

Minutes

VSAC Board of Directors Meeting

December 8, 2020

9:00 a.m.

Via Zoom Video and Telephone Conference Platform

Members Present: Dodie Mitchell (Chair), Martha Heath, Dave Larsen, Pam Chisholm, Dennis O'Brien, Chuck Soule, Ann Cummings, John McSoley, Caleb Elder, Beth Pearce (present for portions of the meeting)

Members Absent: Michael Smith

Staff Members Present: Scott Giles, Tom Little, Patrick Leduc, Mike Stuart, Marilyn Cargill, Jodie Ducharme

Others: Alex Nock, Principal, Penn Hill Group

Chair Dodie Mitchell called the Board of Directors meeting to order at 9:02 a.m., on the Zoom virtual meeting platform with all present able to hear one another throughout the meeting. With a quorum established, the Board proceeded with the agenda.

Approval of Minutes

Upon a motion made by Martha Heath and seconded by Dennis O'Brien, the Directors voted unanimously to approve the meeting minutes of October 19 and October 20, 2020, as presented.

Chair's Report

Dodie Mitchell delivered her Chair's report and reviewed the agenda with the Board.

Public Comment

There were no public comments given during the public comment period.

Guest Speaker: Alex Nock

Scott Giles introduced Alex Nock, a Principal from Penn Hill Group, who joined the virtual meeting at 9:07 a.m. to discuss the recent Presidential Election and potential implications for higher education. Mr. Nock noted that in addition to focusing on how COVID has impacted the healthcare system and education, debt forgiveness is likely to be a priority of the Biden administration. The Board engaged in a discussion with Mr. Nock, during which he responded to member questions.

Mr. Nock exited the meeting at 9:58 a.m.

President's Report

Scott Giles delivered his President's Report and responded to Board member questions. The report included updates on the recent Annual Meeting, allocations from the Coronavirus Relief Fund (CRF), the Vermont State Colleges, and VSAC's budget presentation to the administration.

Committee Reports

Audit Committee

Chair John McSoley summarized the meeting records of May 18 and September 21, 2020, highlighting the Audit Committee Self-Evaluation, the Internal Audit & Risk Management annual evaluation, 2019-2020 Form review, and the information security risk review. John also reviewed the external audit report presented by staff from BerryDunn, noting that BerryDunn was pleased with the cooperation and quality of work from VSAC.

Scott Giles applauded the work done by VSAC's finance team and Laurie Oliver, Director of Internal Audit & Risk Management, to ensure the audit, which took place while VSAC moved to remote working, continued without delay. Scott announced the auditors noted there were no corrections needed at any point during the audit process.

Upon a motion made by Dave Larsen and seconded by Martha Heath, the Board of Directors voted unanimously to accept the FY20 External Audit report and Uninform Guidance Report, as presented.

Governance Committee

Chair Dave Larsen noted that the Governance Committee has been focusing on Board membership for the past 13 months and that more details would be provided during the Board Membership agenda item, later in the meeting.

Finance Committee

Mike Stuart summarized the September 21 and November 23, 2020 meetings which focused on reviewing financial statements, balance sheets, variance analysis, and operating budgets along with updates on new private loan volume. Mike pointed out that, because of the pandemic, collection activity was stopped longer than anticipated on the guarantor side. He also noted that the bad debt expense has decreased due to forbearances which prevented accounts from moving through the stages of delinquency and eventually defaulting. Mike reviewed that the November meeting also included an update regarding the retirement of a couple of bonds as well as information on plans for the LIBOR replacement.

Mike Stuart and Patrick Leduc provided an update on healthcare costs noting that we are currently \$300,000 under budget and emphasizing the unpredictability of healthcare, especially during the pandemic.

Programs & Services Committee

Chair Martha Heath highlighted the minutes of the September 21 and November 23, 2020 meetings and summarized each of the following policies, noting there were no proposed changes with the exception of the Self-Supporting policy which increases the amount of support a student can receive to \$3,300 and clarifies that the policy is specific to Vermont State Grants:

- Confidentiality
- Cost of Attendance
- Self-Supporting
- Non-Discrimination
- Late Applicants

Martha noted that the Committee recommends the termination of the Civil Union Partnerships policy, as the Free Application for Federal Student Aid (FAFSA) has added a question that now allows couples in a civil union a way to each provide their financial information, so a separate policy is no longer needed.

Upon a motion made by Martha Heath and seconded by Pam Chisholm, the Board of Directors voted unanimously to approve the Confidentiality, Cost of Attendance, Self-Supporting, Non-Discrimination, and Late Applicants policies and to terminate the Civil Union Partnerships policy, as presented.

Conflict of Interest Disclosures

Tom Little reviewed the current Conflict of Interest disclosure and VSAC Board of Directors Code of Ethics disclosure and requested that Board Members complete and return this paperwork to him by the end of this month.

Board Membership

Upon a motion made by Dennis O'Brien and seconded by Martha Heath, the Board members present voted unanimously to enter executive session at 11:20 a.m. in order to consider the evaluation and employment of public officers, i.e., current and potential future VSAC Board members, premature public knowledge of which would clearly place those persons and/or VSAC at a substantial disadvantage. The executive session is also necessary in order to obtain confidential advice from legal counsel. The following were requested to remain in the meeting, as they have information needed for the executive session: Scott Giles, Tom Little, Marilyn Cargill, Mike Stuart, and Patrick Leduc. 1 V.S.A. sec. 313 (a)(3).

The Board exited executive session at 12:05 p.m.

Upon a motion made by Beth Pearce and seconded by Chuck Soule, the Board members present voted unanimously to accept the planned retirement from the Board of longtime member G. Dennis O'Brien, effective January 1, 2021, and effective that date, elect in his place Matthew Derr.

Strategic Planning Update

Upon a motion made by Martha Heath and seconded by Dave Larsen, the Board voted unanimously to enter executive session at 12:08 p.m. in order to consider the evaluation and employment of public officers, i.e., VSAC employees, and related contractual matters, premature public knowledge of which would clearly place the employees and/or VSAC at a substantial disadvantage. The executive session was also necessary to obtain confidential advice from legal counsel. The following were requested to remain in the meeting, as they have information needed for the executive session: Scott Giles, Tom Little, Patrick Leduc, Marilyn Cargill, and Mike Stuart. 1 V.S.A sec. 313 (a).

The Board exited Executive Session at 2:00 p.m.

Upon a motion made by Chuck Soule and seconded by Dennis O'Brien, the Board members present voted unanimously to approve the seven strategic goals developed in its strategic planning process, listed below, and to authorize the VSAC Executive Committee to develop action plans, timelines, and performance metrics, consistent with the Board consensus that yielded the goals, to implement the strategic goals.

Goal 1: Increase the operational efficiency of VSAC programs, increase effectiveness, and decrease costs with continued focus on quality service

Goal 2: Grow Revenue from VSAC's Existing Programs and Services

Goal 3: Pursue New Opportunities that Generate Net Surplus to Subsidize Other VSAC Programs & Services

Goal 4: Expand activities that promote VSAC's core mission and are financially neutral or net positive

Goal 5: Promoting access for all Vermonters

Goal 6: Benchmark and measure results

Goal 7: Develop and implement guidelines for use of unrestricted assets and net position

In response to Board member questions, Scott Giles confirmed that the Board would be updated regularly on the progress toward the strategic goals, noting the Executive Committee would include these updates in reports to both the Board Committees and the full Board.

Other Business & Adjournment

Chair Dodie Mitchell thanked Dennis O'Brien for his Board service, diligence, and good wit. Scott Giles echoed these sentiments and thanked Dennis for his guidance and mentorship.

There being no other business, the meeting adjourned at 2:11 p.m.

Respectfully submitted,

David Larsen, Secretary