

Minutes

VSAC Programs & Services Committee Meeting

March 26, 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, Chuck Soule, Matt Trieber
Committee Members Absent: Dave Larsen, Dennis O'Brien,
Other Members Present: Dodie Mitchell, Chair
VSAC Staff Present: Scott Giles, Tom Little, Marilyn Cargill, Patrick Leduc, Mike Stuart, and Kristi Rocheleau
Others: NA

Chair Martha Heath called meeting to order at 10:01 a.m., and a quorum was established.

Approval of Minutes

Upon a motion made by Chuck Soule and seconded by Pam Chisholm, the Committee Members present voted unanimously to approve the Programs & Services Committee Minutes of January 22, 2018, as presented.

Grant Policy – Ongoing Review

Marilyn Cargill reviewed two policies with Committee Members as part of the ongoing review of existing VSAC grant program policies. The first policy, Divorced/Separated Parents, defines whose financial information is required if a dependent applicant's parents are separated or divorced. The second, Estimated Income, outlines when estimated income may be used for Vermont Incentive Grant Program purposes, and which income year estimate is accepted. Marilyn also covered the procedural information and responded to general questions regarding both policies. In response to questions, the word 'less' under the second sentence under the Procedural Information for the Estimated Income policy should read 'more', "...if the estimated income is *more* than the actual income earned."

Upon a motion made by Matt Trieber and seconded by Pam Chisholm, the Committee Members present voted unanimously to recommend that the full Board approve the Divorced/Separated Parents policy as is, and the Estimated Income policy with the correction noted.

EFC Cutoff for 2018-2019

Martha then transitioned Members to the annual Expected Family Contribution Cutoff review. This action allows the VSAC Grant Department to begin reviewing grant applicants. Marilyn reviewed the policy, scenarios, history and purpose for the setting the maximum income cap and maximum contribution cutoff. Based on Management's review, the recommendation is to maintain the income cutoff of \$160,000 level for Fiscal Year 2019, and to increase the Family Contribution Cutoff Cap to \$25,519 based on the 2.1%

CPI for the twelve-month period ending on December 2017. The Committee discussed both recommendations and agreed with the methodology to ensure that families with the most need are a priority.

Upon a motion made by Chuck Soule and seconded by Matt Trieber, the Committee Members present voted unanimously to approve the Expected Family Contribution Cutoff of \$25, 519 for the academic year 2018-2019, and to maintain the income cutoff of \$160,000 for Fiscal Year 2019, as presented.

Portability

Scott Giles provided an update on the grassroots campaign underway to increase awareness of and support for the Vermont grant portability policy under review at the State House. At the time of this meeting, there is no longer language in the Senate miscellaneous education bill to modify portability; it is now under review by the House Education Committee. The Management team remains involved and the Board will be briefed on any updates.

Federal Update

Scott described the omnibus appropriations bill passed by the House and Senate and signed by President Trump; it increases overall spending for the Department of Education by \$3.9 billion. The provisions include expansions in Pell Grant awards, SEOG, Federal Work-Study, TRIO programs, and GEAR UP funding. Additionally, a new legislative directive instructing grant competitions for state and partnership GEAR UP grants in FY 2018 was added.

In response to questions, Patrick explained that VSAC is actively working on writing the application for the current GEAR UP grant competition. Although there is no specific date for the submission, the new statutory language requires that grant application process be initiated as quickly as possible. In addition, funds must be obligated prior to October 1. VSAC has created contingency plans to continue to be able to fund GEAR UP outreach efforts beyond this date should there be unforeseen delays.

Scott discussed the Reauthorization of the Higher Education Act and the status of the PROSPER Act and Senator Alexander's Education Bill. Given the short legislative calendar, it is unlikely that anything substantial will move forward this year.

Tom and Scott reported on the notice in the Federal Register by the US Department of Education asserting that Federal law preempts state efforts to license and regulate the Federal student loan programs. VSAC supports strong, uniform, consumer protections that apply to all federal student loan borrowers regardless of where they live. If every state enacts legislation with different and conflicting servicing requirements, servicers will have to choose whether to follow state or federal law (there are no Vermont statutes implicated in this debate) and the cost of servicing and licensing fees may preclude small state agencies from continuing to participate in the program. Scott indicated that one solution would be to require the Department of Education to work with state regulators to create a Direct Loan Common Manual to be used by all servicers and which contains strong protections for all federal loan borrowers.

Vermont Update

The Committee was informed on the work Management is involved with at the State level. This includes ongoing work with:

- the National Guard on the 100% college tuition benefit proposal.
- the House proposal to finalize how the state will manage the current Vermont Income Tax laws for the 529 plans in response to the new federal provision that allows for using a 529 plan to save for private K-12 education.

Marilyn called the Committee's attention to the dual enrollment standing report and shared that there is no additional funding remaining for the FY 2018 stipend as of February 28. This will mean that there will be roughly 80 – 100 students who will go unfunded.

Foundation Non-Profit Work

Patrick notified the Committee of three local grants that VSAC is currently applying for or renewing, and shared the goal to explore partnerships with other foundations and philanthropic entities.

Operations Updates

- VSAC will be closed on April 4 to the public in order to hold the second annual all-staff scholarships review day.
- April 16, 2018 is currently set aside for the Committee to review and act on setting grant funding levels.

Other Business

There being no other business, the Committee adjourned at 12:03 p.m.

Respectfully submitted,

Marilyn Cargill, Assistant Secretary