

## Minutes

### VSAC Finance Committee Meeting

**January 26, 2026  
12:30 p.m. - 2:00 p.m.**

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

**Committee Members Present:** Michael Smith (Chair), John McSoley, Clarence Davis, Mike Pieciak

**Committee Members Absent:** N/A

**Other Board Members Present:** Dodie Mitchell

**VSAC Staff Present:** Scott Giles, Meghan Metzler, Patrick Leduc, Tom Little, Brad Fallon, Jeffrey Kellar

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Chair Michael Smith called the meeting to order at 12:32 p.m. With a quorum established, the Committee took up the first order of business.

#### **Approval of November 17, 2025, Minutes**

*Upon a motion made by John McSoley and seconded by Clarence Davis, the Committee Members voted unanimously to approve the minutes of the Finance Committee meeting of November 17, 2025, as presented.*

#### **Public Comment**

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

#### **Standing Reports**

The Committee reviewed the previously distributed: FY26 Income Statement and Balance Sheet, Variance Analysis, VSF Endowment Report, VT529 Plan and Loan Volume Report. Meghan Metzler noted that the income statement shows a \$3 million surplus which was the result of the FFEL sale.

Jeffery Kellar reviewed the Variance Analysis and highlighted:

- Loan revenue shows a gain based on the FFEL sale (which was sold at a premium).
- The variance in grant revenue reflects the management reporting change that was made last year.
- Scholarship revenue is down because the Teacher Forgivable Loan program was not renewed.
- Bond Interest Expense is down due to the payoff of the associated bonds as part of the FFEL sale. Additionally, with the sale of the FFEL loan portfolio, we recognized the remained of a historical deferred loan gain that had been being amortized into earnings for many years.
- Grant expenses are higher than last year due to spending down the prior year's carry forward, as budgeted and expected.

The Committee asked questions that Jeffrey and Meghan responded to.

### **FY26 Financial Projections**

Meghan Metzler directed the Committee's attention to the previously distributed FY26 Projections. As of mid-year, she projects a net surplus of \$3M due to the FFEL sale which also impacted: total loans, a swing in restricted assets to unrestricted, and interest on cash. Lower federal grants reflect the loss of EOC funding. Salaries, benefits, and administrative costs are coming in under or near budget. Finally, lower projected grants and scholarship expenses are due to lower than projected scholarship awards; she still expects grant awards to expend as budgeted. Meghan entertained questions from the Committee.

### **Loan Financing Update**

Meghan Metzler announced that we do not anticipate accessing the bond market this year. The sale of the FFEL portfolio will provide the necessary liquidity to fund the projected FY27 loans. The Committee engaged Meghan and Scott Giles in a discussion on their loan funding strategy with relation to the Bond Markets.

### **Debt Compliance**

Meghan Metzler explained that bond holders are typically paid for interest twice a year and principal annually. The bond trusts also have certain stipulations that may require excess revenues be used to redeem certain callable bonds. In December, we did not redeem certain bonds that should have been redeemed. The cash is still in the trust and the bonds will be redeemed in June. Bondholders will be notified via an event disclosure. The Committee asked Meghan questions that she responded to.

### **Other Business**

Michael Smith asked Scott Giles if there were any Federal updates they should be aware of. Scott Giles responded that the Council for Opportunity in Education (COE) has filed a suit against the Department of Education (DE) on behalf of terminated programs. COE believes that the process the DE used to terminate funds was a procedural violation. VSAC is now joining the suit.

Scott also discussed that with student loan caps changing, state agencies may need more tax-exempt bonds than are currently available to them. So, to preserve tax-exempt borrowing they are looking to remove student loans from state bond caps. Scott responded to questions from the Committee.

There being no other business, the meeting adjourned at 1:25 p.m.

Respectfully submitted,

Meghan Metzler, Assistant Secretary

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