

Minutes

VSAC Finance Committee Meeting

September 25, 2017

2:00 p.m.

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

Attendance:

Committee Members Present: Michael Smith (Chair), David Coates, and Matt Trieber

Committee Members Absent: Beth Pearce

Other Board Members Present: Dodie Mitchell

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

Michael Smith called the meeting to order at 2:00 p.m. A quorum was declared present, and the Committee proceeded to take up the first item of business.

Approval of Minutes

Matt Trieber said that he would abstain from voting on this item, as he was not present at the May 22, 2017 meeting.

Upon a motion made by David Coates and seconded by Mike Smith, the Committee voted to approve the minutes of the Committee meeting of May 22, 2017 as presented.

FY17 Financial Statements

Mike Stuart walked the Committee through the Income Statement and Balance Sheet, and the Operating Budget, for fiscal year ending June 30, 2017. Mike noted the one-time adjustment associated with a change in the calculation of our Bad Debt allowance that was implemented in FY17 after consulting with our outside auditors. This resulted in a FY17 Bad Debt expense that was \$5 million lower than under the previous methodology. In response to questions, Mike explained the major change in calculating the allowance resulted from improved performance of the 2010 and later private loan program loans. This change was the primary driver of the surplus for the year. Lower than budgeted operating expenses resulting from postponed initiatives and health care expense savings created the rest of the surplus. Mike also reviewed the cash reserves used to capitalize private loan bonds each year declined by \$1 million over FY16.

Bruce Hicken then reviewed the FY17 Variance Analysis report with the Committee.

FY18 Budget

The Committee then transitioned to the FY18 Income Statement and Balance Sheet, and Variance Analysis report through August month end. Mike Stuart noted that there is nothing new or unexpected to report to date.

Private Loan Volume Update

Scott Giles and Mike Stuart provided an update on the private loan volume to date, reporting that year over year volume is up about 4%. The Committee discussed current projections, industry trends, and future considerations.

Other Business

Scott provided the Committee an update on federal and state efforts, including work on legislative requests, an industry update on the Federal student loan servicing environment, and a federal appropriations and budget update.

There being no other business, the meeting adjourned at 2:55 p.m.

Respectfully submitted,

Michael Stuart, Assistant Secretary