

VSAC Board of Directors Meeting

**April 16, 2018
1:00 p.m.**

**Boardroom, VSAC
10 East Allen Street
Winooski, Vermont 05404**

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

Members Absent: Mike Smith, Beth Pearce, Matt Trieber

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

Others: Clint Davies and Tina Bode, BerryDunn

Chair Dodie Mitchell called the Board of Directors meeting to order at 12:50 p.m., and a quorum was established.

Approval of Minutes

Upon a motion made by Martha Heath and seconded by Chuck Larsen, the Directors voted unanimously to approve the meeting minutes of February 12, 2018, as presented.

Chair's Report

Dodie Mitchell and Scott Giles are exploring Board retreat topics and dates for next December. A few potential dates will be circulated to Board Members for availability.

President's Report

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. VSAC is actively working on writing the application for the pending GEAR UP grant competition.

As a follow up to the Programs & Services March meeting, Scott provided background and 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.

State Update

Scott briefed the Board that Management continues to remain involved with topics at the State House. In terms of appropriations, the House version of the budget bill level funds VSAC, and there are no increases to the dual enrollment stipend where the need has surpassed the demand. Although portability provisions were removed from the Senate bill and so far are not being considered at the House level, Management continues to keep a close watch on last-minute additions.

Tom Little updated the Board on the status of the National Guard free tuition conversation, noting that the House and Senate have two different funding scenarios. A Senate Appropriations Committee vote is expected in the next week, which will provide more guidance with regard to the proposal's prospects.

Board Training: Cyber Security

As a formal kick-off to Board training topics, Patrick introduced Clint Davies and Tina Bode, Management and IT Consultants from BerryDunn. The training covered board member roles, top IT security risks, cyber insurance and emphasized risk assessment and reporting. As part of the Board discussion, Patrick communicated that VSAC utilizes the National Institute of Standards and Technology (NIST) control framework to formalize practices, and then directed Board Members to the additional Board materials that highlight some of the controls VSAC has in place that directly speak to the top Information Security risks outlined by BerryDunn. As a follow up, the Board agreed to make this subject as a recurring topic.

Committee Reports

Finance Committee

David Coates briefed the Board on the March 26 meeting. At the lead of David, Tom Little detailed the purpose, economics, and documentation for the 2018 bonds and Authorizing Resolution that the Finance Committee approved and recommended for adoption by the full Board of Directors.

Upon a motion made by David Coates and seconded by Ann Cummings, the Board voted unanimously to approve the 2018 Private Education Loan Financing Authorizing Resolution as distributed prior to the meeting and presented during the meeting.

Programs & Services Committee

Martha Heath directed Board Members attention to the three actions the Programs & Services Committee approved during the March 26 and April 16 meetings. Marilyn provided background for the two grant policies, EFC cutoff for 2018-2019 income cutoff and Family Contribution Cap, and walked the Board through the recommendations for Fiscal Year 2019 Grant Levels.

Upon a motion made by Martha Heath, and seconded by Pam Chisholm, the Board of Directors voted unanimously to approve the Divorced/Separated Parents and Estimated Income grant policies, as presented.

Upon a motion made by Martha Heath and seconded by Dave Larsen, the Board 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.

Upon a motion made by Martha Heath and seconded by Ann Cummings, the Board of Directors voted unanimously to approve the following Resolutions on FY19 grant levels:

1. Resolved, that VSAC shall
 - Increase Basic Incentive Grants to \$1,000 to reach the goal established in Fiscal Year '16-'17;
 - Increase level of aid for full-time enrollment by \$150.00 from the level set in '18;
 - Accept 13,550 full-time applications with an anticipated cutoff of December 31, 2018;
 - Increase part-time funding to \$1.4 million, anticipated cutoff January 31, 2019;
 - Increase nondegree funding at \$2.2 million, anticipated cutoff January 31, 2019;
 - Nondegree will continue to also have \$494,500 in Next Generation Funding available for total funding of \$2,694,500;
 - Maintain a 2% reserve
2. Further Resolved that, in addition, the Committee is aware that there are unknowns at this time which could result in different choices for grant levels and cut-off dates being made when the staff runs the final projections. Staff will analyze projections in the live environment and staff are authorized to further adjust the levels up or down by \$100 if necessary.

Human Resources Committee

Chair Dennis O'Brien summarized the ongoing market compensation study being conducted by Management and the healthcare renewal. In addition, Dennis advised the Board that they would receive a survey to collect anonymous CEO input for evaluation purposes. The format will remain formatted like last year; however, the timeline is a little earlier to allow time for Dennis and Dodie to collate the results and present to the Human Resources Committee in May.

Governance Committee

As a segue to the March 8 Committee report, Chair Dave Larsen said that the Cyber Security training during this Board meeting, and Grants training received during the February Board meeting are direct results of a survey circulated to all Board members to solicit ideas for Board training topics. The Committee agrees that cost-benefit analysis is next on the list of priorities, for which Dodie noted that portions would be included as part of upcoming meetings, and ultimately a large part of the retreat in development.

Dave also alerted Board Members of a self-evaluation survey that he will send out to all Board Members as part of the Committee's Board Self-Evaluation review. This survey is a simple email and should take no more than 5-8 minutes. Dave will compile and share the results with the Committee in May, and then the Board in June. The Committee is looking for 100% Board Member response rate.

Meeting Review

The Board of Directors reviewed the meeting with Scott Giles.

Other Business & Adjournment

There being no other business, the meeting adjourned at 3:45 p.m.

Respectfully submitted,

David Larsen, Secretary