

## Minutes

### VSAC Finance Committee Meeting

November 21, 2022

12:30 p.m.

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

**Committee Members Present:** Michael Smith (Chair), John McSoley, Beth Pearce, Caleb Elder, Clarence Davis (present for portions of the meeting)

**Committee Members Absent:** N/A

**Other Members Present:** Dodie Mitchell, Chair

**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 12:31 p.m. With a quorum established, the Committee took up the first order of business.

#### Approval of September 19, 2022, Minutes

*Upon a motion made by John McSoley and seconded by Clarence Davis, the Committee voted unanimously to approve the Committee meeting minutes of September 19, 2022, as presented.*

#### Public Comment

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

#### Standing Reports

The Committee reviewed the previously distributed FY23 Income Statement and Balance Sheet, Variance Analysis, Operating Budget, and VSF Endowment Report. On the Income Statement, Mike Stuart highlighted the decrease in borrower interest returned to the Department of Education, on the expense side, as a result of the increasing interest rates.

Bruce Hicken walked the Committee through the Variance Analysis, noting the variance for Grants & Scholarships is a result of funds that were made available for new programs, such as the workforce development programs, that didn't exist when the budget was created. Bruce also pointed out the grant base award increased by \$1 million and that VSAC also received \$500,000 for Advancement grants, neither of which were considered in the budget, resulting in a variance in the revenue for Grants & Scholarships.

#### Private Loan Volume Update

Mike Stuart directed the Committee's attention to the previously distributed New Loan Volume Reports, noting that we are under target volume for both the student and the parent loans. Mike reminded the Committee that various programs and funding were 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. Scott Giles noted that VSAC will be evaluating the structure of the private loans, from a market perspective, in addition to discussing how to let out-of-state students attending school in Vermont know about our loan products.

### **Recession Risks**

Mike Stuart directed the Committee to the previously distributed materials on recession risks, which provided historical data on delinquency, forbearance, default, and unemployment during and after times of recession. Mike also reviewed the interest rate risk outlined in the materials, explaining the risk and the oversights and controls in place to minimize the risk. The Committee engaged in a conversation of the risks, during which members of the Executive Committee responded to questions.

### **Other Business**

There being no other business, the meeting adjourned at 1:57 p.m.

Respectfully submitted,

Michael Stuart, Assistant Secretary