

**DRAFT Minutes**  
**VSAC Governance Committee Meeting**

**September 24, 2018**  
**8:30 a.m. – 10:00 a.m.**

**Boardroom, VSAC Offices**  
**10 East Allen Street**  
**Winooski, VT**

**Committee Members Present:** Dave Larsen (Chair), Pam Chisholm, Dodie Mitchell,  
and Martha Heath

**Committee Members Absent:** NA

**Other Members Present:** NA

**VSAC Staff Present:** Tom Little, Patrick Leduc, Scott Giles, Marilyn Cargill

Chair Dave Larsen called the meeting to order at 8:35 a.m. and introduced a change to the agenda to address new business. With a quorum established, and no objections by Committee members, the committee took up the first order of business.

**Approval of Minutes**

*Upon a motion made by Pam Chisholm and seconded by Dodie Mitchell, the committee voted unanimously to approve the Governance Committee meeting minutes of May 21, 2018, as presented.*

**Update on State Loan Licensing**

Tom Little provided an update on state-level student loan servicer regulatory efforts. Recent state application activity includes California, whose protocol requires additional information. California's procedures follow their same regulations for other financial entities doing business in the state, one component of which appears to require that Board Members submit financial information and fingerprints. VSAC's legal counsel is pushing back on the Board Member requirement, given that VSAC is a nonprofit state instrumentality; its Board of Directors have no shareholder ownership; the Board members are volunteers; and eight of the 11 Members are appointed by the State of Vermont. The Committee discussed California's policy, the efforts to appeal the request, and potential outcomes. Tom Little and Scott Giles shared that this topic will be taken up at the October Board meeting, and that the Board will be apprised of any developments as the information is received.

**Board Manual Review**

Dave Larsen transitioned the Committee to the final draft of the Code of Ethics and Code of Ethics Disclosure Statement. Tom noted that the final version of the Code of Ethics incorporates uniform usage of the term "Code of Ethics" and introduced no material changes. Tom continued to note that the Disclosure Statement also incorporates the same uniform usage, and introduced no material changes. The Committee reviewed and discussed, reaching consensus to make an additional edit to remove 'strive' from page 3 of 7, section C.

*Upon a motion made by Martha Heath and seconded by Pam Chisholm, the Committee recommended that the Full Board act on the Code of Ethics and Code of Ethics Disclosure documents, as reviewed and updated.*

Tom Little will circulate to Dave Larsen and Committee the final version that will be presented to the October 15, 2018 Board meeting for action.

### **Board Member “Gap” Analysis**

Dave Larsen framed the ongoing conversation and initiated a discussion about how to best proceed with regard to member recruitment practices. The Committee agreed to take a up a line-by-line review of professional and personal qualifications outlined in the Board Members Recruitment Best Practices in the Board manual to help guide the discussion. This exercise resulted in three recommendations: 1) Modify “Media” bullet to “Marketing & Public Relations” 2) Strike the word “Significant” from the statement “Significant experience on serving on Boards” to encourage individuals who may only have experience serving on local boards. 3) Review the current VSAC Human Resources policy to determine if the Committee should include additional language in the policy. Tom Little agreed to draft a revised version that incorporates the first two items and a recommendation for the third item based on his review of the Human Resources policy. A revised version will be circulated to Committee Members prior to the October Board of Directors meeting, and the topic of diversity will be added to the Committee’s November agenda.

The Committee then discussed and reached consensus with respect to a Board member who is not planning on seeking a new term of office, that an evaluation of that member’s role and expertise that will require replacement, and the existing strengths and weaknesses of the overall Board should be incorporated into the process. Additionally, a clear understanding of what the Board values in both professional experiences and personal qualities or characteristics should be included as part of the Board recruitment. The Committee also supports the current and ongoing collection of potential candidates for Board of Directors input.

### **FY 2019 Committee Work Plan**

Due to time constraints, the Committee will take up this topic at the November meeting.

### **Other Business**

There being no other business, the meeting adjourned at 9:56 p.m.

Respectfully submitted,

Thomas A. Little, Assistant Secretary