

Minutes

VSAC Programs & Services Committee Meeting

January 22, 2018
10:00 a.m. – 12:00 p.m.

Boardroom, VSAC Offices
10 East Allen Street
Winooski, VT

Committee Members Present: Martha Heath (chair), Pam Chisholm, Dave Larsen, Dennis O'Brien, Chuck Soule, and Matt Trieber
Committee Members Absent: NA
Other Members Present: Dodie Mitchell, Chair
VSAC Staff Present: Scott Giles, Tom Little, Marilyn Cargill, Patrick Leduc, Mike Stuart, Robert Walsh, Wanda Arce, and Kristi Rocheleau
Others: NA

Chair Martha Heath called meeting to order at 10:04 a.m., and a quorum was established. Martha then proposed a shift in the order of the agenda to allow time for the Committee to hear Tom Little's State Update before he needed to leave for another commitment.

State Updates

Tom Little outlined three discussions underway at the Statehouse and responded to questions:

- 529 Savings: The federal Tax Cuts and Jobs Act of 2017, effective January 1, 2018, changed the definition of a qualified higher education expense under section 529 of the Internal Revenue Code for 529 plans to include withdrawals of up to \$10,000 per student to use for tuition expenses in connection with enrollment or attendance at an elementary or secondary public, private or religious school. While this type of withdrawal has no adverse federal income tax consequences, it is unclear if Vermont Statute accommodates this change. VSAC is working closely with the Vermont Joint Fiscal Office and Tax Department to understand the legal implications of the change in tax law and to preserve the focus of the Vermont 529 plan on meeting qualified higher education expenses. Tom will provide an update of the status at the February Board meeting.
- A bill has been introduced in the House to revise the existing Vermont National Guard Program. The Legislature currently funds \$250,000 for forgivable loans for members who are taking courses at eligible schools. The new bill would change the program from covering a portion of tuition to covering full tuition at the Vermont State Colleges, and UVM. Students attending participating Vermont private schools could receive a scholarship up to in-state rate of tuition at UVM and students enrolled in eligible training programs could receive a scholarship up to the in-state rate at VTC. These scholarships are still contingent on a service component and will revert to loans if the service requirement is not met. A bill introduced in Senate Ed has a component that would eliminate portability of Vermont grants. VSAC continues to affirm the importance of providing low-income students with access to the education or training that best meets their needs. Marilyn Cargill noted that the Senate bill containing portability is currently bundled with the Vermont National Guard Free Tuition program.

Approval of Minutes

Matt Trieber abstained from voting on the approval of the minutes, as he was not present.

Upon a motion made by Dave Larsen and seconded by Pam Chisholm, the remaining Committee Members voted unanimously to approve the Programs & Services Committee record of November 20, 2017, as presented.

Grant Policy – ongoing annual review

Martha Heath transitioned Members to the ongoing review of existing VSAC grant program policies. Marilyn noted there were no proposed changes, and then highlighted the background for each policy and responded to Committee questions.

Upon a motion made by Matt Trieber and seconded by Dave Larsen, the Committee voted unanimously to recommend that the full Board approve the Residency, Termination of Residency, and Summer School grant policies, as presented.

Operations Update

Marilyn covered the private loan origination replacement project, noting that the project is on target and Management remains focused on mitigating high level risks. The Board and Committee will be briefed on the status of this project at future meetings.

Marilyn then went on to highlight that the VHEIP fiscal year to date contributions and new accounts are ahead of projected targets set, while private loan volume is currently below the projected goals. Total Advantage dollars are flat compared to last year. The Executive Committee continues its private loan market analysis to help determine future funding needs.

There being no questions regarding the standing reports, Martha Heath transitioned the Committee to the next agenda topic.

Federal and Vermont Update

Scott Giles briefed the Committee on the impact of tax reform, and federal discussions regarding appropriations and reauthorization. In response to questions, Scott noted that the Private Activity Bonds was not included in the federal tax cut for 2017, which allows VSAC to continue its current tax-exempt bond financing model for the upcoming year.

Marilyn and Scott then updated the Committee on 70x2025vt efforts, including an update on council members, the December membership meeting, the hiring of a Program Manager, and the submission of the Request for Proposal for marketing services. In response to questions, Scott communicated that the funding for 70x2025vt is a mix of grant and VSAC funds. The program recently secured a multi-year Nellie Mae grant which will supplement the initial funds received.

Preview on Research Brief

Robert Walsh, VSAC Research Analyst, presented the high-level findings of VSAC research on the continuation rates for the Vermont public high school graduation class of 2012. This report expands on the initial 2012 Senior Survey data to establish the college completion rates of students who indicated

they were planning to continue their education beyond high school. The full report will be circulated to all Committee and Board Members once complete.

Other Business

There being no other business, the Committee adjourned at 12:04 p.m.

Respectfully submitted,

Marilyn Cargill, Assistant Secretary