls who seek an associate degree or certification in a vocational or technical field.



## \$50.1 million

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



## \$447,508,305

value of the **23,786 accounts** in the Vermont Higher Education Investment Plan as of June 30, 2020

## \$715,000

saved by VSAC borrowers in FY20 through our **borrower benefit program** and \$181.2 million since 1995

## \$644 million

serviced in **federal & private loans**

## \$41 million

amount from the plan used by students in FY20 to pay their education expenses

## almost \$230 million

amount that nearly 9,000 students have used from the plan since 1999 to pay their education expenses



## 52,000

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

## 6,949



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

**79%** # of **Talent Search** students who graduated from high school in 2018 continued their education in the fall

**70%** # of **GEAR UP** priority participants who graduated from high school in 2018 continued their education in the fall



## 3,453

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



## 8,152

students and parents, adults returning to learning, and education professionals attended or accessed **College & Career Pathways** resources at 2 events and online.

## Statements of Net Position

**FY2020**

**FY2019**

*(in thousands)*

### **ASSETS**

Cash & investments	\$ 127,881	\$ 117,785
Education loans receivable (plus interest)	658,589	717,461
Other assets	17,905	19,119
Total assets	<u>\$ 804,375</u>	<u>\$ 854,365</u>

### **LIABILITIES**

Bonds & notes payable (plus interest)	\$ 565,607	\$ 625,484
U.S. Treasury rebates payable	4,254	3,626
Other liabilities	16,609	10,405
Total liabilities	<u>\$ 586,470</u>	<u>\$ 639,515</u>

### **DEFERRED INFLOWS OF RESOURCES**

Deferred gains on early refunding of bonds payable	\$ 15,322	\$ 19,105
Deferred inflow from leasing activity	2,655	3,307
Total liabilities & deferred inflows of resources	<u>\$ 604,447</u>	<u>\$ 661,927</u>

### **NET POSITION**

Restricted	\$ 116,774	\$ 106,960
Unrestricted	70,550	72,355
Net investment in capital assets	12,604	13,123
Total net position	<u>199,928</u>	<u>192,438</u>
Total liabilities, deferred inflows of resources & net position	<u>\$ 804,375</u>	<u>\$ 854,365</u>

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

### **OPERATING REVENUES**

Interest earned from education loan financing	\$ 38,222	\$ 44,323
Other loan & guarantee program revenues	3,286	3,371
Investment interest	1,630	2,192
Vermont state appropriations	20,930	20,093
Federal grants	5,166	5,296
Scholarship & gift income	4,851	4,230
Facility lease revenue	652	416
Other income	1,256	1,088
Total operating revenues	<u>\$ 75,993</u>	<u>\$ 81,009</u>

### **OPERATING EXPENSES**

Grants & scholarships	\$ 25,511	\$ 25,606
Interest rebated to borrowers	715	1,707
Interest on debt, net of amortization	13,243	17,852
Other loan financing costs	7,245	6,310
Corporate operating expenses & depreciation	22,802	23,195
Total operating expenses	<u>69,516</u>	<u>74,670</u>
Change in net position from operations	<u>6,477</u>	<u>6,339</u>

Contributions to permanent scholarship endowment	1,013	156
Change in net position	<u>7,490</u>	<u>6,495</u>

Net position, beginning of year	192,438	185,943
Net position, end of the year	<u>\$ 199,928</u>	<u>\$ 192,438</u>

### VSAC BOARD OF DIRECTORS

Dorothy R. Mitchell <i>Chair</i>
Martha P. Heath <i>Vice Chair</i>
David Larsen <i>Secretary</i>
Pamela A. Chisholm
Sen. Ann E. Cummings
John F. McSoley
G. Dennis O'Brien
State Treasurer
Elizabeth "Beth" Pearce
Michael K. Smith
Chuck Soule

### EXECUTIVE COMMITTEE

Scott A. Giles <i>President &amp; CEO</i>
Michael R. Stuart <i>Vice President, CFO, and Assistant Secretary</i>
Thomas A. Little <i>Vice President, General Counsel, and Assistant Secretary</i>
Marilyn J. Cargill <i>Vice President of Financial Aid Services, Marketing, and Research</i>
Patrick J. Leduc <i>CIO and Vice President of Career and Education Outreach</i>

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