

Minutes

VSAC Board of Directors Meeting

June 23, 2025

9:00 a.m. – 12:00 p.m.

VSAC Boardroom

10 East Allen Street

Winooski, Vermont 05404

Members Present: Dodie Mitchell (Chair), Martha Heath, Dave Larsen, John McSoley, Ann Cummings, Ryan Dulude, Tim Chamberlin, Mike Smith, Mike Pieciak, Clarence Davis

Members Absent: Mary-Katherine Stone

Staff Members Present: Scott Giles, Patrick Leduc, Meghan Metzler, Tom Little, Brad Fallon

Others: No members of the public attended.

Chair Dodie Mitchell called the Board of Directors meeting to order at 9:01 a.m. With a quorum established, the Board proceeded with the agenda.

Approval of April 14, 2025, Minutes

Upon a motion made by Mike Smith and seconded by Dave Larsen, the Directors voted to approve the meeting minutes of April 14, 2025, with a few typographical updates.

Public Comment

There were no comments during the public comment period.

Chair's Report

Dodie Mitchell delivered the Chair's report. She reviewed the agenda and asked Board members to contact her with thoughts or ideas for the December board retreat agenda.

Tim Chamberlin entered the meeting at 9:12.

Committee Reports

Finance Committee

Mike Smith, Chair of the Finance Committee, reviewed the Committee's May 19 meeting. He noted that the financial reports reviewed at the meeting showed nothing of concern. Loan volume for FY25 has grown over FY24's. He then reviewed assumptions of the FY26 budget including, loan volume, VT529 portfolio, not expecting to draw for grant administration fees, and why there is an overall net reduction in budgeted health care costs as compared to FY25. He then asked Meghan Metzler to review the FY26 budget. In Meghan's review she noted that the

expected surplus this year will be nearly flat or a growth up to \$200,000 which is attributed to a planned spending down on grant funds. She explained the healthcare cost drivers and responded to Mike Smith's questions on healthcare costs. Meghan also discussed loan products and expected loan growth. She ended by noting that in this budget we are assuming that VSAC will receive the federal grants that have already been applied for and has historically been awarded.

The Board then asked questions about the budget which Meghan Metzler, Scott Giles and Patrick Leduc responded to.

Mike Smith then read the Board Resolution:

While the entire corporate financial projection has been included in this document, and referred to as the corporate budget, the Board of Directors approves the operating portion of that budget.

Be It Resolved:

The Board of Directors approves a Fiscal 2026 operating budget for the Corporation as presented at the Board's June 23, 2025, meeting and as recommended by the Finance Committee by vote taken at its May 19, 2025, meeting. Operating revenues and resources are budgeted at \$24,533,068 with operating expenses of \$23,837,274. The Board recognizes the budget is subject to adjustments resulting from increases or decreases in revenue or expenditures. The President/CEO of the Corporation is authorized to make adjustments to the operating budget, and report them to the Chair of the Finance Committee, under the following circumstances:

1. to expend additional revenue which may become available for student assistance programs;
2. to accept and expend additional funds received for corporate programs/services;
3. to reduce or increase individual expenditures when necessitated by changes in programs and services;
4. to draw up to 7% of the State grant appropriation as operating revenue if needed; and

The President/CEO shall report at the next regularly scheduled Finance Committee and Board meetings any actions which have been taken under this authority.

Upon a motion made by Mike Smith and seconded by Mike Pieciak, the Board of Directors voted unanimously to approve the adoption of the FY26 Budget Resolution, as presented, and as recommended by the Finance Committee by vote taken at their May 19, 2025, meeting.

Programs & Services Committee

Martha Heath reviewed the Programs & Services Committee meeting of May 19, 2025. Martha started with the grant policies, the Disbursement of Funds Policy and Self-Supporting Policy.

Upon a motion made by Martha Heath and seconded by Dave Larsen, the Board of Directors voted unanimously to approve the Policies Disbursement of Funds Policy and Self-supporting Policy, as presented and as recommended by the Programs and Services Committee.

Martha continued with her review of the Committee's last meeting, addressing the technology risk assessment Patrick Leduc had provided. For operational updates the Committee received a debrief on grant awarding where there is an increase of more than \$500 to full-time students receiving the Incentive Grant. The scholarship selection committee day was on April 15th and recipients were chosen for 81 scholarships nearing \$1,000,000 in direct support of Vermont students. In the beginning of May VSAC finalized a bond deal for loans and set new interest rates. Martha concluded by reviewing the status of projects VSAC staff have been working on, and the Committee received both Federal and State updates.

Governance Committee

Dave Larsen reviewed the May 19, 2025, Governance Committee meeting. Major topics included the CEO Evaluation process and changes to the questions that the Board of Directors uses in the process. He also provided an update on the Board officer elections, to be held in the fall of 2025. The Committee will continue to review the board manual in their next meeting.

Audit Committee

John McSoley summarized the Audit Committee meeting of May 19, 2025, which focused on the ongoing work of the external auditors, CliftonLarsonAllen(CLA). John reviewed the Information Security Risk update Patrick Leduc had provided and the internal Audit updated provided by Meghan Metzler. He concluded by noting that the Committee has started its annual process of self-evaluation.

President's Report

Scott Giles began his report by updating the Board on the status of several projects that VSAC has been working on. There has been progress on both the new Financial Aid Comparison tool, and a new loan servicing platform has been chosen which is expected to be implemented in early 2026. The transition to a new phone system has been completed and went smoothly. As expected, Advance Vermont is separating into its own entity. Finally, the GEAR-UP grant was resubmitted as the Department of Education requested of all applicants, and the application is now expected to begin the typical process of being examined by outside reviewers.

For the State update, Scott reviewed some of the successes of this legislative season including 802Opportunity getting fully funded to residents with the household income up to \$100,000. \$1.5 million was allocated to the Freedom and Unity scholarship for VTSU. And for forgivable loans, Nursing was funded but the Teacher and the Mental Health Nurse Practitioner were not.

For a Federal update Scott spoke that Congress is currently more focused on the reconciliation bill, as opposed to the appropriations bill. The House passed a reconciliation bill that is now with the Senate. There will be some changes that the Senate introduces but Scott expects the bill will end with changes to the PELL Grant, student loan limits and changes to both the parent and graduate loan programs, and a reduction in the number of loan repayment options.

The board asked questions throughout the president's report that Scott responded to.

Clearance Davis entered the meeting at 10:45 a.m.

CEO Evaluation & VSAC Contractual Matters

Dodie Mitchell transitioned the Board to the CEO annual performance evaluation and discussion of VSAC contractual matters and recommended that the Board entertain a motion for an executive session.

Upon a motion made by Dodie Mitchell and seconded by Martha Heath, the Board voted unanimously to enter executive session at 11:01 a.m. in order to (a) consider contractual matters, premature public knowledge of which would clearly place VSAC at a substantial disadvantage; and (b) discuss confidential personnel performance and contractual matters. 1 V.S.A. sec. 313 (a).

The following were requested to remain in the meeting, as they have information needed for the executive session: Scott Giles, Patrick Leduc, Tom Little and Meghan Metzler.

Patrick Leduc, Tom Little, and Meghan Metzler exited the session at 11:30 p.m.

Scott Giles exited the session at 11:55 p.m.

Having completed its discussions, the Board exited the executive session and adjourned the meeting at 12:21 p.m.

Respectfully submitted,

David Larsen, Secretary