

House Committee on Appropriations

Chair Robin Scheu

Vice Chair Martha Feltus



Office of the State Treasurer
Deputy Treasurer David Sherr
February 18th, 2026

The Higher Education Endowment Trust Fund (HEETF)

Established in the Office of the State Treasurer by the 1999 General Assembly (16 V.S.A. § 2885) to provide non-loan financial aid to Vermont students attending the University of Vermont, the Vermont State Colleges, and other Vermont post-secondary institutions.

Summary of Contributions

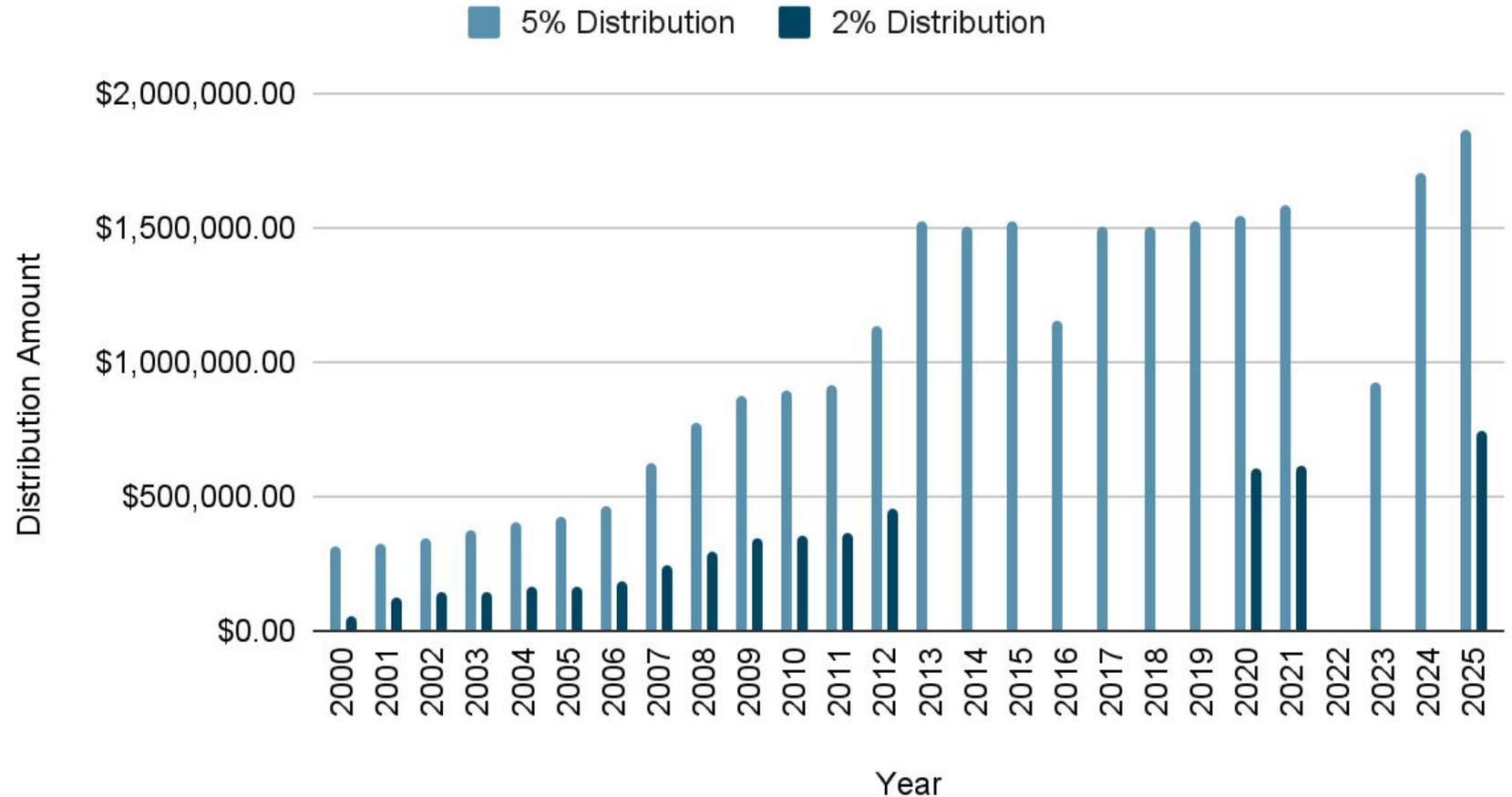
- Initial appropriation of \$6 million in 1999
- Additional appropriation of \$1 million in 2001
- Occasional windfall from the estate tax
- Annual transfer from unclaimed property
- Interest from the fund's investments

*At the end of FY25 the fund balance was \$65,728,768

Summary of Distributions

- The fund provides **non-loan financial aid** to Vermont students at UVM, VSC, and VSAC
- Annual distribution is dependent on investment gains/losses from the prior fiscal year
- 5% of the fund may be distributed each year in scholarships
- An additional 2% may be authorized to increase the permanent endowments of UVM and VSC, must be matched by at least twice by private donations
- The total amount appropriated must not reduce fund below principal
- TRE has been working this year to unify reporting for HEETF usages

Higher Ed Trust Fund Authorizations by Year and Type



Use of Distributions

- Last year's distributions funded 675 scholarships averaging \$1,400
- Approximately 73% of recipients were first generation students
- FY25 distributions have been approved for **\$621,521 each in scholarships** for UVM, VSC, and VSAC
- Institutions determine the criteria and recipients for these scholarships and provide data to the Treasurer's Office
- Additionally, **\$327,251 from FY25 for both UVM and VSC** has been approved for an increase in the permanent endowment

Current Relationship Between Unclaimed Property & HEETF

- Unclaimed property accounts that are more than 10 years old and less than \$100 are transferred into the HEETF
 - (That money does still belong to the rightful owner who is encouraged to claim their property, but those accounts often remain unclaimed)
- Each year when unclaimed accounts age from being 9 years to 10 years old they are transferred into the HEETF
- This makes up a small portion of the annual contributions into the HEETF
 - The largest portion of contributions comes from the windfall from the estate tax

Scale of Annual Contributions

Annual Contributions to The Higher Education Trust Fund

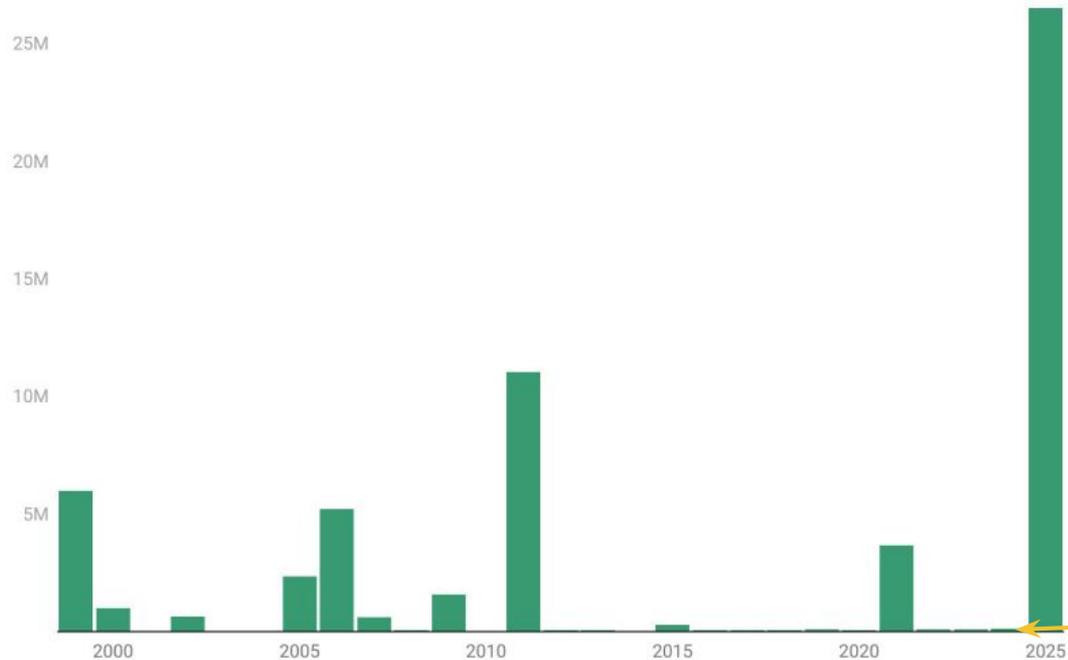


Table 1: Unclaimed Property Revenues Available to Higher Education Trust Fund

Fiscal Year	Unclaimed Property Funds to Higher Education Trust Fund Under Status Quo (\$100)
2021	\$ 128,343
2022	\$ 109,960
2023	\$ 103,353
2024	\$ 134,747
2025	\$ 147,582



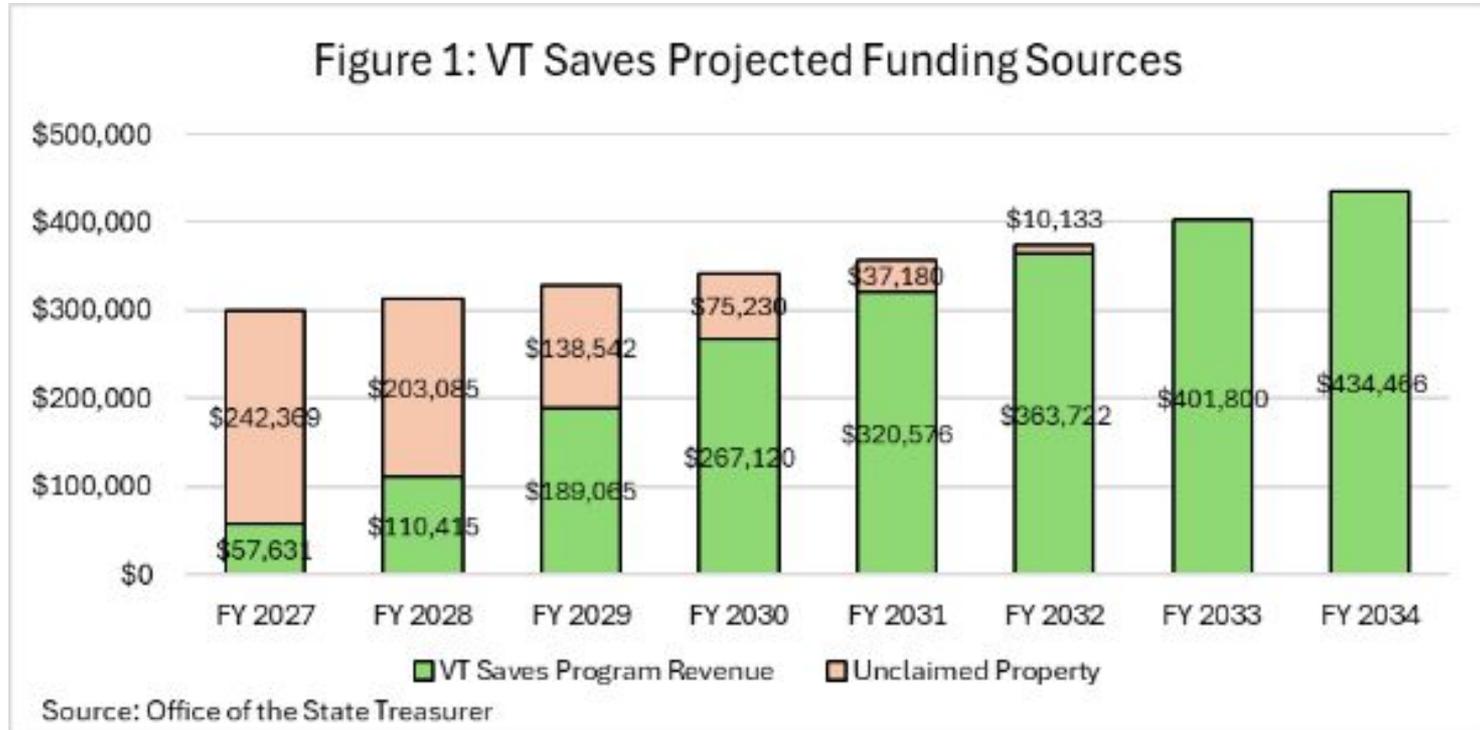
Proposed UP Transfer Changes

- **Inclusion of unclaimed property that is more than 10 years old and less than \$150**
 - (property <\$100 was previously swept into the HEETF)
- **\$300,000 cap on total annual transfer**
 - Although previous revenue has not risen to this level the increased threshold for sweep eligibility raises the revenue potential. This cap smooths the transfers
- **Transfer of annually decreasing amount to support VT Saves Program**

Funding the VT Saves Program to Self Sufficiency

- This change to existing funding mechanisms will fund the VT Saves program until it reaches self-sufficiency
 - VT Saves requires additional revenue but will have decreasing needs until it is self sufficient in FY 2033
- The projections show that under this proposal there would soon be more revenue flowing towards the Higher Education Endowment Trust Fund than there would under current law

Funding the VT Saves Program to Self Sufficiency



Overall Impacts to the HEETF

- Initial decrease in the amount being transferred to the HEETF
- Subsequent increase in transfer as a result of increased threshold for sweep

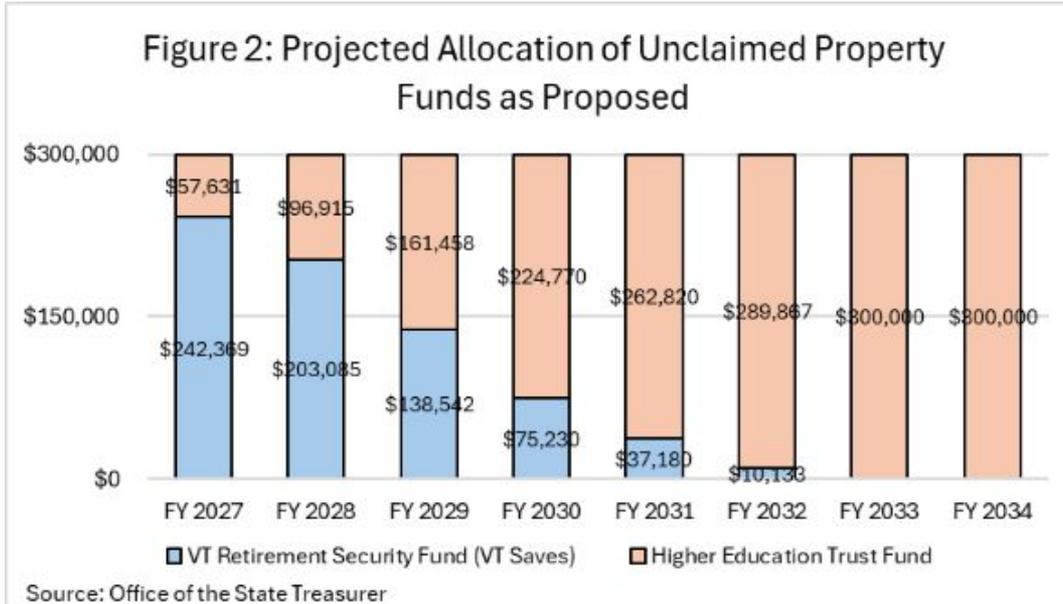
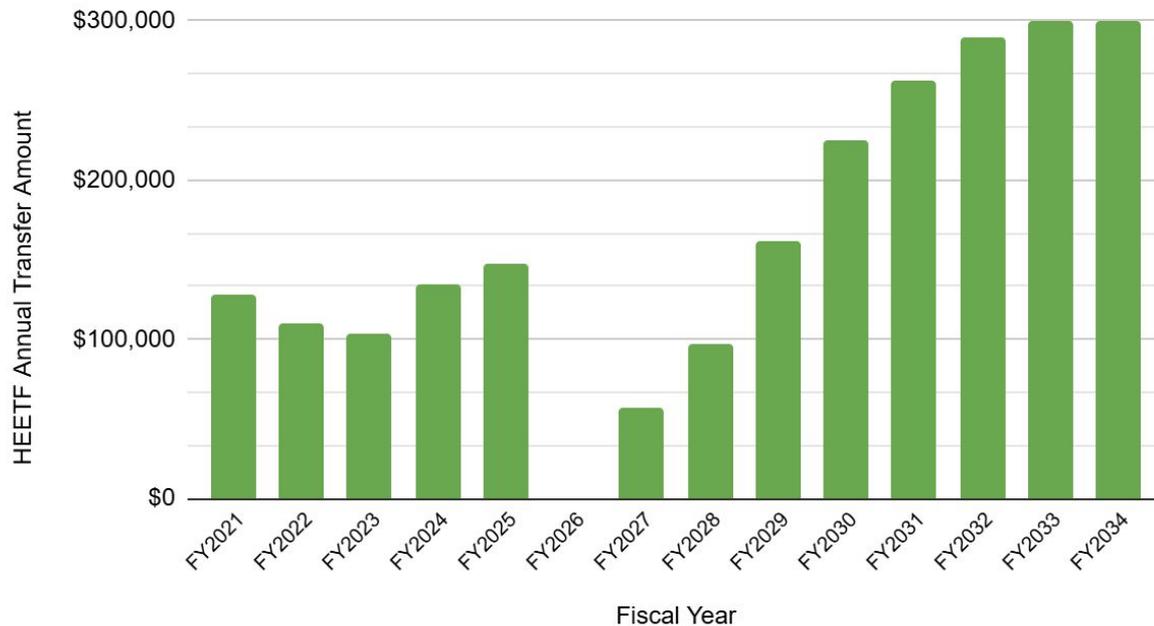


Table 1: Unclaimed Property Revenues Available to Higher Education Trust Fund

Fiscal Year	Unclaimed Property Funds to Higher Education Trust Fund Under Status Quo (\$100)	Unclaimed Property Funds Available to Higher Education Trust Fund if Threshold Was \$150
2021	\$ 128,343	\$ 295,488
2022	\$ 109,960	\$ 270,511
2023	\$ 103,353	\$ 301,753
2024	\$ 134,747	\$ 317,664
2025	\$ 147,582	\$ 342,458

Impact on HEETF

Annual HEETF Transfer from UP with H.567



With this change, shortly after implementation there will be more money transferred from Unclaimed Property to HEETF

Questions?