

VSAC Finance Committee Meeting

January 28, 2019

12:30 p.m.

Boardroom, VSAC Offices

10 East Allen Street

Winooski, Vermont

Attendance:

Committee Members Present: Michael Smith (Chair), David Coates, Beth Pearce

Committee Members Absent: Matt Trieber

Other Board Members Present: Dodie Mitchell

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

The meeting was called to order at 12:38 p.m. With a quorum established, Chair Michael Smith took up the first order of business.

Approval of Minutes

Upon a motion made by Beth Pearce and seconded by David Coates, the Committee Members present voted unanimously to approve the minutes of the Committee meeting of November 19, 2018, as presented.

FY19 Financials

The Committee then transitioned to the FY19 financials through December month-end. Mike Stuart walked the committee through the Income Statement and Balance Sheet. As a follow-up to revenue projections noted at the November meeting, Mike described increases in several outside grants and interest income relative to budget. The increased grant funding triggered a corresponding increase in expenses as noted on the Operating Budget report. On the expense side, he commented that last year at this time the budget was underspent by \$1.2 million and therefore the year-over-year expenses for this year appear out of sync. When comparing results against the FY19 Operating budget to date, Mike reported the financials are on track with the revenue adjustments noted above.

Bruce Hicken then walked Committee Members through the six-month variance analysis, by operations and by activity, noting there are no variances over scope except loan-bond spread components. These components react to changes in interest rates, which have generally been increasing during the fiscal year.

Private Activity Bond Update

Mike Stuart directed the Committee's attention to the private loan volume reports previously distributed, noting that the student loan volume levels are running slightly below projected targets,

while parent loan volume levels are above projected targets. Mike shared that the Executive Committee is in the process of reviewing bond needs and loan demand for the upcoming fiscal year.

The Committee then discussed bond pricing & product strategy and reviewed the preliminary financing calendar.

Other Business

In response to questions, Scott Giles provided the Committee with background on the Green Mountain College closure and its broader implications to students and the state. VSAC will provide support to Green Mountain College students and will participate in an on-campus event to help students understand their school choices and evaluate how different college choices may affect financial aid awards for these individuals should the event be held.

Scott also updated the Committee on the Governor's budget address, which included an additional \$1 million to VSAC for the purposes of expanding the Vermont non-degree grant.

Tom Little then briefed the Committee on state licensing activities.

There being no other business, the meeting adjourned at 1:44 p.m.

Respectfully submitted,

Michael Stuart, Assistant Secretary