

Minutes

VSAC Finance Committee Meeting

November 22, 2021

12:30 p.m.

Zoom Videoconference Meeting

Committee Members Present: Michael Smith (Chair), John McSoley
Committee Members Absent: Beth Pearce, Caleb Elder
Other Members Present: Dodie Mitchell, Chair, Clarence Davis
VSAC Staff Present: Scott Giles, Marilyn Cargill, Patrick Leduc, Mike Stuart, Tom Little, Bruce Hicken, Jodie Ducharme
Others: N/A

Chair Michael Smith called the meeting to order at 12:33 p.m. on the Zoom virtual meeting platform with all present able to hear one another throughout the meeting. With a quorum established, the Committee took up the first order of business.

Approval of Minutes

Upon a motion made by John McSoley and seconded by Michael Smith, the Committee voted unanimously to approve the Committee meeting minutes of September 20, 2021, as presented.

Standing Reports

The Committee reviewed the previously distributed FY22 Income Statement and Balance Sheet, Variance Analysis, Operating Budget, and VSF Endowment Report. On the Income Statement, Mike Stuart noted that there was nothing unexpected or out of the ordinary and that revenues were moving in the direction we would expect. Mike noted that, in relation to FFEL defaulted loan collections, the second half of the year will be more difficult to predict as once we resume collection activity it will be unclear how long it will take before customers are able to resume payments.

Bruce Hicken walked the Committee through the Variance Analysis, noting the variance for Grants & Scholarships is a result of endowment contributions and revenues received from the State for the Advancement Grant and 802 Opportunity Program.

Private Loan Volume Update

Mike Stuart directed the Committee's attention to the previously distributed New Loan Volume Reports, noting that it is unlikely we will meet the target volume for the student or the parent loans. Mike explained that various programs and funding was made available to students as a result of the pandemic, which likely contributed to the decrease in the amount that students and families needed to borrow.

Risk Management Review - Liquidity

Mike Stuart reviewed the liquidity risk outlined in the previously distributed materials, explaining the risk and the oversights and controls in place to minimize the risk. The Committee reviewed and discussed the risk and agreed with Executive Management's probability and impact risk ratings.

LIBOR Replacement Update

Mike Stuart provided the Committee with an update on LIBOR replacement, explaining that the LIBOR rate used for three series of bonds is set to expire on June 30, 2023. Mike reviewed three potential options for the replacement, noting that work is ongoing and further information should be available for the Committee to review by mid-December.

Other Business

There being no other business, the meeting adjourned at 1:31 p.m.

Respectfully submitted,

Michael Stuart, Assistant Secretary