Minutes

VSAC Board of Directors Meeting

October 19, 2026
12:30 p.m. – 3:30 p.m.

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

Audio recording of this meeting and the Vermont Student Development Fund's Board of Directors Meeting: https://youtu.be/bcNHTAOCxsg

Members Present: Dodie Mitchell (Chair), Martha Heath, Dave Larsen, John McSoley, Ryan Dulude, Tim Chamberlin, Clarence Davis, Ann Cummings, Jonathan Cooper, David Scherr as designee for Mike Pieciak.

Members Absent: Michael Smith

Staff Members Present: Scott Giles, Tom Little, Patrick Leduc, Meghan Metzler, Brad Fallon, Kirstin Boehm

DRAFT

Chair Dodie Mitchell called the Board of Directors meeting to order at 12:31 p.m. With a quorum established, the Board proceeded with the agenda.

Approval of June 22, 2026, Minutes

Upon a motion made by Martha Heath and seconded by Dave Larsen, the Board voted unanimously to approve the meeting minutes of June 22, 2026, as presented.

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

Chair's Report
Dodie Mitchell began her report by welcoming new Board member Jonathan Cooper, the Vermont House of Representatives member recently appoint to the Board by House Speaker Jill Krosinski, and asked him to introduce himself to the Board, following which each Board member introduced themselves. She closed her report by reviewing the agenda for the day.

President's Report
Scott Giles started his report with some program updates. He reminded the Board of all the challenges VSAC has recently faced with Federal grants. He was happy to announce that VSAC has been awarded all three grants competed for in the last year; GEARUP, Talent Search and the Educational

Opportunity Center (EOC). In addition, VSAC was included in a settlement between the U.S. Department of Education and the Council on Opportunity in Education that restored VSAC's FY26 EOC funding.As a result, VSAC was allowed to draw down the EOC funds to reimburse itself for grant eligible activities that it provided during the year. He thanked the staff, leadership and the board for their efforts on helping VSAC win a new EOC grant and keeping the program funded this past year.

The $6M Rural Health Transformation Funding that was received for the Rural Health Transformation Tuition Benefit Program was fully obligated in early summer. The Vermont Agency of Human Services was able to provide additional funding, and another $3M was obligated to students in July. All funds are currently expended.

The Federal government placed limits on parent and graduate student borrowing under the Federal loan programs as part of One Big Beautiful Bill. Loan growth has been significant this year with a 30% increase in applications and a 25% increase in disbursements. The new loan option that was created primarily for Grad students has been utilized more by undergraduates. In addition, because VSAC did not use bond funds this year, it lifted the nexus requirement in the student and parent loan application. This has resulted in significant growth in non-nexus student loans.

Scott reflected on the steps that Vermont has taken to both address the affordability of higher education and to prepare for the impact of the changes in Federal aid brought about by One Big Beautiful Bill. In 2021, VSAC launched 802Opportunity—a program that made CCV tuition and fee free for two thirds of Vermont households. In 2025, VSAC, in partnership with Vermont State University, launched Freedom & Unity—a program that makes regular tuition programs at VTSU tuition free for families earning $80,000 or less. In 2026, VSAC, in partnership with the Department of Health, launched the Rural Health Transformation Tuition Benefit Program.

As a result of these initiatives, nearly 5,000 students are pursuing their education tuition free. This reduces the need for borrowing under the Federal program and reduces the pressure on families that was created by changes in Federal financial aid policy.

Importantly, 802Opportunity has had accelerated impact on matriculation, retention, graduation and transfer rates. We expect to see similar benefits from Freedom & Unity. This program will be critical to VTSU's efforts to transition from stability to growth.

Throughout Scott's report the Board engaged in discussions and asked questions that Scott or Patrick Leduc responded to.

Committee Reports

Audit Committee
Committee Chair John McSoley summarized the September 21, 2026, Audit Committee meeting. The external auditors, CliftonLarsonAllen (CLA), presented on the FY26 Financial Statement External Audit Report. He reviewed each section highlighting that CLA found no deficiencies and VSAC management worked well with CLA. VSAC implemented new GASB reporting requirements which changed the presentation of the financials for those comparing this year's report with last year's. He noted that the Single Audit will be completed and filed sometime early this winter.

Upon a motion made by John McSoley and seconded by Ann Cummings, the Board voted unanimously to accept the FY26 Financial Statement External Audit Report, as presented and recommended by the Audit Committee.

John continued onto the Internal Audit Plan where VSAC will continue to contract out this work. The plan will focus on the accuracy of the conversion of the loan system to Helium, and compliance with the new Rural Health Transformation funding requirements.

Upon a motion made by John McSoley and seconded by Martha Heath, the Board voted unanimously to accept the FY27 Internal Audit Plan, as presented and recommended by the Audit Committee.

John also reviewed the 2025-2026 Form 990 and Schedule B for the Vermont Student Development Fund, Inc. that was approved for submission by the Committee at the September meeting.

Upon a motion made by John McSoley and seconded by Martha Heath, the Board voted unanimously to accept the 2025-2026 Form 990 and Schedule B, as presented and recommended by the Audit Committee.

John concluded his report by noting that the committee received an update on technology security and risk management. VSAC continues to ward off attacks and expand on current tactics for prevention. The staff are also engaged in ongoing training to mitigate risk. Patrick Leduc mentioned that there was an extra scan over our loan portfolio done this year to identify fraud and no concerns of substance was found. Patrick then answered some questions from the Board.

Programs & Services Committee
Committee Chair Martha Heath summarized the committee's meeting from September 21, 2026. She shared that the committee approved a work plan for this year and they did receive written Federal updates in Scott's absence. The committee also reviewed and recommended approval of two policy changes:

- **Vermont Honor Scholarship** – Martha reviewed the scholarship and highlighted that the Board is responsible for setting the scholarship amount which is currently $1,000 per award.

- **Vermont Micro Grant Policy –** Martha reviewed the policy and said that the committee updated the policy to remove the range of award amounts so the policy can react to cost of living changes more easily.

Upon a motion made by Martha Heath and seconded by Clarence Davis, the Board voted unanimously to approve the Vermont Honor Scholarship and Vermont Micro Grant Policy, as presented and recommended by the Programs and Services Committee.

Martha concluded by reviewing the standing reports. She highlighted that by the time of the committee's September meeting grant funds were fully obligated until VSAC could evaluate enrollment attrition, and there is an increase in awards for the Freedom and Unity scholarship.

Governance Committee
Dave Larsen summarized the September 21, 2026, Governance Committee meeting, which covered

Board Manual updates. He reviewed his previously distributed memo to the Board. Tom Little and Dave then reviewed the process the committee took and highlighted sections that had received the greatest changes. They concluded by noting that Tom will have the manual reviewed for punctuation and formatting. The Board discussed the updated manual.

> ***Upon a motion made by Dave Larsen and seconded by Martha Heath, the Board voted unanimously to approve the Board Manual, as presented and recommended by the Governance Committee.***

Dave took a moment to thank the Committee for their work, especially Tom for all his effort to finish the manual.

Finance Committee
Meghan Metzler reviewed the September 21, 2026, Finance Committee meeting which focused on a review of FY26 financial performance. She highlighted that VSAC's net position increased by $6M mostly due to the FFEL sale and because of the sale the unrestricted net position increased by $50M.

Meghan reminded the Board that loans are currently being paid off the balance sheet, and she expects that VSAC will go to the bond market for the next fiscal year's loans. She concluded her update noting that VT529 continues to grow and with the changes in vendors last year she can see a positive change in revenue shares. The Board then engaged Meghan and Scott Giles in a discussion.

At 2:30 p.m. Dodie Mitchell recessed the VSAC Board Meeting to convene for the Vermont Student Development Fund, Inc., Board Meeting.

Vermont Student Development Fund Board Meeting
The minutes of the Vermont Student Development Fund Board meeting can be located at https://www.vsac.org/news/board-committee-info

The Vermont Student Development Fund, Inc., Board Meeting adjourned at 2:40 p.m. and Dodie Mitchell reconvened the VSAC Board of Directors meeting.

Executive Session

> ***Upon a motion made by Dodie Mitchell and seconded by Martha Heath, the Board voted unanimously to enter executive session at 2:42 p.m. in order to:***
> ***a. receive privileged and confidential advice from legal counsel about pending matters; and***
> ***b. receive confidential information to consider the evaluation and employment of public officers, i.e., VSAC employees, and related contractual matters, premature public knowledge of which would clearly place the employees and/or VSAC at a substantial disadvantage.***
>
> ***Citation: 1 V.S.A. sec. 313(a).***

The Executive Committee was requested to remain in the room, because they have information needed for the executive session.

Having completed its discussions, the Board exited the executive session at 3:15 p.m.

Meeting Review
Dodie Mitchell reviewed the meeting and went around the table for additional thoughts and questions from the Board and VSAC staff.

Other Business & Adjournment
There being no other business, the meeting adjourned at 3:25 p.m.

Respectfully submitted,

_____
David Larsen, Secretary

DRAFT