

## Minutes

**VSAC Board Meeting  
Tuesday, June 16, 2015  
8:00 a.m. – 3:00 p.m.**

**25 Cherry Street  
Burlington, VT**

**Members Present:** Dodie Mitchell, Chair; Martha Heath; David Larsen; Rep. Sarah Buxton; Pam Chisholm; David Coates; Sen. Ann Cummings; Katharine Hutchinson; Dennis O'Brien; Beth Pearce; Mike Smith

**Members Absent:** None

**Staff Present:** Scott Giles; Tom Little; Mike Stuart; Marilyn Cargill; Patrick Leduc; Kristi Rocheleau

**Others:** Virginia Cole-Levesque

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Chair Dodie Mitchell called the meeting to order at 8:02 a.m., and a quorum was declared present. Upon review of the Agenda, one additional action item under the Programs & Services Committee update was added to the Agenda. The Board then acted on the following motion:

### **Approval of Minutes of the Board**

*Upon a motion made by Martha Heath and seconded by Dennis O'Brien, the Board voted unanimously to approve the meeting minutes of the April 13 and May 13 and, as presented.*

### **Chair's Report**

Dodie thanked the Board members for their participation in the Self-Evaluation exercise, reporting that the Governance Committee and Scott will continue to review and assign follow-up work to the relevant committees. Dodie also pointed out that the Agenda now includes a Future Board Meeting Agenda Items placeholder. This is in direct response to a recommendation provided by Gretchen Cherington, and allows time at each meeting to be designated to identifying future Agenda topics.

### **President's Report**

Scott Giles provided a status update of the ongoing policy work at the federal level, the legislature, the VHEIP 529 day celebration in which \$100 529 plans were given to each baby born in Vermont on 5/29, and the successful closing of bonds which will allow VSAC to offer the lowest fixed price loans we have been able to offer to date. Scott requests that portability be added to the agendas for future Programs & Services and full Board meetings, given the amount of time spent on the topic by the Board and the Vermont State Colleges this past year.

## Committee Reports

### *Audit*

David Coates reported on the May 18 Audit Committee meeting topics, noting that the Committee approved revisions to the Audit Committee Charter, reviewed the Internal Audit and Risk Management Plan, and received an audit presentation and training on auditor independence from BerryDunn, the outside auditors. The Committee also evaluated the performance of the Internal Audit and Risk Management director and reviewed the Audit Committee evaluation results compiled by Laurie Oliver. The Committee had identified professional development as an opportunity, so the June 15 portion of the Board meeting addressed and identified some of the potential trainings that the Audit Committee and Board will review when it reconvenes. David then expressed his appreciation to Management for completing the Risk Management Profile and shared that Scott would present this to the full Board later in the meeting.

### *Governance*

Dave Larsen thanked the Board for their work on the Self-Evaluation and gap analysis exercises held on June 15, as it supported the Committee goal of testing the perception of high-functioning Board performance, and helped to identify opportunities for improvement. Dave then shifted the conversation to Board reappointments (there are five people whose terms are set to expire June 30, 2015.) The Governance Committee recommends that the Board appoint Martha Heath, Dodie Mitchell, and Dennis O'Brien to another six-year term.

***Upon a motion made by Dave Larsen and seconded by David Coates, the Board voted unanimously to appoint Martha Heath, Dodie Mitchell, and Dennis O'Brien for a six-year Board term effective July 1, 2015.***

### *Human Resources Committee*

Chair Dennis O'Brien outlined the increase in the employee contribution to health care for FY2016 and recommended that the compensation plan remain the same for FY2016 as it has been the past several years. VSAC employees who meet expectations will receive a 2% increase in their base wage and a one-time merit benefit of 3%, a 6% one-time benefit for "high meeting expectations" and an 8% one-time merit benefit for exceeding expectations.

***Upon a motion made by Dennis O'Brien and seconded by Martha Heath, the Board voted unanimously to approve the FY16 benefits package and the FY15 compensation strategy as presented.***

### *Programs and Services*

Martha Heath provided highlights from the April 20 and May 11, 2015, Programs and Services Committee meetings.

- The April 20 meeting focused on setting grant levels and annual family contribution cut-offs for the 2015–2016 school year. After the Committee discussed and compared Management’s recommendation to the alternative option, the Committee voted unanimously to (1) increase the level of aid for full-time enrollment by \$200; (2) accept 14,975 applications with an anticipated cut-off date of December 31, 2015 for full-time grants; (3) anticipate a cut-off for non-degree on January 31, 2016; and (4) maintain a 3% reserve. Martha also communicated that the Committee had authorized Management to adjust the levels up or down by \$100 to support final projections; however, Management did not need to make further adjustments. Martha and Marilyn Cargill responded to questions, and the following motion was made:

***Upon a motion made by Dave Larsen and seconded by Pam Chisholm, the Board voted unanimously to ratify the Programs & Services Committee’s April 20, 2015, vote to approve the FY16 grant levels, to include (1 Increase level of aid for full-time enrollment by \$200, (2 Accept 14,975 applications with an anticipated cut-off date of December 31, 2015, for full-time grants, (3 Anticipate a cutoff for Non-degree on January 31, 2016, and (4 Maintain a 3% reserve.***

- The May 11 meeting focused on federal and state updates, the aspirations project, and operations. Martha elaborated on the new Universal Child Savings Accounts legislation that is intended to help lower- and middle-income Vermont families save for postsecondary education and training. Sarah Buxton voiced that the details for this project are in development; Scott shared that VSAC’s financial obligations are limited to funds that are raised. Scott and Tom will continue to update the Committee and the Board on the progress.

#### *Finance Committee*

Mike Smith shared highlights of the May 18 Committee, which focused on the FY15 financial reports, the FY16 budget proposal, and policy updates. The Committee recommends that the Board approve both the Investment Philosophies, Goals, Strategy, and Guidelines for funds not held by the Vermont Scholarship Development Fund, and the Vermont Scholarship Investment Fund Endowment Investment and Spending Policy. Mike summarized that these two policies were approved by the Committee in 2009; however, they had not been voted on by the Board. The Committee therefore reviewed the policies prior to approving in May.

***Upon a motion made by Mike Smith and seconded by Beth Pearce, the Board voted unanimously to approve the Vermont Scholarship Investment Fund Endowment Investment and Spending policy and the Investment Philosophies, Goals, Strategy and Guidelines for funds not held by the Vermont Scholarship Development Fund policy as presented.***

#### **Strategic Planning Update and Modeling**

Scott Giles and Mike Stuart outlined VSAC’s progress toward implementing the strategic plan and presented both short-term and five-year financial projections.

### **Risk Management Profile**

David Coates introduced the Risk Management Profile that had been developed by the executive committee at the direction of the Audit Committee. Scott Giles walked the Board through the process that was utilized to develop the profile and offered recommendations for how the profile could be used by the Board to enhance its governance and oversight. After discussion, David recommended that the Governance Committee should add the profile to its agenda for the purpose of assigning risks to the appropriate Board committee.

### **VSAC Budget**

Mike Smith conveyed his appreciation for the structure of the two-day meeting, as it provided an opportunity to address questions and provide background that aid in future decision-making. Mike Stuart then presented the Budget Resolution reported favorably by the Finance Committee, and distributed to Board Members. Mike Stuart walked the Board through the budget proposal and answered questions. The Board discussed and acted on the following motion:

*Upon a motion made by Mike Smith and seconded by Beth Pearce, the Board voted unanimously to approve the FY16 Budget Resolution as presented and attached.*

### **CEO Evaluation**

*Upon a motion made by Martha Heath, and seconded by David Larsen, the Board voted unanimously to enter executive session at 1:20 p.m. in order to consider the evaluation and employment of public officers, i.e., VSAC employees, and related contractual matters, premature public knowledge of which would clearly place VSAC at a substantial disadvantage.*

The Board exited executive session at 2:10 p.m.

*Upon motion made by David Coates and seconded by Dennis O'Brien, the Board voted unanimously to establish compensation of the CEO for FY2016 at \$263,670.*

### **Other Business**

*Upon a motion made by Pam Chisholm and seconded by Beth Pearce, the Board voted unanimously to adjourn at 2:15 p.m.*

Respectfully submitted,

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David Larsen, Secretary