

Minutes

VSAC Finance Committee Meeting

Monday, January 25, 2016

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

Attendance:

Committee Members Present: Michael Smith (Chair), Beth Pearce, and David Coates

Other Board Members Present: Dodie Mitchell

Committee Members Absent: None

Staff: Scott Giles, Mike Stuart, Marilyn Cargill, Bruce Hicken, Patrick Leduc, Tom Little, Laurie Oliver, and Kristi Rocheleau

The meeting was called to order at 12:05 p.m. A quorum was declared present, and the Committee proceeded to take up the first item of business.

Approval of Minutes

Upon a motion made by David Coates and seconded by Beth Pearce, the Committee voted unanimously to approve the minutes of the Committee meeting of November 23, 2015, as presented.

President's Report

Scott Giles provided a strategic update, noting that VSAC is on target to exceed goals set for VHEIP and private loans. In response to committee questions, Scott reviewed the funding strategy for the parent education loan.

Scott then provided an update on the status of the outstanding technical questions related to education loan refinancing. The management team continues to work with its industry partners and Treasury to resolve the details.

FY16 Financial Information

Mike Stuart and Bruce Hicken reported on the Financial Statements, Variance Analysis, and Operating Budget through December 2015, and responded to Committee questions. The operating budget is expecting an additional \$1 million in total revenue primarily from increased

default collection fees and operating expenses are running below budget. There are no other material variances in the operating or overall corporate revenues or expenses.

Vermont Scholarship Development Fund

Mike Stuart reviewed the VSDF vendor scenarios for alternate investment management strategies and asset allocation options with the Committee. The Committee discussed options and recommended a passive management option for further review. Mike Stuart will incorporate this information into the investment policy, share the revised policy for the committee's review, and provide additional details for investment fund options at a future meeting.

Vermont Higher Education Investment Plan

Scott updated the committee on the performance of the plan, noting that the VHEIP contributions exceeded marketing targets despite the transition to a new plan manger.

The conversation then shifted to the Vermont Universal Children's Savings Account and ABLE accounts.

Other Business

There was no other business, the meeting adjourned at 2:58 p.m.

Respectfully submitted,

Michael Stuart, Assistant Secretary