

VSAC Board of Directors Meeting

December 11, 2017

12:30 p.m.

**Board Room, VSAC
10 East Allen Street
Winooski, Vermont 05404**

Members Present: Dodie Mitchell (Chair), Martha Heath, Dave Larsen, Pam Chisholm, Dennis O'Brien, Beth Pearce, David Coates, Chuck Soule, Ann Cummings, Michael Smith

Members Absent: Matt Trieber

Others: Kaki Hutchinson

Staff Members Present: Scott Giles, Tom Little, Marilyn Cargill, Mike Stuart, Patrick Leduc, and Kristi Rocheleau

Following the 12:30 p.m. Board of Directors luncheon to meet and hear from three VSAC staff members, Chair Dodie Mitchell called the Board of Directors meeting to order at 1:19 p.m.

Approval of Minutes

Upon a motion made by Martha Heath and seconded by Beth Pearce, the Directors voted unanimously to approve the meeting minutes of October 16, 2017, as presented.

Chair's Report

Dodie opened her report thanking Kaki Hutchinson for her years of service, contributions, and commitment to VSAC and the Board. The Board of Directors and the Executive Management team also expressed their appreciation and best wishes to Kaki.

President's Report

Scott Giles apprised the Board of VSAC's involvement at the federal level with 2017-2018 negotiated rulemaking, tax and budget policy discussions and the Higher Education Act Reauthorization proposal. Scott also summarized the higher education implications of the House and Senate versions of the tax bill.

Committee Reports

Finance Committee

Chair Michael Smith recapped the November 20 meeting, noting the bulk of the meeting was focused on the Committee's recommendation for the Board to act on the bond resolution proposal previously distributed. Michael provided background on the Private Activity Bond (PAB) issue under debate as part of the federal tax reform negotiations between the House and Senate. PAB are the tax-exempt bonds VSAC historically has used to finance its fixed rate Advantage loans; the potential changes to the PAB program could result in higher interest rates for borrowers. Mike Stuart and Scott Giles provided supplemental information about three strategies to preserve low-cost short- and long-term financing for Vermont students and parents, economics, timing, and structure. In response to questions, Scott noted that the bond resolution put forward is a vehicle for preserving three years of tax-exempt education loan financing in the cumulative amount of \$180 million. The tax-exempt status of the proposed bonds is dependent on the transition language in the new tax legislation. Tom Little then outlined the process and steps for moving this option forward.

Upon a motion made by Michael Smith and seconded by David Coates, the Board of Directors voted unanimously to adopt the "Bond Resolution" as prepared and documented by Kutak Rock, LLP.

Programs & Services Committee

Martha Heath highlighted the minutes of the November 20 meeting and directed Board Members to the Other Aid, Part-time Students, and Satisfactory Academic Progress policies reviewed by the Committee during November 20, noting there were no proposed changes to the policies.

Upon a motion made by Martha Heath, and seconded by Beth Pearce, the Board of Directors voted unanimously to approve the Other Aid, Part-time Students, and Satisfactory Academic Progress policies as presented.

Human Resources Committee

Having just met prior to the Board Meeting, Chair Dennis O'Brien summarized the ongoing market review of compensation study led by Patrick Leduc and Randi Brevik, and then highlighted the retirement plan benefit offered to VSAC staff.

Governance Committee

Chair Dave Larsen briefed the Board on the topics covered during the November 20 meeting, and future business planned. As a follow up to the meeting, Board Members should anticipate a survey in early January to collect training topics and priorities. Dodie said that future Committee and Board meetings will incorporate a training component based on the feedback received.

As a follow-up to the Code of Ethics review, Tom Little circulated a Code of Ethics statement and disclosure and requested that members review and return a signed copy back to him.

The Board of Directors then recessed at 2:35 p.m. for purposes of the Vermont Student Development Fund Board of Directors meeting.

The VSAC Board of Directors meeting reconvened at 2:47 p.m.

Other Business

Marilyn Cargill invited Board Members to participate in the 2018 VSAC-Assisted Scholarships review day, currently scheduled for April 4, 2018. Additional information will be circulated to Members as it becomes available.

Adjournment

There being no other business, the meeting adjourned at 3:17 p.m.

Respectfully submitted,

David Larsen, Secretary