

Minutes

VSAC Programs & Services Committee Meeting

January 23, 2015
10:00 a.m. – 12:00 p.m.

Board Room, VSAC Offices
10 East Allen Street
Winooski, VT

Committee Members Present: Martha Heath (Chair), Dave Larsen, Dennis O'Brien, Katharine Hutchinson, and Pam Chisholm

Committee Members Absent: None

Other Board Members Present: Dodie Mitchell

Staff Present: Marilyn Cargill, Tom Little, Scott Giles, Marcia Corey, and Kristi Rocheleau

Martha Heath called the meeting to order at 10:07 a.m., and a quorum was declared present. The Committee reviewed the agenda and proceeded to take up the first item of business.

Approval of Minutes

Upon a motion made by Dennis O'Brien and seconded by Dave Larsen, the Committee approved the meeting minutes of November 21, 2014, by unanimous vote, with all members voting.

Federal Update

Upon a motion made by Dave Larsen and seconded by Dennis O'Brien, the Committee voted unanimously to enter executive session at 10:10 a.m. in order to consider pending or threatened litigation and to obtain confidential and privileged advice from legal counsel. The following are requested to remain in the room: Scott Giles, Marilyn Cargill, and Tom Little.

The Committee exited the executive session at 10:37.

Scott Giles proceeded to update the Committee on broad federal policy conversations, including the President's proposal for access to free Community College, for which funding has not yet been discussed. One funding suggestion floating around the Hill is a review of the tax treatment for 529 plans. The Executive Committee will continue to alert the Committee and Board of any developments.

VSAC Management continues to work with the Vermont Congressional delegation to review the IRS' U.S. Treasury decision on using tax exempt financing to make education loans directly to parents (i.e., where the student is not a co-borrower). Tom Little and Mike Stuart reported that Treasury communicated that it agrees the tax ruling could be changed with revised policy language. This policy rewrite would most likely not occur until the end of year. VSAC's long term strategy continues to include a parent education loans program.

Vermont Update

Scott Giles presented an update on the various statewide committees noted in the agenda, and expanded on the following to address Committee questions.

- S. 40/Act 148 – The study initiated by VSC faculty and union members in partnership with UVM and VSAC submitted a final report to the legislature. The report includes recommendations to increase funding for higher education to achieve Vermont's economic and social goals, suggesting investments to need-based financial aid; to public institutions of higher education for purposes of strengthening quality and expansion of programs, and to reduce the cost of tuition that is charged to Vermont students and their families. The proposal also recommends Vermont Higher Education Trust Fund changes, which include reducing the investment threshold from 125 to 110 percent of excess estate tax revenues; and inclusion of statute language that would restrict the ability of the legislature to redirect higher education funding toward other programs.
- Budget Request – VSAC submitted a FY16 appropriations request that funding for higher education increase by the rate of increase in the General Fund spending from FY14 to FY15, plus 1%. This request is still below the funding received in fiscal years 2010 and 2011. In addition, VSAC requested \$500,000 in addition to the base appropriation to expand the delivery of VSAC's career and education counseling for middle school, high school, and adult students.
- VSAC 50th Anniversary – the kick-off event is scheduled for February 26 at the State House. The Board will be notified of the schedule of events planned for the year and are invited to attend any of the activities.

Marilyn Cargill reported on the status of the following:

- The usage of the Dual Enrollment Stipend appears to be gaining momentum. The number of students participating in the spring semester more than doubled, yet time for more low income families to be made aware of the program is needed. As a result, VSAC recommended that the General Assembly continue funding this program through at least one more full school year, to be able to gauge the true need of the program over the course of all three semesters.
- The Vermont Strong Scholars is intended for students who borrow a private loan through VSAC's Advantage program; their loans will be partially forgiven if they complete an approved course of study, work in Vermont following graduation, and are employed in an occupation which has been identified as critical to the state. VSAC has offered up to \$100,000 in arbitrage to help fund the program however current estimates based on student enrollment and job openings indicate that the program will need roughly \$279,000 in the first year with the programming increasing each year to somewhere between \$2 and \$3 million on a recurring basis as new cohorts of students graduate. Aside from the VSAC commitment, funding for this program has not been identified. The

VSC, VSAC, and UVM have expressed reluctance to market this program to students until funding is clarified. Marilyn addressed Committee questions with regard to VSAC's role. VSAC's role for the project includes originating the loan, collecting initial applicant data, verification, and applying the loan forgiveness. This program would have an administrative cost to VSAC.

Scholarships – Annual Review

Marcia Corey, Manager of VSAC's Scholarships program reviewed the previously distributed annual Scholarships Awarded/Disbursed report for the 2013-2014 academic year, and addressed Committee Member questions. The report includes dollars disbursed, number of students served, the nominated versus competitive scholarships, and sources of funding. VSAC offers three levels of administrative assistance: 1) Scholarships fully administered for an organization 2) Scholarships VSAC only assists up to the selection process 3) Scholarships that are published in the booklet but for whom we do no processing. Funding sources for the scholarships program include private donors, VSAC, the State of Vermont and Federal Scholarship programs. Only three scholarships include a fee to administer the program. VSAC is actively looking at this model. The Committee did not have an opportunity to hear planned system enhancements due to time constraints. Marilyn and Marcia extended an invitation to Committee members to participate in the Scholarship selection days scheduled for April. More information will be distributed to all Board members.

Operations Update

To allow time for the Grant Policies agenda item, Chair Martha Heath requested the FAFSA Completion Project update be deferred, and that Committee Members send any questions that they have with regard to the previously distributed standing reports directly to Marilyn Cargill.

Scott communicated that VSAC is in the process of signing a new contract for VHEIP. Once the contract is signed, an official announcement will be made.

Grant Policies – ongoing annual review

The Committee continued its ongoing annual policy review. Tom Little communicated there has been no action on the Veterinary Students and Approved Schools policies since the November meeting. Marilyn reported that the Tuition Waiver policy update is expected to be implemented in 2015.

The Committee then moved to discussion of the Basic Incentive Grant. This grant is a set dollar amount established by the VSAC Board of Directors. Students apply and are awarded if they meet specific need-based eligibility criteria. In 2010 the Basic Incentive Grant was set at \$700. The question to the Committee, and Board, is should there be an increase in the amount of this grant. The group initiated discussion to address some factors including the increasing cost of college, the amount available to award, and the number of students who currently meet the criteria. The Committee requested more time for this agenda item. Chair Martha Heath requested this agenda item be moved to the front of the agenda, and that a full hour be dedicated to the topic.

Adjourn

There being no other business, the Committee adjourned at 12:20 p.m.

Respectfully submitted,

Marilyn Cargill, Assistant Secretary