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TO: Sarah Clark, Secretary of Administration, and the
Vermont Higher Education Endowment Trust Fund Council

FROM: Michael S. Pieciak, State Treasurer

RE: Annual Report on the Higher Education Trust Fund – Fiscal Year 2026

DATE: September 30, 2026

Executive Summary

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

The annual distribution amount is dependent on the investment gains or losses during the prior fiscal year. The statute provides in each fiscal year, the State Treasurer is to distribute up to 5% of the 12-quarter moving average of the Fund's assets equally between the University of Vermont (UVM, the Vermont State Colleges (VSC), and the Vermont Student Assistance Corporation (VSAC) provided the distributed amount does not exceed the sum that would bring the fund balance below total contributions made to the principal balance. Further, the statute also provides the Higher Education Trust Fund Council (Council) and Secretary of Administration may authorize the State Treasurer to make an additional distribution of up to 2% of the Fund's 12-quarter moving average of assets if the Fund balance allows for it.

Across academic years 2025 and 2026, VSAC, UVM, and VSC used funding from the Higher Education Endowment Trust Fund (HEETF) to provide 1,227 scholarships to over 800 students.

The Fund's portfolio posted a gain of 14.3% during FY2026. These investment returns would allow for both a 5% distribution and an additional 2% distribution that would total \$3,443,680. Approvals were secured from both the Council and the Secretary of Administration for the full distribution.

Accordingly, the below institutions will receive the following 5% distribution for non-loan financial aid to Vermont students:

1. **University of Vermont:** \$819,924
2. **Vermont State Colleges:** \$819,924
3. **Vermont Student Assistant Corporation:** \$819,924

Further, the below institutions will receive the following 2% distribution to increase their permanent endowments¹:

1. **University of Vermont:** \$491,954
2. **Vermont State Colleges:** \$491,954

Performance Summary

The Fund's portfolio posted an overall gain of 14.3% for twelve months ended June 30, 2026, driven by robust returns in equities, especially internationally. The fund saw double digit returns among all equity classes with domestic equities up 22.3%, international equities up 28.7%, and emerging markets up 24%.

These gains came despite a steep correction in February and March of 2026. Both international and domestic equities fell sharply and commodity prices, particularly oil, rose in response to fears of prolonged inflation and price shocks because of escalating conflict between the US and Iran.

Prior to these events equity markets (especially in the US), saw a long running and powerful increase in stock prices fueled by a hand full of large AI-companies. This led to elevated valuations and significant market concentration, leaving US equities especially vulnerable to a correction.

¹ Note: The Vermont Student Assistance Corporation is not eligible for the 2% distribution under the statute.

Equities rallied in March and April following talks of a ceasefire with Iran, robust corporate earnings, and renewed optimism around AI. Major indices made up for lost ground and then some ending the period with some of the strongest returns in recent memory.

Yields rose and bond prices fell steadily over the period, despite three 25-basis point decreases by the Federal Reserve in the fall of 2025. Fixed income investors were already weighing the possibility of sticky inflation, when the US-Iran conflict stoked concerns of price shocks and elevated commodity prices. Fixed income ended the year with modestly positive returns, as income from higher yields more than offset price declines.

5% Distribution Based on Fiscal Year 2026 Balances

The statute provides that in each fiscal year, the State Treasurer is to distribute up to 5% of the 12-quarter moving average of the Fund's assets equally between the University of Vermont, the Vermont State Colleges, and the Vermont Student Assistance Corporation (VSAC); however, the amount distributed cannot exceed the sum that would bring the fund balance below total contributions made to the principal balance.

Principal contributions through June 30, 2026, totaled \$60,131,990. Subtracting this from the fund balance of \$71,864,296 leaves \$11,732,306 available for distribution, more than sufficient for a 5% distribution of \$2,459,772. **Chart #1** displays the principal contributions to date.

Note that per 16 V.S.A. § 2885, surplus estate taxes are contributed to the fund, and in fiscal 2025 this led to a historic contribution of \$26,369,277. This amount is not distributable, but significantly increases the balance of the fund. As the 5% is based on the last 12 quarterly balances, this amount is already impacting distribution amounts as it is accounting for in the last 5 quarters.

2% Distribution based on Fiscal Year 2026 Balances

Vermont statute (16 V.S.A. § 2885) provides the Secretary of Administration and the Council may authorize the State Treasurer to make an additional distribution of up to 2% of the Fund's 12-quarter moving average of assets if the Fund balance allows for it. This distribution is contingent on meeting two criteria. First, the amount distributed cannot exceed an amount that, in addition to the 5% distribution, would bring the fund balance below the total accumulated contributions to principal. Second, the distribution is contingent upon the institution's match of private donations of at least twice the 2% amount and certification to the Commissioner of Finance and Management that the institution received private donations in the requisite amount, and that the funds will indeed be used to create or

increase a permanent endowment. Any disbursement under the 2% provision must be authorized by the Secretary of Administration and the Higher Education Trust Fund Council. 16 V.S.A. § 2885(d).

Sufficient funds are available for an additional 2% contribution of \$983,909. Distributing both the 5% and 2% amounts will leave \$8,288,626 in the fund in excess of contributions. Accordingly, both higher education institutions will receive the following amount to increase permanent endowments:

1. **University of Vermont:** \$491,954
2. **Vermont State Colleges:** \$491,954

Additionally, as of the end of FY2026, neither UVM nor the Vermont State Colleges had certified and withdrawn the FY2025 2% distributions authorized by the Council last year. Because sufficient funds remain available to cover these prior-year 2% distributions in addition to the current FY2026 5% and 2% distributions, we anticipate paying out the FY2025 2% distributions later this calendar year.

The Legislature also appropriated additional amounts to be withdrawn from the principal of the Fund during FY2027. While these appropriations do not affect the current distribution calculations, they will reduce future Fund balances used to calculate distributions:

- \$2,320,000 to VSAC
- \$600,000 to the Vermont State Colleges
- \$2,000,000 to UVM

Chart #2 provides a history of authorized distributions

Use of Higher Education Endowment Trust Fund Distributions

In preparing this report, the Office of the State Treasurer requested information from UVM, VSAC, and VSC regarding how they used prior distributions from the Higher Education Endowment Trust Fund

All three institutions collaborated to produce a joint report on their use of previous fund distributions. UVM provided information regarding its use of the FY2025 distribution, distributed in December 2025 and primarily spent in Academic Year (AY) 25-26. Both VSAC and VSC spread funding received across multiple years and thus provided information on how they spent the FY24 distribution, received in December 2024, across AY25-26. For AY26–27, these institutions intend to utilize remaining FY24 funds alongside FY25 funds to support student awards. The complete report from these institutions, along with student testimonials, can be viewed as Appendix A.

Expanding Access to Education

In total, VSAC, UVM, and VSC provided 1,227 scholarships in AY25-26 to over 800 students, providing each recipient an average of \$1,900. The majority of these scholarships went to first-generation students (70%) or Pell-eligible students (79%). These figures demonstrate that the Higher Education Endowment Trust Fund plays a crucial role in expanding and maintaining access to higher education in Vermont, reaching students who might not otherwise be able to afford it.

As Isabelle, a UVM student studying Website and Information Resources Design, explains, the scholarship she received "has relieved a lot of financial burden from myself and my parents."

Strengthening Vermont's Workforce

HEETF funds are being used to make long-term investments in Vermont's economy and workforce, helping to train the next generation of Vermonters in critical skills such as education, health care, behavioral sciences, and STEM. These investments are preparing Vermonters to fill pivotal roles in our community.

Take Maya, a scholarship recipient from Burlington, who is pursuing an education with the goal of "working in a children's hospital, providing equitable medical support to children and families while making a meaningful difference during their most vulnerable moments." Maya says her scholarship is "the bridge that will launch my career as a compassionate pediatric nurse dedicated to advocacy and care."

A Growing Impact

The impact of this fund is only growing. Since FY2023, each distribution under Treasurer Pieciak's tenure has set a record for the highest distribution yet. At a time when other sources of financial aid are dwindling, and the federal government is retreating from a commitment to educate the people of Vermont, it is all the more important that we continue to protect and invest in the Higher Education Endowment Trust Fund, both as a pathway to opportunity and as an investment in the workforce Vermont needs.

Report on the future of the Higher Education Endowment Trust Fund

Act 144 of 2026 tasked the Office of the State Treasurer with reporting recommendations regarding future sources, uses, and transfers of the Higher Education Endowment Trust Fund. The office sought input from members of the HEETF Council and representatives of Student Government at CCV, UVM, and VTSU to produce these recommendations.

Overall, this review affirms that the Fund is working well. Its current funding sources, permitted uses, and governance structure have supported steady growth and meaningful impact for Vermont students, and our office recommends largely preserving this structure going forward rather than pursuing major changes.

Our recommendations can be summarised as follows:

- Protecting the Fund's existing revenue sources, without adding new ones at this time
- Increasing the optional endowment-growth distribution from 2% to 3% and extending eligibility to VSAC
- Making some minor, technical changes to the statute, including formalizing the Treasurer's role as Council chair, codifying current practice
- Continuing to give beneficiary institutions discretion over how scholarship funds are used, without creating new statutory restrictions

Council members also felt strongly that if the legislature were to contemplate any substantive change to the Fund, that it should engage in further consultation with Council members before doing so.

We do feel that some, comparatively minor changes to the HEETF statute would be appropriate in order to clarify certain matters of governance. The Office of the State Treasurer intends to work with the legislature to submit legislation making those changes in line with these recommendations.

Fund Sources

The Fund is currently financed by three ongoing sources:

- Estate tax revenue exceeding 125% of the fiscal year's target
- Transfers from the Unclaimed Property Fund, up to \$300,000, minus the amount needed to fund the Vermont Retirement Security Fund
- Retained earnings from the fund balance

These revenue sources have allowed the Fund to grow substantially over the past several decades, even if that growth has not always been consistent. At this time, we do not see an immediate need to establish additional funding sources. Instead, we urge the Legislature to protect the Fund's existing revenue streams from future redirection or elimination, including upholding the commitment made in Act 131 of 2026 to restore the full transfer from the Unclaimed Property Fund once the Vermont Retirement Security Fund is self-sustaining. Preserving these revenue sources will be essential to ensuring the Fund continues to grow, keeps pace with inflation, and meets the growing needs of Vermont students.

Several council members expressed the opinion that, if the legislature wants to grow the Fund over time, it should do so through dedicated, sustainable revenue sources that don't compete directly with annual operating support for higher education.

Council members also suggested potential future revenue sources, including:

- Revenue from sports betting
- Revenue from gambling in prediction markets
- Revenue from the cannabis excise tax

Students consulted for this report generally supported maintaining the current funding structure and opposed reducing or diverting existing funding. Students also expressed a general desire to see expanded funding but did not suggest possible revenue sources.

Fund Uses

Monies distributed from the Fund can currently be used for:

- A 5% distribution for non-loan financial aid for Vermont students attending eligible postsecondary institutions in the state
- An optional 2% distribution, split between UVM and VSC, for endowment growth — available only if each institution privately raises twice the amount in matching funds

We believe the Fund's current uses are appropriate and have had a positive impact, both through direct scholarships for students and by strengthening the long-term fiscal health of the state's higher education institutions.

Council members agreed that the primary purpose of the Fund should remain non-loan financial aid for Vermont students. Maintaining this focus preserves the Fund's original intent and ensures that earnings directly benefit students.

We would not recommend expanding the Fund's uses beyond non-loan financial aid and strengthening beneficiary institutions' endowments. We do propose, however, adjusting the endowment-growth distribution from 2% to 3% and allowing VSAC to receive a one-third share. When the Fund was established, VSAC had no ongoing endowment; it now does and should have the same opportunity as UVM and VSC to benefit in strong-performance years. A majority of council members agreed, citing the growing importance of stable state funding for student aid.

The VSC Chancellor has also discussed a CCV/VTSU split with the Vermont State Colleges Board of Trustees. The Board prefers that distributions continue going to the System as a whole, letting it direct funds to whichever students most need them as that mix shifts year to year. Data from the past three years show the split running roughly 60% VTSU to 40% CCV, with up to 10% variance.

Students generally supported maintaining the Fund's current uses. However, some suggested that HEETF-funded scholarships should also be permitted to cover non-tuition expenses. Several students also recommended distributing funds among the three beneficiary institutions in proportion to the number of Vermont students they serve, rather than allocating funds equally.

Fund Governance

Because the Fund was established by the legislature, no statutory requirement, including one requiring legislative consultation with the HEETF Council, can bind a future legislature from altering the purpose of the Fund or redirecting monies from the Fund. Nonetheless, our office, the students we consulted, and the Council agree that HEETF funds should be protected as a stable resource for educating Vermonters now and into the future, not diverted to short-term projects within a given budget cycle. The legislature should establish a firm norm against removing endowment monies from the Fund for non-educational purposes.

Some council members offered an additional view. While they do not see a need to expand the Fund's allowable uses, they felt that any proposal to use Fund resources for purposes other than traditional scholarships or endowment-building distributions should go through a formal process, allowing beneficiary institutions to review and comment before action is taken. The three beneficiary institutions in particular feel that proposals affecting the use of Fund resources should be developed in consultation with them, since they carry out the Fund's mission. In their view, this process would help ensure that

any alternative use advances the Fund's purpose, reflects the perspectives of those directly serving Vermont students, and avoids confusion or competing proposals.

Students expressed differing views regarding oversight, with some supporting requiring consultation with the Higher Education Endowment Trust Fund Council before the Legislature redirects or appropriates Fund assets.

Council Membership

It is important to note that the Council currently has a very limited governance role. Its only formal function is to vote on whether to allow the optional 2% distribution in years of strong performance, and it consistently follows the recommendation of the Treasurer's office.

Given its function, we recommend formalizing the Treasurer's role as chair of the Council to codify the current practice of meetings being called and run by the Treasurer.

Council members also noted that the Council's current statutory functions are largely technical. Given the council's very limited role, along with the challenge of selecting student representatives who can adequately reflect the diverse range of institutions and students served by the Fund, some council members expressed a preference against adding student representation to the council at this time.

However, some council members expressed openness for adding a student representative to the Council, provided the structure is manageable and allows students to participate meaningfully. They felt student representatives could offer an important perspective on affordability, access, and the practical effects of scholarship policy.

Council members differed on how such a role should be structured. Some suggested a single student representative rotating among UVM, CCV, and VTSU. Others suggested opening the role to students from other institutions of higher education as well and requiring that any student representative personally be a recipient of financial aid. Because the Fund serves multiple beneficiary institutions, council members generally agreed that any student representation should be structured to reflect those beneficiaries fairly.

Students generally supported adding student representation to the Council. Students differed in their views on how to structure student representation to best reflect the diverse body of students benefiting from the Fund. Some students recommended that student representatives be selected by the student governments at each of the beneficiary institutions.

Parameters for the Use of Funds

Our current model of governance effectively ensures appropriate use of funds by fund beneficiaries. At present, the three beneficiaries have discretion in determining how scholarship funds are used within the broad parameters set by statute. We believe this discretion works well, allowing institutions to adapt to student needs, which they are best equipped to assess on an ongoing basis. We do not recommend empowering the HEETF Council to set further restrictions on the use of distributions, nor do we recommend establishing further restrictions in statute.

It was also the opinion of the Council that adding further statutory parameters does not add value or promote efficiency, given that students' educational needs change frequently and that beneficiary institutions are best positioned to determine how funds can be used effectively for their students, whose needs may differ considerably.

Student respondents, however, expressed general support for allowing the Council to establish parameters governing scholarship awards. Students suggested that these parameters should focus on meeting student need and maximizing access to scholarships, such as through maximum award amounts.

Scope of Aid

We believe scholarship funds should remain primarily focused on supporting students attending Vermont institutions and participating in Vermont-based education and workforce pathways.

The three beneficiary institutions noted that statute already allows funds to be used for certificates and apprenticeships at Vermont institutions, in addition to traditional postsecondary degree programs. There may be value in using funds to support high-quality apprenticeships, registered apprenticeship programs, and other recognized postsecondary pathways that prepare students for employment in Vermont going forward.

Some council members, however, expressed the opinion that funds should remain focused on degree- and certificate-seeking students, given today's challenging financial aid landscape.

Any expansion of this scope should include clear quality and accountability standards and should be considered carefully, so that it supports strong student and workforce outcomes without diminishing support for students attending Vermont postsecondary institutions.

Student respondents broadly expressed a preference for allowing scholarship funds to be used across a wide range of educational opportunities at Vermont institutions, including accredited certificate programs, registered apprenticeships, technical education, and other nontraditional postsecondary pathways. Respondents also frequently emphasized that the Fund should primarily support Vermont students and Vermont institutions and were generally opposed to expanding scholarship eligibility to out-of-state institutions.

Trust Investment Account Fund Composition

Chart #3 of this report presents the components of the entire Trust Investment Account (TIA), of which the Higher Education Trust Fund, with a balance of \$71.6 million accounts for 74% of the total. Note that all discussions of investment performance and the TIA balance include only the invested portion of the Higher Education Trust Fund. In addition to invested amounts, the Higher Education Trust Fund holds roughly \$279 thousand in cash at Fiscal Year End of 2026. This amount is included when calculating the amount available for distribution.

Note also that the Teacher and State Employees' Other Post-Employment Benefits (OPEB) funds formerly comprised the bulk of funds in the TIA. In fiscal 2022 OPEB funds were \$110.1 million, or 70% of the total. In 2022 legislation was enacted to pre-fund the OPEBs, and these funds were separated from the TIA and are now held in accounts that are invested similar to pensions.

The Fund has made up the lion's share of the TIA since this change. The remainder is attributable to the ANR Stewardship fund, Fish and Wildlife trust funds, Veterans' Home trust funds, and other small trusts.

Fund Balances

The fund balance at the end of fiscal year 2026 totals \$71,864,296 (including cash and investments). An accounting of the fund balance is provided below, reflecting the state of the fund at the end of FY26. Since that time, the potential distributions noted below have been approved by the HEETF Council:

Ending balance FY 2025	\$65,728,768
FY 2025 Contributions received in FY 2026	\$0
Opening balance FY 2026	\$65,728,768
FY 2025 Distributions Withdrawn in FY 2026	
5%: University of Vermont	(\$621,251)
Vermont State Colleges	(\$621,251)
Vermont Student Assistance Corp.	(\$621,251)
2%: University of Vermont ⁵	\$0
Vermont State Colleges ⁵	\$0
Income earned FY 2026	\$1,768,259
Appreciation (Depreciation) FY 2026	\$5,996,542
Fees and Other Charges FY 2026	(\$8,533)
Accrued Unclaimed Property	\$243,015
Accrued Estate Tax	\$0.00
Principal Balance June 30, 2026 ³	\$71,864,296
Statutory Distributions Potentially Available ¹	
5% of 12-Quarter Moving Average as of June 30, 2026	(\$2,459,772)
2% of 12-Quarter Moving Average as of June 30, 2026	(\$983,909)
Total Projected Statutory Distribution Potentially Available	(\$3,443,680)
Projected Balance After Potential Projected Distributions	\$68,420,616
Threshold for Distributions (Contributions Accrued as of June 30, 2026)	\$60,131,990
Difference After Potential Distributions compared to the Total Fund Contributions ⁴	\$8,288,626
Actual Distributions for FY2026 ²	
5% Distribution	(\$2,459,772)
2% Distribution	(\$983,909)
	(\$3,443,680)
Principal Balance after distributions	\$68,420,616
¹ Assuming statutory levels (5% distribution & 2% distribution) without regard to statutory requirement to keep balance at or above the total principal contributions ² Distributions are based on FY2026 calculations and balances, are contingent on approval (and certification in the case of the 2%), and will happen in FY2027 if all requirements are met ³ Numbers may not add due to rounding and include accruals ⁴ This represents the amount after the statutory required levels are distributed from principal compared to the total contributions since inception. ⁵ 2% distributions were approved but beneficiaries did not certify matching funds so distributions did not take place in FY2026	

Asset Allocation, Investment Managers, and Performance

The TIA's target asset allocation is 50% fixed income securities and 50% equities, with the equity allocation split between Large Cap US Equities (25%), International Equities (18.75%) and Emerging Market Equities (6.25%). As of June 30, 2026, the TIA's actual allocation was 45% fixed income and

55% equities. Given market volatility these are within a reasonable degree of tolerance and are rebalanced as needed.

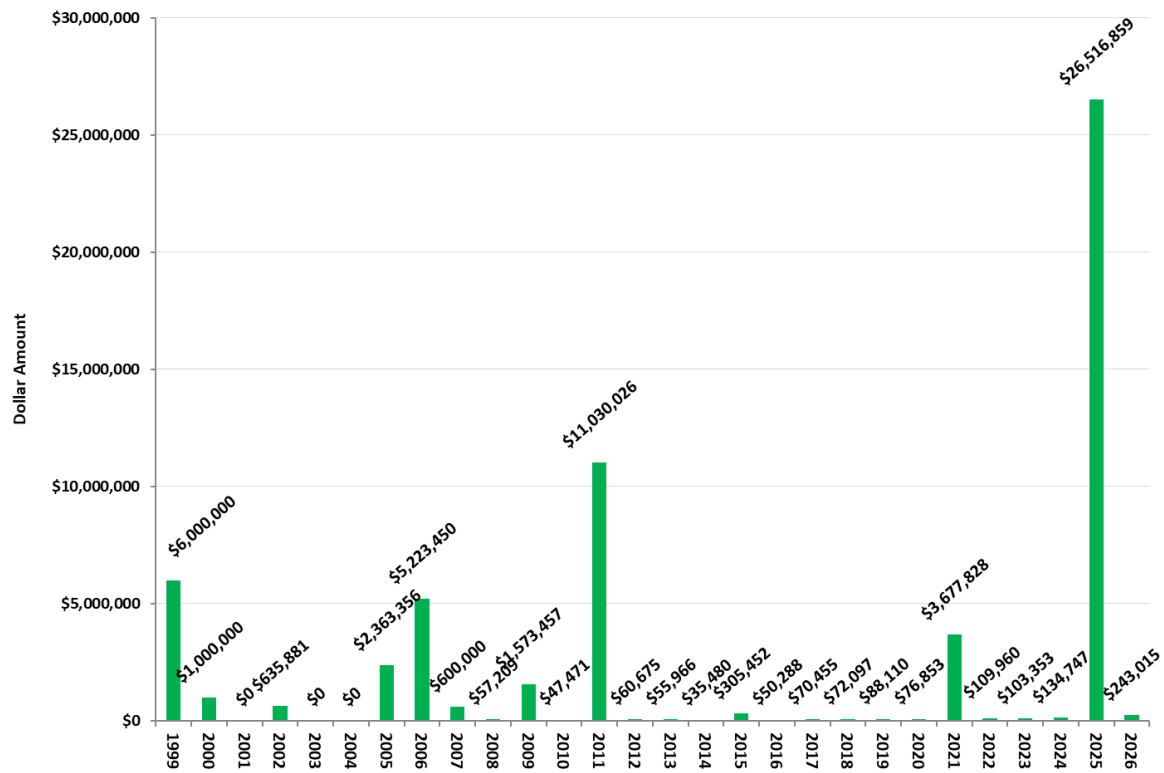
TIA currently utilizes four Vanguard mutual funds: Institutional Index (VINIX), Developed Markets Index (VTMNX), Emerging Markets Stock Index (VEMAX) and Total Bond Market Index (VBTIX), creating exposures to three equity asset classes and a broad range of fixed income securities. Annual fees are 5 bps. The policy benchmark is 50% Bloomberg Aggregate Bond Index and 50% ACWI IMI Index. **Chart #4** presents a review of historical performance for TIA for each mutual fund.

A portfolio invested in 100% equities would have seen returns even greater than those posted by the TIA. However, bonds have historically provided stable income and a buffer against market volatility. The Treasurer's Office believes that bond index funds continue to bring value to a diversified portfolio such as the TIA, providing ballast in downturns and allowing the portfolio to weather the ups and downs of the market. A roughly 50-50 balance is reasonable and prudent for trust funds such as these.

Fund Management Philosophy

The Treasurer's Office believes that a dependence upon manager performance relative to benchmarks, or alpha, is counterproductive in established asset classes. Given the liquidity needs and size of the portfolio we believe that investment effort is better spent analyzing optimal portfolio allocations using total return, standard deviation, and correlation assumptions available from professional investment advisors, along with expected cash flows or distributions. This is essential to constructing a portfolio with the lowest expected risk relative to the TIA's return objectives. This philosophy is reflected in TIA and the Fund by allocating to low-fee, highly liquid indexing vehicles.

Chart #1
Annual Contributions to
The Higher Education Trust Fund



***Beginning with the 2021 report, contributions from prior year reports were realigned by fiscal year on an accrual basis to correspond to fund operating results and may vary from cash transaction dates in previous reports.**

Chart #2

Higher Education Trust Fund

Authorized Distributions by Year and Type

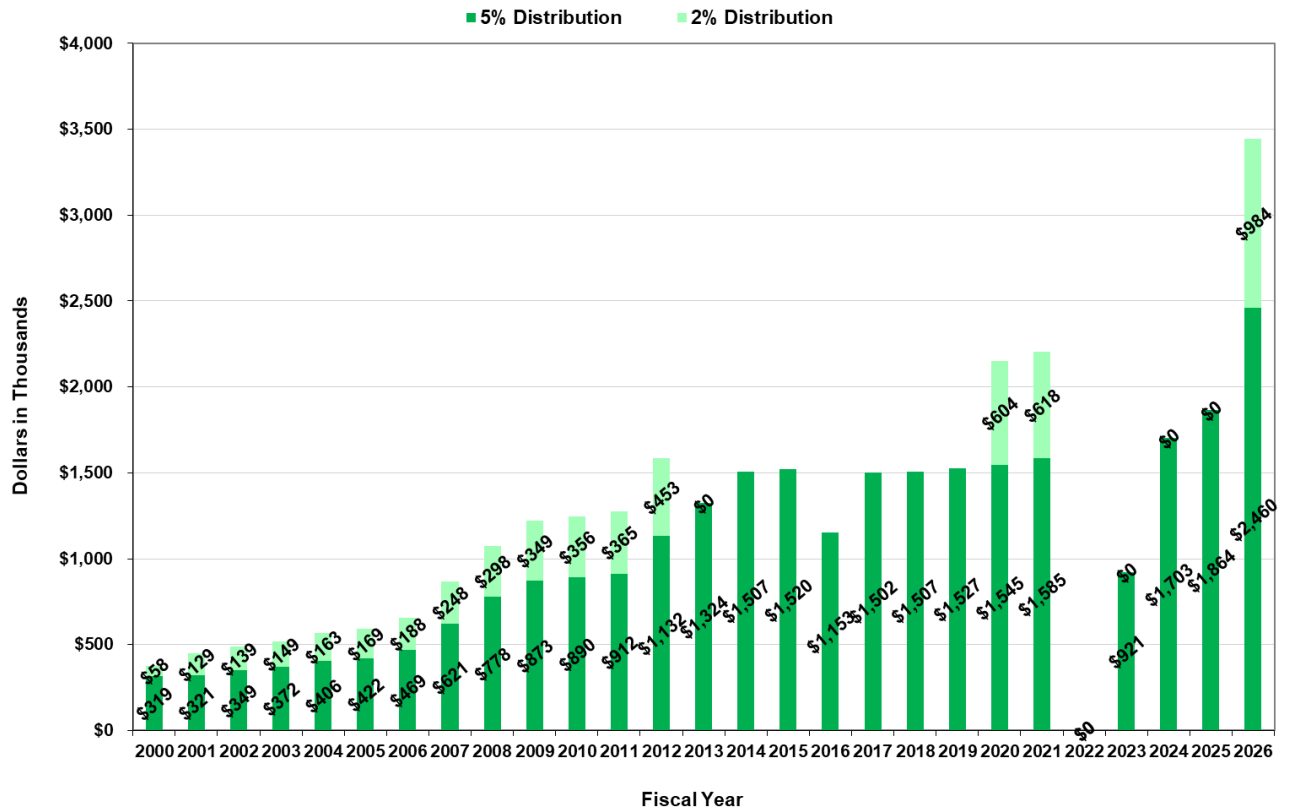
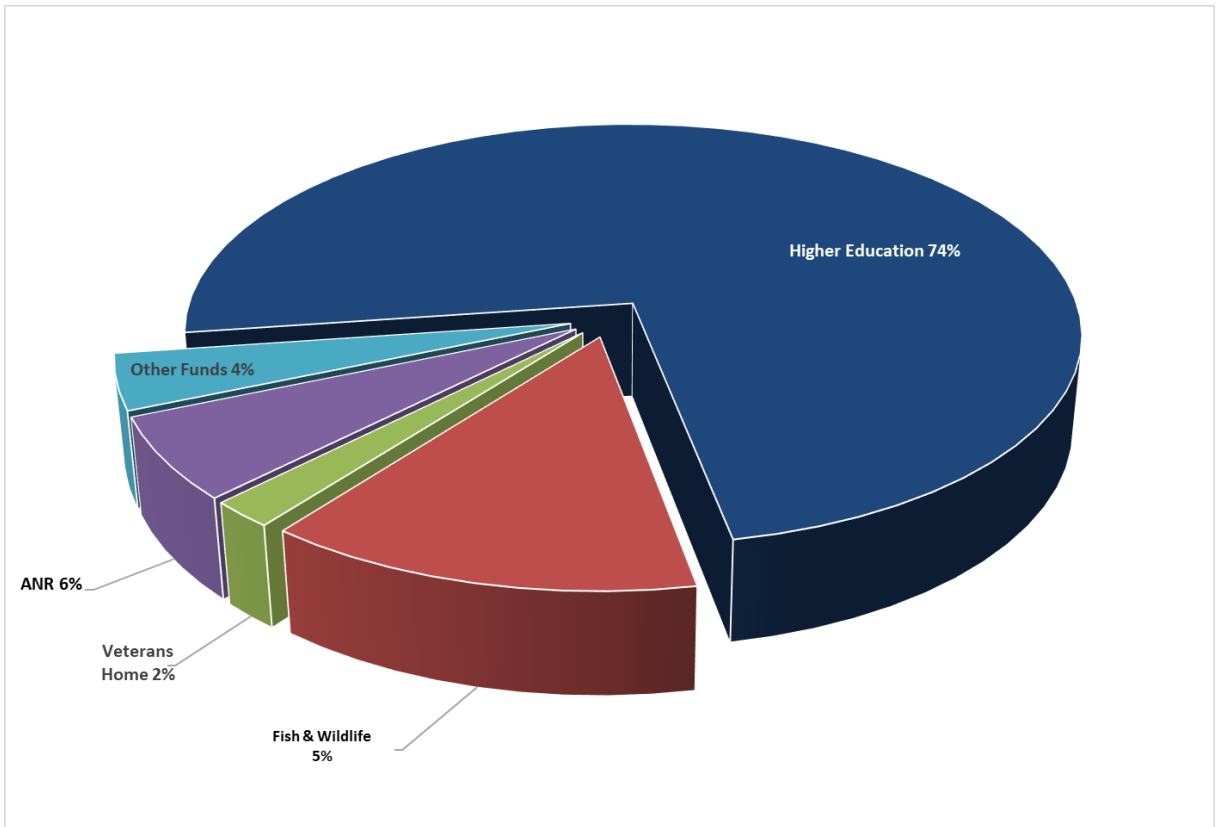


Chart #3
Trust Investment Account Fund Composition
As of June 30, 2026



Please note that chart totals may not sum to 100% due to rounding.

Chart #4

TRUST INVESTMENT ACCOUNT PERFORMANCE

(as of June 30, 2026)

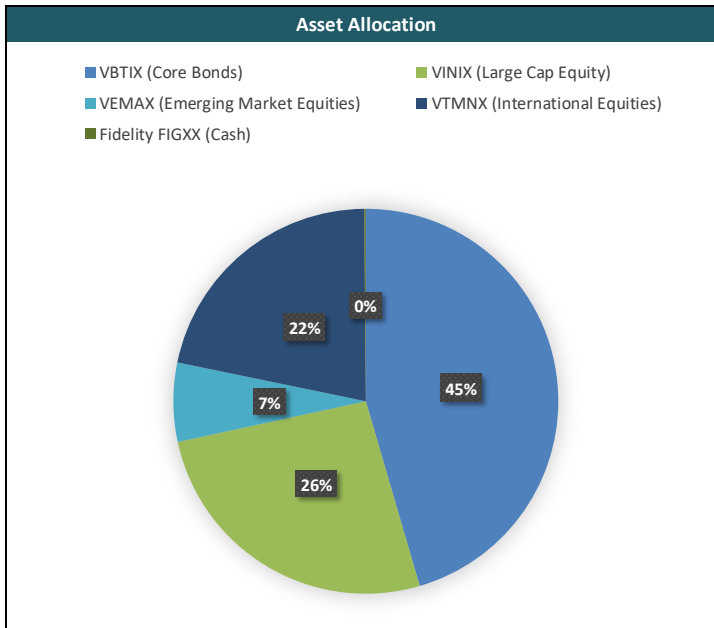
					Trailing Annualized Returns											
		MTD	Prev Qtr	Fiscal YTD	1 YR	3 YRS	5 YRS	7 YRS	10 YRS	Std Dev +	2026	2025	2024	2023	2022	2021
Actual_RT	Actual_RT	-0.2%	7.3%	14.3%	14.3%	12.0%	5.9%	7.2%	6.8%	8.1%	14.3%	11.4%	10.2%	8.6%	-12.5%	14.9%
VTMNX	Vanguard Developed Markets Index	-0.2%	12.2%	28.7%	28.7%	19.3%	10.1%	11.2%	10.3%	13.7%	28.7%	19.2%	10.6%	16.6%	-18.1%	35.8%
	Vanguard Institutional Index	-1.0%	15.2%	22.3%	22.3%	20.6%	13.4%	16.0%	15.5%	12.9%	22.3%	15.1%	24.5%	19.5%	-10.7%	40.8%
VINIX	Vanguard Emerging Markets Stock Index	-0.1%	11.4%	24.0%	24.0%	17.0%	5.0%	8.1%	8.4%	12.2%	24.0%	15.6%	11.8%	1.1%	-21.1%	38.7%
VEMAX	Vanguard Total Bond Market Index	0.2%	0.7%	3.7%	3.7%	4.2%	0.1%	1.2%	1.5%	5.4%	3.7%	6.0%	2.8%	-1.0%	-10.4%	-0.4%
VBTIX																

* Past performance is no guarantee of future results

** Net fiscal returns for Vanguard Funds

***10/2013 - 11/2013 were transitional periods during a TIA restructuring period

+ Standard Deviation calculated from trailing 36-month fund returns



Portfolio Characteristics	
Net Assets	\$96,405,296
Fixed Income (\$)	\$43,847,943
Equities (\$)	\$52,432,327
Cash (\$)	\$125,026
Current Fee	0.05%
Rolling 12m Return	14.3%
Rolling 12m Std Dev	7.4%

Appendix A



Higher Education Endowment Trust Fund (HEETF) Information 2025-2026 Report to the Treasurer's Office September 2026

The HEETF provides a permanent source of financial aid for Vermont students pursuing postsecondary education in Vermont. The fund distributes up to 5% of its value annually, divided equally among the University of Vermont (UVM), Vermont State Colleges System (VSCS), and the Vermont Student Assistance Corporation (VSAC), to support scholarships and other forms of student financial aid. In addition, current state law permits that the Secretary of Administration and the Higher Education Endowment Trust Fund Council may authorize the State Treasurer to make an additional distribution of up to 2% of the Fund's average assets available to UVM and the Vermont State Colleges for creating or increasing a permanent endowment fund. This 2% distribution is not included in the report below.

UVM: In December 2025, UVM received \$621,251 to be spent across FY26 and FY27. During Academic Year (AY) 25-26 UVM disbursed \$620,274 to 167 students, with an average award of \$3,700. Eligible students are awarded a commitment of need-based gift aid each year, and the HEETF is awarded to support some or all of that commitment of aid for selected Vermont resident undergraduate students. HEETF support is critical in how UVM supports Vermont students who demonstrate financial need.

Both VSAC and VSCS spread funding received across multiple years because both institutions issue renewable scholarship awards with HEETF funding. Both VSCS and VSAC awarded and disbursed funds received in December 2024 in AY25-26. Funds received in December 2025 are being disbursed in AY26-27.

VSCS: In December 2024, the VSCS received \$567,568 to be spent across FY26 and FY27. During FY26 the VSCS awarded \$471,503, to 480 students, with an average award of \$982. VSCS uses HEETF for two purposes: first, to match the FY26 VSAC awards for students who attend Community College of Vermont and Vermont State University and second, targeting specific populations such as tuition support for nursing students, support for multi-lingual or low income earners in healthcare courses.

VSAC: VSAC has used these funds toward the "Vermont Endowment Scholarship" which is a \$1,000 renewable scholarship that supports low-income, first-generation Vermont students attending Vermont institutions.

In December 2024, VSAC received \$567,568 and carried forward \$59,623 from FY 25. In AY 25-26, VSAC awarded \$688,001 in funds and disbursed \$460,757 to 580 students. Because VSAC's Vermont Endowment Scholarship is a renewable scholarship, annual award projections require balancing commitments to new recipients with uncertain attrition among continuing scholars. Changes in persistence and enrollment patterns can affect the amount available for new awards. Any amount remaining at the end of the fiscal year is rolled into the following year's awarding amount.

Data presented in Tables 1-9 is a summary of funds awarded and disbursed during AY 25-26.

Table 1: Program Overview

Program	Total Recipients	Average Award
VSAC	580	\$794
VSCS	480	\$982
UVM	167	\$3,700

Table 2: Enrollment Type

Program	Associates/Certificate	Bachelor's
VSAC	37%	63%
VSCS	66%	34%
UVM		100%

Table 3: Enrollment- Full time vs. Part time

Program	Full time	Part Time
VSAC	68%	31%
VSCS	48%	53%
UVM	100%	

Table 4: Demographics

Program	Average Age	Women	Men	Non-Binary	First-Gen	Pell-Eligible
VSAC	25	62%	32%	6%	79%	84%
VSCS	28	71%	28%	1%	72%	79%
UVM	20.5	45.5%	54.5%	0%	32.9%	58.7%

Table 5: Age Range

Age Range	VSAC	VSCS	UVM
Less than or equal to 20	44%	29%	68.9%
21-30	36%	36%	26.3%
31-40	13%	21%	4.2%
41-49	5%	9%	0%
50 or older	3%	5%	.6%
Total	100%	100%	100%

Table 6: VSAC Awards taken to these institutions:

College	Total #	Total %
Bennington	1	0.2%
Champlain	38	6.6%
CCV	213	36.7%
Landmark	0	0%
Middlebury	7	1.2%
Norwich	25	4.3%
Saint Michael's	14	2.4%
UVM	90	15.5%
VTSU	203	35.0%
Total	591	

Percentages are taken on a denominator of 580, due to students transferring for 2nd semester.

Table 7: Home County

	VSAC		VSCS		UVM	
County	Total #	Total %	Total #	Total %	Total #	Total %
Addison	25	4.3%	19	4%	4	2.4%
Bennington	30	5.2%	29	6%	12	7.2%
Caledonia	28	6.6%	27	5%	15	9%
Chittenden	113	19.5%	96	20%	66	39.5%
Essex	6	1.0%	9	2%	3	1.8%
Franklin	39	6.7%	34	7%	9	5.4%
Grand Isle	2	0.3%	2	1%	1	.6%
Lamoille	15	2.6%	13	3%	11	6.6%
Orange	50	8.6%	25	5%	5	3%
Orleans	53	9.1%	46	10%	3	1.8%
Rutland	83	14.3%	58	12%	10	6%
Washington	33	5.7%	30	6%	11	6.6%
Windham	54	9.3%	51	10%	9	5.4%
Windsor	39	6.7%	41	9%	8	4.8%
Total	580	100%	480	100%	167	100%

Table 8: Program of Study

	VSAC	VSCS	UVM
Education	13%	11%	5.4%
Business	13%	8%	16.2%
Health Care	23%	32%	17.4%
Liberal Studies	Included in Other below	7%	10.2%
Behavior Sciences (Social Science+ Psychology/Psychiatry)	14%	12%	14.4%
Design	0	3%	0
Information Technology	4%	2%	5.4%
STEM	11%	2%	16.8%
Arts	7%	5%	1.8%

	VSAC	VSCS	UVM
Other/Undecided (programs with 3% or less of total students or student is undecided)	14%	18%	2.4%
Environment/Agriculture/Sustainability			10.2%

The Higher Education Trust Fund: In Student's Voices:

From UVM:

For Samuel, an HEETF recipient attending UVM, his funding has allowed greater pursuit of studies without having to stress about finding hours at a part time job. He is majoring in Computer Science and hopes to "one day work for someone, or on something, larger than myself that requires advanced engineering skills and helps push the world toward a better place." He loves UVM for the "wide array of classes allowing for niche subject topics" - his favorite course is Computer Networking - and loves living in Vermont because of its beauty.

For Isabelle, an HEETF recipient attending UVM, the financial support she's received at UVM "has relieved a lot of financial burden from myself and my parents." She is studying Website and Information Resources Design as a self-designed major, and has particularly enjoyed her graphic design courses. Isabelle shared that "UVM has provided me with independent and specialized ways to learn and grow my connections." Further, she said, "I have landed internships, research positions and contract work that has expanded my portfolio beyond what I thought was possible as an undergrad."

From the VSCS:

Maya, from Burlington, has an ultimate goal of receiving a Bachelor of Science in Nursing (BSN) and "working in a children's hospital, providing equitable medical support to children and families while making a meaningful difference during their most vulnerable moments." To Maya, these scholarship funds represent "the stability I need" and they serve as "the bridge that will launch my career as a compassionate pediatric nurse dedicated to advocacy and care."

Jessica, from Manchester, has a goal of earning her bachelor's degree and continuing to graduate school to become a clinical psychologist specializing in children and adolescents. Jessica is thankful for these scholarships because they "relieve financial pressure and allow me to focus on my coursework, my long-term goals, and the future I am building for my family."

Tony, from Barton, has a goal of building a meaningful career in technology, with an interest in becoming a software developer and exploring how technology connects with entrepreneurship. This scholarship, in addition to relieving financial stress, allows Tony to "keep experimenting, building, and moving closer to a career that blends curiosity, creativity, and technology."

From VSAC: Both Su and OJ received the Vermont Endowment Scholarship to help make their postsecondary pathways possible.



Su Shannon, a Pittsford resident, pottery artist, and small business owner, spent more than a decade creating and selling handmade ceramics before feeling ready for a new challenge. Long fascinated by people, the human body, and medical imaging, she became increasingly interested in radiology after years of observing the impact of diagnostic imaging during medical visits for herself and her family. As she explored a career change, she wondered how to make the transition into healthcare as an adult learner.

With guidance from VSAC's Educational Opportunity Center, Su enrolled in prerequisite courses at Community College of Vermont before being accepted into Vermont State University's radiologic sciences program. Now in her first year, she balances coursework, clinical training, family life, and a small pottery practice while building a new career in healthcare. Su credits VSAC counselor Martha McCaughin with helping her navigate financial aid, scholarships, and the return to school, proving that pursuing higher education and a new career after 50 is both achievable and rewarding.



OJ Daring's passion for film began in high school, where he spent hours creating and editing videos for fun. After exploring filmmaking at Burlington Technical Center, he continued pursuing his interest at Champlain College, where he is now a senior double majoring in film and finance. Originally from Jamaica, OJ moved to Vermont at age eight and took advantage of opportunities like Early College through CCV, which allowed him to earn more than 25 college credits before graduating high school. Along the way, he gained hands-on experience producing videos for businesses, campaigns, events, and Champlain's marketing department.

OJ was a participant in VSAC's GEAR UP program, which helped him navigate the path to college and beyond. Starting in eighth grade, GEAR UP provided guidance on financial aid, college applications, internships, and career planning, while continuing to support him through college. The program helped him confidently choose Champlain College, where he has enjoyed internships, study abroad in New Zealand, and a wide range of academic opportunities. As he prepares to graduate, OJ is considering careers in filmmaking, marketing, or entrepreneurship and remains grateful for the support that helped turn his passion into a clear path forward.