

## Minutes

### VSAC Finance Committee Meeting

January 22, 2024  
12:30 p.m. -2:00 p.m.

Boardroom, VSAC Offices  
10 East Allen Street  
Winooski, Vermont 05404

**Committee Members Present:** Michael Smith (Chair), John McSoley, Caleb Elder, Clarence Davis, Mike Pieciak

**Committee Members Absent:** N/A

**Other Board Members Present:** Dodie Mitchell, Ryan Dulude

**VSAC Staff Present:** Scott Giles, Mike Stuart, Patrick Leduc, Bruce Hicken, Laurie Oliver, Jodie Ducharme, Brad Fallon

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Chair Michael Smith called the meeting to order at 12:35 p.m. With a quorum established, the Committee took up the first order of business.

#### Approval of November 20, 2023, Minutes

*Upon a motion made by John McSoley and seconded by Caleb Elder, the Committee Members voted to approve the minutes of the Finance Committee meeting of November 20, 2023, as presented.*

#### Public Comment

There were no public comments given during the public comment period.

#### Standing Reports

The Committee reviewed the previously distributed FY24 Income Statement and Balance Sheet, Variance Analysis, Operating Budget, and VSF Endowment Report. Mike Stuart noted that, on the income statement, interest rates increased more than anticipated so certain income and expense items are higher than budget projections and than the previous year.

Bruce Hicken walked the Committee through the Variance Analysis, highlighting on the revenue side the variances that occurred year over year because of the increase in average interest rates. On the expense side, Bruce noted the variance for the amortization of deferred bond retirement gain as a result of large paydowns due to a high volume of borrowers consolidating to the Department of Education.

Mike Pieciak joined the meeting at 12:42 p.m.

#### 2023/2024 AY Private Loan Volume Update

Mike Stuart directed the Committee's attention to the previously distributed New Loan Volume Reports, noting that while the student loan is close to the target volume, the parent loan is below target volume. Scott Giles noted that we are working with the Marketing department on consumer education and highlighting how other lenders treat some of their most vulnerable customers in relation to loan terms and conditions.

### **2024 Loan Financing Update**

Mike Stuart announced that the Executive Committee is in the early stages of preparing for the upcoming new student loan products. Mike reviewed the financing options and provided updates on the projected loan volume.

The Committee engaged in a conversation about the financing options during which members of the Executive Committee responded to questions.

### **FFEL Exit Update**

Mike Stuart directed the Committee to the previously distributed materials and provided an overview of the guarantor and loan servicer functions.

Patrick Leduc reviewed the key dates timeline and the communication plan which includes letters to customers, updates to the website, and phone system messaging. Patrick also noted that communications to key stakeholders would begin this coming week.

Caleb Elder exited the meeting at 1:26 p.m.

### **VSF Investment Partner Update**

Mike Stuart provided an update on his research into options to change firms for the Vermont Student Development Fund endowment as a result of Vanguard no longer providing the information and report format previously provided, which no longer meet VSAC's needs. Mike noted that he has talked to Fidelity and Schwab and both companies have indicated they can provide or create the reports we need. Mike reviewed some of the other services offered by the two companies and the Committee engaged in a discussion about the options. The Committee also engaged in a discussion of the current scholarship endowment spend rate, 4% annually, sustainability and trade-offs relative to other levels of spend rates.

### **Other Business**

There being no other business, the meeting adjourned at 2:06 p.m.

Respectfully submitted,

Michael Stuart, Assistant Secretary