

# Minutes

## VSAC Programs & Services Committee Meeting

September 19, 2016  
10:00 a.m. – 12:00 p.m.

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

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

**Committee Members Absent:** NA

**Other Members Present:** Dodie Mitchell

**VSAC Staff Present:** Tom Little, Marilyn Cargill, Patrick Leduc, Mike Stuart, Laurie Oliver, Kristi Rocheleau, and Scott Giles (arrived at 11:30 a.m.)

**Others:** NA

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Chair Martha Heath called the meeting to order at 10:07 a.m., and a quorum was established.

### Approval of Minutes

*Upon a motion made by Pam Chisholm and seconded by Dennis O'Brien, the Committee voted unanimously to approve the Programs & Services Committee record of May 16, 2016, as presented.*

### Operations Update

Marilyn Cargill updated the Committee on the Direct Loan decommission process which is a three-step process led by the Department of Education. The first step of transferring loans to Nelnet was successfully completed August 19. The remaining steps are scheduled to take place over the next year, and include shutting down systems, and a sanitization process to ensure that all accounts and emails associated with the Direct Loan Program are wiped from VSAC. Marilyn and Patrick Leduc responded to Committee questions regarding resources dedicated to the decommissioning, and provided an update on outplaced staff.

Marilyn then shared that single-parent students who are Pell and Vermont grant eligible and who receive a scholarship based on this status are now formally included as part of the at-risk students definition for the Gift Aid Tolerance policy. Attention was drawn to this specific population as a result of a funding scenario at Champlain College. Although this student group fits under the current policy, the Committee agrees with the importance to include this population within the policy.

### Grant Policy – ongoing annual review:

The Committee continued its ongoing review of grant policies. Marilyn walked Committee members through three policies and recommendations.

**Maximum Number of Grants** – This policy states that eligible undergraduate students are able to receive Vermont grants for the equivalent of five full-time school years for the completion of undergraduate degree (Vermont Statutes Annotated, Title 16, Section 2843 [a]) The policy was modified to incorporate language to recognize the Legislative approval for UVM College of Medicine and approved Veterinary Medicine Programs. Students enrolled in those graduate programs are eligible for additional years of Vermont grant assistance. No additional changes or recommendations were offered.

**Non-Degree Grant Program** – This policy defines details specific to the Vermont Non-Degree Grant Program. The grant is intended to assist Vermonters with enhancing job skills, improving employability, and providing nontraditional students with an introduction to a postsecondary education program. Marilyn pointed out that the Indirect Cost Allowance section is missing the Additional Information, for which she will plan to include the cost allowance explanation. The Committee supports the policy with the proposed additions to the Indirect Cost Allowance section.

**Approved Schools: Vermont Non-Degree Grant Program** – This policy defines that a school is eligible to receive Vermont Non-Degree Grants by virtue of accreditation, federal or state government oversight. It further defines the minimum requirements a school must satisfy if they do not meet the above criteria. This process is reviewed every three years at a minimum. In response to questions, Marilyn also outlined the differences between Title IV and non-Title IV schools, and the process for informing students of the stipulations that a school must comply with in order to be eligible for non-degree grant funding. The Committee offered no changes or recommendations.

*Upon a motion made by Dave Larsen and seconded by Pam Chisholm, the Committee voted unanimously to accept the Maximum Number of Grants and Approved Schools: Non-Degree Grant Program, as presented, and the Vermont Non-Degree Grant Programs as modified.*

#### **VSAC Career and Education Wellness**

Patrick reported on the Career and Education Wellness (aka Employer Based Services) program designed to support employees and employers. The official launch of the program was held during the Vermont Human Resources Association Conference where VSAC exhibited. Of those who showed interest, two partners will be selected to test the new service. In response to questions, Patrick shared the current pricing structure, the opportunity to expand offerings via affiliate partnerships, and subsidiary considerations. Promotional materials and the course offerings will be shared with the Committee and Board.

#### **Risk Review: Delinquency and Default – Private Loans**

The Committee transitioned to the review of the Delinquency and Default Risk – Private Loan risk profile previously distributed. Marilyn provided background for the risk, and Mike Stuart explained inherent risks, and oversight controls currently in place. The Committee reviewed and discussed supporting documentation, and agreed with the existing risk and probability presented.

## **Executive Session**

*Upon a motion made by Katharine Hutchinson and seconded by Dave Larsen, the Committee voted unanimously to enter executive session at 11:07 in order to consider pending, sensitive contractual negotiations, premature general public knowledge would clearly place VSAC at a substantial disadvantage, and where confidential and privileged advice from legal counsel is needed. The following are requested to remain in the room, as they have information needed for the executive session: Scott Giles (entered at 11:29), Marilyn Cargill, Patrick Leduc, Mike Stuart, and Tom Little. 1 V.S.A. sec. 313 (a).*

The Committee exited the session at 11:45 a.m.

## **Federal Update**

Scott Giles provided an update on Treasury, noting that Federal guidance is expected in the next few weeks as to whether the Refinance topic would be taken up before year end. The VSAC team continues to prepare for the opportunity to offer refinance loans. Scott also reported that the VSAC Advantage parent and student loans are currently ahead of targets. Further analysis of the private loan and the refinance market is underway to more accurately project capital needs for FY2018.

## **Vermont Update**

Noting the time, Martha requested that Committee members direct questions regarding the Standing Reports to Marilyn following the meeting.

Marilyn then informed Committee Members on two projects that may attract some questions: 1) The State has asked VSAC to perform a results-based accountability study on the effectiveness of non-degree grants. A survey is in development to collect insights from recipients; updates will be shared with the Committee. 2) Lumina's Advance Vermont Initiative is now renamed 70x2025VT.org. Under the umbrella 70X2025VT.org, VSAC has partnered with VSC, UVM, and the Agency of Education to launch a focused effort to encourage FAFSA completion. These initiatives will kick off with a press conference on October 3 highlighting the earlier available date of the FAFSA, the use of prior/prior tax year information and the availability of school based scholarships to incent earlier filing. Activities will take place throughout the month of October.

## **Other Business**

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

Respectfully submitted,

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Marilyn Cargill, Assistant Secretary