

Minutes

VSAC Finance Committee Meeting

September 18, 2023
2:00 p.m. – 3:30 p.m.

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

Attendance:

Committee Members Present: John McSoley, Clarence Davis, Caleb Elder

Committee Members Absent: Michael Smith (Chair), Mike Pieciak

Other Board Members Present: Dodie Mitchell

Staff: Scott Giles, Mike Stuart, Tom Little, Patrick Leduc, Bruce Hicken, Laurie Oliver,
and Jodie Ducharme

Chair *Pro Tempore* John McSoley called the meeting to order at 2:00 p.m. With a quorum established, the Committee proceeded with the first order of business.

Approval of May 22, 2023, Minutes

Upon a motion made by Clarence Davis and seconded by Caleb Elder, the Committee voted to approve the Committee meeting minutes of May 22, 2023, as presented.

Public Comment

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

Standing Reports Review

Mike Stuart noted that the Standing Reports include the FY23 year-end financials as well as the FY24 financials covering July 1, 2023, through August 31, 2023. Mike reviewed the previously distributed Income Statement and Balance Sheet, and VSF Endowment Report noting that the VSF Endowment Report from Vanguard is through June as the August report had not yet been published. Mike pointed out that, on the revenue portion of the FY24 Income Statement and Balance Sheet, the state appropriation was received all in one disbursement in July, where typically we receive the money in four disbursements between July and January. Mike noted that this is money that will be disbursed throughout the academic year in the form of grants to students.

Bruce Hicken walked the Committee through the Variance Analysis for FY23 and the two months ending August 31, 2023, for FY24, highlighting that grant revenue is over last year because we received the entire \$21 million base appropriation in July where we typically receive these funds in multiple disbursements: 30% July, 30% August, 20% November, and 20% January.

Mike Stuart directed the Committee to the New Loan Volume Reports, providing an update on current volume and noting that compared to previous years, more borrowers are selecting the deferred repayment option over the immediate repayment option. Mike noted that many borrowers who selected the deferred option also chose to have a 10-year term, pointing out that this year borrowers can choose between a 10-year term or a 15-year term. Mike noted that while the deferred repayment option has a higher interest rate, selecting a 10-year term over a 15-year term will reduce the overall cost of the loan.

The Committee engaged in a discussion of the Standing Reports and the Executive Committee and Bruce Hicken responded to questions.

Strategic Plan Model Update

Mike Stuart noted that the Executive Committee has been evaluating the financial model used for the Strategic Plan to see what changes need to be made while also determining key assumptions. Mike provided an update on the work being done and noted that the plan is to present an update to the Finance Committee at the November meeting to get member input prior to bringing the update to the full Board for discussion and input at the retreat in December.

Other Business

There being no other business, the meeting adjourned at 3:06 p.m.

Respectfully submitted,

Michael Stuart, Assistant Secretary