

Minutes

VSAC Board of Directors Meeting

February 16, 2026
12:30 p.m. – 3:00 p.m.

VSAC Boardroom
10 East Allen Street
Winooski, Vermont 05404

Audio recording of this meeting: <https://youtu.be/29CINBLVxjU>

Members Present: Dodie Mitchell (Chair), Martha Heath, Michael Smith, Dave Larsen, John McSoley, Ann Cummings, Ryan Dulude, Mary-Katherine Stone, Tim Chamberlin, Clarence Davis, David Sherr as Designee for Mike Pieciak

Members Absent: N/A

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

Chair, Dodie Mitchell, called the meeting to order at 12:30 p.m. With a quorum established, the Board proceeded with the agenda.

Approval of December 9, 2025, Minutes

Upon a motion made by Martha Heath, and seconded by Dave Larsen, the Board unanimously voted to approve the meeting minutes of December 9, 2025, as presented.

Public Comment

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

Chair's Report

Dodie Mitchell delivered her Chair's report by acknowledging the Board, she appreciates the level of Board attendance and how well this Board works together.

President's Report

Scott Giles delivered his President's Report, providing updates on work that VSAC is doing, and what is happening on state and federal levels. The VSAC Award Advisor is officially being launched in Vermont, and other non-profit state agencies are also preparing their state's launches. The App has also been getting positive feedback from Vermont's delegation in DC, trade associations and consumer groups. Student loan volume remains strong. Marketing for the new refinance loan has begun, and some borrowers have seen reductions in their interest rates in excess of 4%. Finally, Career and College Pathways events will be taking place across the state in the next coming months.

Scott moved onto Federal updates. Vermont institutions have started reaching out to VSAC to discuss ways to prepare for and collaborate on ways to respond to the changes in Federal financial aid policy contained in the One Big Beautiful Bill. Congress is also considering pieces of legislation; one to remove student loans from state bond caps, and the other to remove state non-profits from the rules on preferred lender lists. Lastly, the Council for Opportunity in Education (COE) has filed a suit against the Department of Education (DE) on behalf of terminated grant programs. COE believes that the process the DE used to terminate grants was a procedural violation. The Federal District Court has put in place a preliminary injunction against the Department of Education's termination of TRIO grants. VSAC has applied to the court to be included within the injunction.

Scott shared that the Governor's budget proposal proposed a 3% increase to VSAC's base. VSAC is requesting that the Freedom and Unity Scholarship be included in the budget at a level that would support a household income level between \$80,000 and \$85,000. He also reviewed the Governor's proposed changes to the Vermont Higher Education Endowment Trust Fund that could start to support K-12 programs.

The Governor's proposed budget does not include the health care workforce programs that were administered by VSAC on behalf of the Agency of Human Services and funded through the Global Commitment Budget. The Federal Government provided more money to Vermont than expected through the Rural Health Transformation Grant, which does support money for state workforce initiatives. The programs will have to be different than existing programs and will have different eligibility requirements, including a focus on rural communities that may exclude all or some of Chittenden County.

Scott reviewed some of the challenges with the grant, and VSAC is working with Vermont's Agency of Human Services to see if there are programs VSAC can provide to help satisfy the grant.

The Board engaged Scott and the Executive Committee in discussions on Scott's updates.

Committee Reports

Governance Committee

Chair, Dave Larsen reviewed the January 26, 2026, Governance Committee meeting, covering the Board Manual review. The Committee was able to comment on three sections of the manual in the meeting. Dave Larsen and Tom Little will work to incorporate the Committee's comments into those sections for the Committee's review. Dave also let the Board know that they will be asked to review the Board Manual updates for approval.

Programs & Services Committee

Chair, Martha Heath summarized the January 26, 2026, Programs & Services Committee meeting and reviewed each of the following policies:

- **Grant Appeal Policy** – Martha briefed the Board on the policy.
- **Residency Appeal Policy** – Martha reviewed the policy and highlighted that most additions were added from the procedures. The Committee did decide that a student should be able to appear for their appeal: in-person, virtually, or on a phone call.

Upon a motion made by Martha Heath, and seconded by Ryan Dulude, the Board of Directors voted unanimously to approve the Grant Appeal Policy and the Residency Appeal Policy, as presented.

Martha continued with her update by noting that Scott Giles had already covered several of the Committee updates in his earlier President's Report. The Committee additionally discussed that grant funds have been spent down including any carry forward as planned. Applications from 12/31/25 forward are on hold until the impacts of attrition can be evaluated. However, both 802Opportunity and Freedom and Unity Scholarships are still being awarded. In the meeting Rosanne Nelson, Director of Information Technology and Project Management, and Patrick Leduc presented the VSAC Technology Path document. They reviewed the progress being made on the VSAC Tech plan; VSAC continues to reduce stored data and continues to move appropriate systems to cloud solutions. In the Standing reports one thing highlighted was VT Trades has seen a decline in students from the southern portion of the state and an increase from the middle and northern portions. This is being monitored to understand the reasons and to evaluate if changes are needed to make sure the program is appropriately marketed across the state.

Patrick Leduc said more information will be sent to the board on VSAC's Scholarship Day, scheduled for April 15th.

Finance Committee

Chair, Michael Smith reviewed the January 26, 2026, Finance Committee meeting. In the standing reports there was nothing substantive to report other than a \$3 million surplus due to the FFEL sale. Michael highlighted to the Board that the Vermont Student Development Fund continues to perform well, and student loan volume is expected to be around \$50 million for this academic year.

Michael went on to the FY26 Financial Projections. The FFEL sale changed the anticipated projections; there is more cash, a swing from restricted to unrestricted assets and a decrease in loans. The sale also impacted financing of loans for the next academic year, and it is not anticipated that VSAC will need to go to the bond market.

In December, VSAC 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 were notified.

Michael ended his report by letting the Board know that he is meeting with Scott Giles and Meghan Metzler to look at finance stress testing, and he will be bringing more information to the Finance Committee.

Audit Committee

Chair, John McSoley reviewed the January 26, 2026, Audit Committee meeting. Jaye O'Connell, Director of Compliance & Information Security Officer, came to the Committee's meeting and presented the 2024-2025 VSAC Information Security Assessment Report. John reviewed the report (previously distributed) with the Board.

Upon a motion made by John McSoley, and seconded by Michael Smith, the Board of Directors voted unanimously to accept the 2024-2025 VSAC Information Security Assessment Report, as presented.

At the Committee meeting Greg Severance, Senior Compliance Officer, presented the Federal Trade Commission Annual Summary Report and program documents. John reviewed for the Board the 2025 Summary Report (previously distributed) including VSAC's "red flag events" identified in 2025.

Upon a motion made by John McSoley, and seconded by Ryan Dulude, the Board of Directors voted unanimously to accept the Annual FTC Red Flags Policy including both the summary report and the program documents, as presented.

John briefed the Board on the Single Audit Report from CLA, previously distributed. A report from PHEAA was received and now the Single Audit Report is complete with no findings or exceptions.

Upon a motion made by John McSoley, and seconded by Ryan Dulude, the Board of Directors voted unanimously to accept the Single Audit Report from CLA, as presented.

John reviewed with the Board that internal audit work is now being done for VSAC by the Bonadio Group. Therefore, with this change the Audit Committee Charter and the Internal Audit Committee Charter needed to be updated. John briefed the Board on both charters, that were previously distributed.

Upon a motion made by John McSoley, and seconded by Michael Smith, the Board of Directors voted unanimously to approve the Audit Committee Charter and the Internal Audit Charter, as presented.

VSAC Partnership with HireAbility

Kirstin Boehm, Sr. Director of Career & Education Outreach, Development and Research presented on the partnership between VSAC and HireAbility Vermont. She briefed the Board on the work HireAbility does and how VSAC is providing services for HireAbility to high school students including workshops on, career exploration, education planning, and financial literacy. The Board engaged Kirstin in a discussion.

Other Business and Meeting Review

Brad Fallon informed the Board that the App used to access Boardvantage is changing and he will be sending out more information.

Chair Dodie Mitchell went around the room for additional thoughts and comments with a focus on how the Board can or should do board and board chair evaluations. Comments from Board members were in favor of doing a self-evaluation to begin.

Adjournment

There being no other business, the meeting adjourned at 2:43 p.m.

Respectfully submitted,

David Larsen, Secretary