

VSAC Board of Directors Meeting

October 18, 2021

12:30 p.m.

Via Zoom Video and Telephone Conference Platform

Members Present:	Dodie Mitchell (Chair), Martha Heath, Dave Larsen, Ann Cummings, John McSoley, Beth Pearce, Caleb Elder, Ryan Dulude, Tim Chamberlin
Members Absent:	Michael Smith, Matthew Derr
Staff Members Present:	Scott Giles, Tom Little, Patrick Leduc, Mike Stuart, Marilyn Cargill, Jodie Ducharme
Others:	Chuck Soule, Pam Chisholm

Chair Dodie Mitchell called the Board of Directors meeting to order at 12:35 p.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 Dave Larsen and seconded by Ann Cummings, the Directors voted to approve the meeting minutes of June 14, 2021, as presented, with Beth Pearce abstaining.

Chair's Report

Dodie Mitchell delivered her Chair's report and welcomed new Board members, Ryan Dulude and Tim Chamberlin.

Board Resolution of Official Thanks to Chuck Soule and Pam Chisholm

Tom Little read the Board Resolution of Thanks to recently retired Board member Chuck Soule in its entirety.

Upon a motion made by Ann Cummings and seconded by Beth Pearce, the Board voted unanimously to adopt the Resolution as read and attached to these Minutes.

Tom Little read the Board Resolution of Thanks to Pam Chisholm, also recently retired as a Board Member, in its entirety.

Upon a motion made by Martha Heath and seconded by Ann Cummings, the Board voted unanimously to adopt the Resolution as read and attached to these Minutes.

The Board and Executive Committee expressed their gratitude for the significant wisdom and guidance provided by Chuck and Pam and thanked them for their Board service.

Chuck and Pam exited the meeting at 1:43 p.m.

President's Report

Scott Giles provided a brief federal and state update and responded to questions from the Board. Scott noted that he would send a more detailed report in writing by the end of the week.

Scott also gave a VSAC update during which he announced the dates and format for this year's Annual Meeting and extending an invitation to any members interested in attending.

Committee Reports

Audit Committee

Chair John McSoley summarized the September 20, 2021 meeting, covering the audit report presented by external auditors BerryDunn, an internal audit status report, the proposed audit plan for FY22, and a risk management update on information security.

Upon a motion made by Martha Heath and seconded by Ryan Dulude, the Board voted unanimously to accept the FY21 External Audit Report and Uniform Guidance Report, as presented.

John also reviewed the 2020-2021 Form 990 (previously distributed) that was approved for submission by the Committee at the September meeting.

Upon a motion made by Martha Heath and seconded by Ann Cummings, the Board voted unanimously to accept the 2020-2021 Form 990, as presented.

Governance Committee

Chair Dave Larsen summarized the September 20, 2021 meeting, which covered proposed revisions to the whistleblower policy, a discussion to set the slate of Board Officer nominees for a vote at this Board meeting, a board membership update and exit interview discussion, and plans to discuss board diversity, evaluations, and board training and education at future meetings.

Dave reviewed the process taken for Board Officer elections and Tom Little provided background on VSAC's statutes as they relate to board membership and the Governor's role in providing advice and consent regarding the Board Chair.

Upon a motion made by Dave Larsen and seconded by Beth Pearce, the Board voted unanimously to elect the following slate of Board Officers.

***Dorothy Mitchell – Chair
Martha Heath – Vice Chair
David Larsen – Secretary***

Dave announced the upcoming resignation of Matthew Derr and the Governance Committee's recommendation that the Board consider the appointment of Clarence Davis to replace him. Dodie Mitchell shared some background information on Clarence Davis and the Board engaged in a discussion.

Upon a motion made by Dave Larsen and seconded by Martha Heath, the Board members present voted unanimously to accept Matthew Derr's resignation from the Board, effective November 1, 2021, and effective that date, appoint in his place Clarence Davis.

Programs & Services Committee

Chair Martha Heath summarized each of the following policies, last reviewed in 2018, noting there were no proposed changes:

- Divorced/Separated Parents
- Estimated Income

Upon a motion made by Martha Heath and seconded by Tim Chamberlin, the Board voted unanimously to approve the Divorced/Separated Parents and Estimated Income policies, as presented.

Martha noted that in addition to the policy review, the Committee reviewed the annual work plan for FY22 and discussed operational, federal, and state updates. Martha highlighted the two new programs that VSAC is administering for the next two years, 802 Opportunity and Green Mountain Grad. Marilyn Cargill provided the Board with an overview of both programs and noted that demographic data would be reviewed to determine who is benefiting from these programs.

Finance Committee

Mike Stuart reviewed the September 20, 2021 meeting which focused on the standing reports for FY21 and FY22 and FY22 private loan origination volume. Mike noted there were no new or unusual trends, with the exception of an increase to Guarantor Fees, which was the result of a late change made by the U.S. Department of Education allowing guarantors to draw revenue using a methodology that would result in equivalent revenue from if there had been no collection suspension on defaulted loans. Mike explained this resulted in an overall increase in revenue for the guarantor function and expects we will be able to draw this revenue using this methodology through the end of January 2022.

LIBOR Updates

Scott Giles noted that the Finance Committee will be doing a more in-depth review of the Libor interest rate index cessation, and its impact on our loans and bonds, at their next meeting. He wanted to make sure the full Board had insight into the issues and potential solutions that the Committee will be reviewing.

Mike Stuart directed members to the previously distributed materials focused on our bonds, noting that VSAC has three series of bonds whose interest rates, paid to bond owners, are tied to Libor. Mike noted the Libor rate involved is scheduled to no longer be published on June 30, 2023 and pointed out that each of the three bond Indentures do not contain acceptable Libor replacement language. Mike reviewed three options that potentially can solve the problems noting that we plan to make decisions in mid-January 2022.

The Board engaged in a discussion of Libor and the potential options, during which Mike Stuart and Scott Giles responded to member questions.

Meeting Review

Chair Dodie Mitchell reviewed the meeting with the Board and VSAC staff.

Other Business & Adjournment

There being no other business, the meeting adjourned at 3:32 p.m.

Respectfully submitted,

David Larsen, Secretary

VERMONT STUDENT ASSISTANCE CORPORATION

RESOLUTION HONORING THE SERVICE OF BOARD MEMBER CHUCK SOULE

Whereas, Chuck Soule, a resident of Monkton, joined the VSAC Board of Directors in July 2017 and retired from his Board service on June 30, 2021; and

Whereas, Chuck retired in 2020 as Guidance Counselor for the South Burlington School District after 13 years of service; and

Whereas, Chuck previously served as a counselor at Champlain Valley Union High School and at Bellows Free Academy in St. Albans; and

Whereas, Chuck has dedicated himself to supporting first-generation, low-income students throughout his career, beginning with the creation of an alternative program at BFA-St. Albans; and

Whereas, Chuck has excelled at finding creative ways to partner with other organizations, including the Lake Champlain Maritime Museum, to engage at-risk students, from building sea kayaks to building pilot gigs and competing with them in national competitions; and

Whereas, Chuck holds an undergraduate degree from Norwich University and a graduate degree from Springfield College; and

Whereas, Chuck devoted all of his abundant experience, expertise and enthusiasm in support of his service on the VSAC Board of Directors, which service has been diligent, creative, inspired, and marked by his humble approach and, above all else reflective of his passion for helping students achieve their education and training goals; and

Whereas, the VSAC Board, the VSAC staff, and the thousands of students, parents and postsecondary education institutions who during Chuck's four years on the Board have relied on VSAC's programs and services are deeply grateful for Chuck's Board service;

Now, Therefore, be it resolved by the Vermont Student Assistance Corporation Board of Directors, this 18th day of October, 2021, that the Board and all of VSAC express their warm, enthusiastic, and lasting thanks to Chuck Soule for his distinguished service on the VSAC Board of Directors, and be it

Further Resolved, that a framed copy of this Resolution be delivered to Chuck at his home in Monkton, Vermont.

The Undersigned Secretary of the Vermont Student Assistance Corporation Board of Directors certifies that the within Resolution was adopted by unanimous vote of the Board at meeting duly warned and held this 18th day of October, 2021.

David C. Larsen, Secretary

VERMONT STUDENT ASSISTANCE CORPORATION

RESOLUTION HONORING THE SERVICE OF BOARD MEMBER PAMELA A. CHISHOLM

Whereas, Pamela A. Chisholm joined the VSAC Board of Directors in July 2003 and retired from her Board service on June 30, 2021 after three full six-year terms; and

Whereas, Pam retired in May 2019 as Dean of Enrollment Services for the Community College of Vermont, having previously served in key senior roles serving students for CCV, VSAC and Trinity College; and

Whereas, Pam served for many years as an officer, leader and engaged member of the Vermont Association of Student Financial Aid Administrators; and

Whereas, Pam holds an undergraduate degree from Bowdoin College and a graduate degree from the University of Vermont; and

Whereas, Pam devoted all of her abundant experience, expertise and passion in support of her loyal and dedicated service on the VSAC Board of Directors, which service has been diligent, creative, inspired, filled with her dry sense of humor and, above all else reflective of her passion for helping students achieve their education and training goals; and

Whereas, upon her retirement from CCV Pam was recognized by CCV's Legacy Scholarship program for her significant positive influence on financial aid throughout the state, and her dedication to making a college education possible for all Vermonters; and

Whereas, the VSAC Board, the VSAC staff, and the thousands of students, parents and postsecondary education institutions who during Pam's 18 years on the Board have relied on VSAC's programs and services are deeply grateful for Pam's Board service;

Now, Therefore, be it resolved by the Vermont Student Assistance Corporation Board of Directors, this 18th day of October, 2021, that the Board and all of VSAC express their warm, enthusiastic, and lasting thanks to Pamela A. Chisholm for her 18 years of distinguished service on the VSAC Board of Directors, and be it

Further Resolved, that a framed copy of this Resolution be delivered to Pam with the Board's sincere gratitude and very best wishes.

The Undersigned Secretary of the Vermont Student Assistance Corporation Board of Directors certifies that the within Resolution was adopted by unanimous vote of the Board at meeting duly warned and held this 18th day of October, 2021.

David C. Larsen, Secretary