

Minutes

VSAC Board of Directors Meeting

April 15, 2024
1:00 p.m.

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

Members Present: Dodie Mitchell (Chair), Martha Heath, Dave Larsen, John McSoley, Ryan Dulude, Clarence Davis, Caleb Elder, Ann Cummings, Mike Pieciak, Mike Smith

Members Absent: Tim Chamberlin

Staff Members Present: Scott Giles, Tom Little, Mike Stuart, Patrick Leduc, Brad Fallon, Jodie Ducharme

Chair Dodie Mitchell called the Board of Directors meeting to order at 1:00 p.m. With a quorum established, the Board proceeded with the agenda.

Approval of Minutes

Upon a motion made by Martha Heath and seconded by Dave Larsen, the Directors voted unanimously to approve the meeting minutes of February 26, 2024, as presented.

Public Comment

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

Chair's Report

Dodie Mitchell read the resolution appreciating Jodie Ducharme's service to the Board and then she spoke personally of her appreciation for Jodie's work. Her comments were followed by Martha, Dave and Scott.

Upon a motion made by Martha Heath and seconded by Ann Cummings, the Board voted unanimously to approve the Resolution thanking Jodie Ducharme for her diligent and professional support of the work of the VSAC Board of Directors.

Jodie Ducharme exited the meeting at 1:15 pm

President's Report

Scott Giles spoke about the transition and winddown of the FFEL loan portfolio. The projects were very successful and are a tribute both to the historic work by VSAC staff to service these accounts and to the project teams that managed the transfers. Patrick added that volume in the call center is declining.

Scott shared that VSAC was a sponsor of the Richard Reeves event about the challenges faced by boys and men. The event consisted of a keynote address, a panel discussion, and then a lunch with education and policy leaders. Members of the Board who attended the event expressed how interesting and engaging the event was.

Minutes of the Finance Committee, April 15, 2024 APPROVED on 6/24/2024

Scott discussed the challenges facing the Federal Department of Education as they struggle to balance between offering new loan forgiveness programs and the continued challenges with the FAFSA. Many schools are extending their deadlines for deposits. Patrick added that for VSAC this means that Scholarship Day has tentatively been moved to mid-May, and Grant awarding is still waiting on more data before the projection model will be reliable.

Scott shared that the Vermont House Appropriations Committee approved a 3% increase to VSAC's base budget. He also discussed many conversations VSAC has been having with legislators regarding pending legislation on: Migrants, Vermont National Guard, and Early College.

Committee Reports

Programs & Services Committee

Martha Heath directed the Board's attention to the actions approved by the Programs & Services Committee at its March 25, 2024, meeting. Martha reviewed the grant policies: Cost of attendance, and Non-discrimination. The Committee recommends to the Board that these policies remain as they were.

Upon a motion made by Martha Heath and seconded by Mike Smith, the Board of Directors voted unanimously to approve the Cost of Attendance and Non-Discrimination policies, as presented and as recommended by the Programs and Services Committee.

Martha provided an overview of the grant policies; Income Cutoff & 24/25 Maximum, and Family contribution cutoff & 24/25 maximum. Both policies have removed references to 802 Opportunity. Also, the income cutoff remained the same, and the family contribution was adjusted to \$31,395.

Upon a motion made by Martha Heath and seconded by Ryan Delude, the Committee Members voted unanimously to approve the Family contribution cutoff & 24/25 maximum, and Income cutoff & 24/25 maximum policies, as presented and as recommended by the Programs and Services Committee.

Martha reviewed the reasons for the Resolution Delegating Final Action on the FY 2024-2025 Grant Levels, which include the lack of FAFSA data that has been received to this date which is preventing us from setting grant levels.

Upon a motion made by Martha Heath and seconded by Mike Smith, the Board of Directors voted unanimously to approve the following Resolutions Delegating Final Action on FY 2024-2025 grant levels, as presented and as recommended by the Programs and Services Committee

Marth concluded that this Board meeting's President's Report and the previous items she brought to the Board meeting covered the topics of the prior committee meeting. She added that VSAC is preparing to increase the number of Workforce Opportunity Loans this next year.

Finance Committee

Dodie Mitchell asked Mike Smith, Chair of the Finance Committee, to present the Committee's recommendation to the Board on the proposed 2024 student loan revenue bond Authorizing Resolution and Reimbursement Resolution. Mike then said that the Committee heard a presentation at its meeting earlier in the day from Mike Stuart and Tom Little and asked them to summarize that presentation.

Mike Stuart referred the Board members to the April 11, 2024, Memorandum to the Board from Tom Little, and the attachments to it. The Memo explains the purpose and economics of the proposed bond transaction. Tom Little then walked the Board through the proposed Authorizing Resolution for the bonds, including what parameters it sets for the dollar amount of the bonds, and the funds VSAC itself will use for making eligible student loans. He explained that the form and content of the Authorizing Resolution are comparable to those of the last eight-plus bond issuances. The bonds will not be a debt or obligation of the State of Vermont, nor of VSAC itself. His Memorandum covered the principal other documentation

for the bonds, all to be finalized prior to closing on the transaction. Tom concluded his remarks by explaining the Reimbursement Resolution's purpose.

Mike Stuart then described the financial dynamics of the proposed bonds and the projected interest rates for the bonds and the student loans to be made with the bond proceeds.

Board members asked questions about the factors in play pending finalization of the transaction, including the setting of the interest rates on the new bonds and on the student loans to be made with the bond proceeds; the relationship between these interest rates and the new rate of interest for federal PLUS loans to be set on May 8. Mike Stuart and Tom Little responded to the questions. Following Board discussion,

Upon a motion made by Mike Smith and seconded by Mike Pieciak, the Board voted unanimously to approve the 2024 Private Education Loan Financing Authorizing Resolution as distributed prior to and presented at the meeting, and also the Reimbursement Resolution.

Governance Committee

Dave Larsen reviewed the March 25, 2024, Governance Committee meeting, providing updates on ethics requirements for Board Members. Tom also informed the Board that the Legislature in the past few weeks has been looking to make some changes to the Open Meeting Law, including to continue the need for in person and remote options. Dave went on to discuss that he and Tom will be reviewing the Board Manual to make sure it is consistent with current practices. With limited time remaining Dave suggested, and the Chair agreed, to move the conversation of Board Chair Evaluation to the next Board Meeting.

Board Training

Dodie Mitchell transitioned the Board to the scheduled training session, 'Governance as Leadership'. She gave an overview of the training plan that she and Scott have discussed, and how it will dovetail into the next board retreat later this year. Scott reviewed the inspiration and world events at the time the *Governance as Leadership* book was authored, and then he reviewed the three modes of governance: Fiduciary, Strategic and Generative. Scott and Dodie fielded questions from other Board Members.

Other Business and Meeting Review

Dodie Mitchell checked in with each Board Member and VSAC staff to see if they had anything more to add to the meeting, and no one had anything to add.

Adjournment

There being no other business, the meeting adjourned at 3:27 p.m.

Respectfully submitted,

David Larsen, Secretary

VERMONT STUDENT ASSISTANCE CORPORATION

**RESOLUTION THANKING JODIE DUCHARME FOR HER DILIGENT AND PROFESSIONAL SUIPPORT OF THE
WORK OF THE VSAC BOARD OF DIRECTORS**

Whereas, In January 2019 Jodie Ducharme assumed responsibility for preparing agendas and taking minutes for the VSAC Board of Directors and Board Committee meetings; and

Whereas, Jodie also worked closely with the VSAC Board Chair and President/CEO, and with the Board Committee Chairs, to schedule and plan meetings, post meeting notices and minutes, track attendance, a variety of other chores related to the efficient function of the Board and its Committees; and

Whereas, Jodie performed her duties diligently, conscientiously, professionally - and cheerfully - for five years;

Now, Therefore, be it resolved by the Vermont Student Assistance Corporation Board of Directors, this 15th day of April, 2024, that the Board and all of VSAC express their warm, enthusiastic, and lasting thanks to Jodie Ducharme for her five years of consistently exemplary service to the VSAC Board of Directors.

The Undersigned Secretary of the Board of Directors Certifies that the Within Resolution was adopted by unanimous vote of the Board at meeting duly warned and held this 15th day of April, 2024.

David C. Larsen, Secretary

VSAC Board Resolution Delegating Final action on FY 2024-2025 Grant Levels

Whereas, the ongoing FAFSA data, processing and completion problems, as discussed in this and prior Board of Directors meetings, continue to make it difficult to accurately set the FY 2024-2025 grant levels and cut-off dates; and

Whereas, it will be necessary to set the grant levels and cut-off dates prior to the June meeting of the Board of Directors; and

Whereas, in prior years the Board has delegated final action on grant levels and cut-off dates to the Executive Committee or the Programs and Services Committee; now therefore the VSAC Board of Directors resolves that:

The VSAC Board of Directors authorizes the Programs & Services Committee, in consultation with the Executive Committee, to set and approve grant levels and cut-off dates for the Fiscal Year 2025, with a requirement that the Committee report out to the full Board at the next meeting.

After the Programs and Services Committee has made an initial determination of the FY 2025 grant levels and cut-off dates, the Executive Committee will analyze projections in the “live” environment and the Executive Committee is thereafter authorized to further adjust the cut-off dates and the levels up or down by \$100 if necessary. If changes greater than plus or minus \$100 are needed based upon the Executive Committee’s final analysis, the Program and Services Committee is authorized to approve revised levels at a greater variance than \$100 up or down, with a requirement that the Committee report out to the full Board at the next meeting.

AUTHORIZING RESOLUTION
OF THE
VERMONT STUDENT ASSISTANCE CORPORATION

BE IT RESOLVED BY the Board of Directors (the "Board") of Vermont Student Assistance Corporation (the "Corporation"), this April 15, 2024, as follows:

Section 1. Subject to Section 10 hereof, a supplemental indenture of trust (referred to herein as the "Series 2024 Supplemental Indenture of Trust") supplementing and amending the Indenture of Trust, dated as of July 1, 2012 (the "2012 Master Indenture" and, together with the Series 2024 Supplemental Indenture of Trust and all other supplements and amendments to the 2012 Master Indenture, the "Indenture"), is hereby adopted in order to provide for the issuance of bonds, notes or other debt obligations (the "Bonds"), the proceeds of which are to be used for the purpose of any, all, or any combination of the following: (i) originating and acquiring education loans (and reimbursing the Corporation for any education loans it makes from its own funds prior to the issuance of the Bonds as may be set forth in a declaration of the Corporation's official intent made by the Corporation's President and CEO or by its Vice President and CFO), (ii) funding reserves and/or interest on the Bonds, (iii) paying costs of issuing the Bonds and (iv) for other purposes allowed by the Indenture, which Series 2024 Supplemental Indenture of Trust shall be substantially in the form presented to this meeting, subject to completion and subject to the parameters set forth in Section 2 hereof.

Section 2. The Bonds shall be issued as fixed rate bonds in one or more series on a tax-exempt basis in an aggregate principal amount not to exceed \$45,000,000. The Bonds may be issued as both senior Bonds (on a parity with other bonds currently outstanding under the Indenture as senior bonds) and subordinate Bonds (on a parity with other bonds currently outstanding under the Indenture as subordinate bonds), in such respective principal amounts as an Authorized Officer (as hereinafter defined), upon advice of counsel, shall approve, the execution and delivery thereof to constitute such Authorized Officer's approval thereof, except that the aggregate principal amount of any subordinate Bonds shall not exceed \$3,000,000. The maximum yield on the Bonds (giving effect to any original issue discount or original issue premium) shall at no time exceed 8.00% per annum in the case of senior Bonds and 9.00% per annum in the case of any subordinate Bonds. The Bonds shall mature no later than December 31, 2053. In lieu of issuing subordinate Bonds, the Corporation may make a contribution to the trust estate established by the Indenture in an amount not to exceed \$3,000,000.

Section 3. The Series 2024 Supplemental Indenture of Trust and the Bonds shall include details with respect to such other matters as the President and CEO, or any other Authorized Officer, upon advice of counsel, shall approve, with such additional changes as may be approved by the Authorized Officer executing or delivering the Series 2024 Supplemental Indenture of Trust and the Bonds, the execution and delivery thereof to constitute such person's approval thereof.

Section 4. Each of the Chair, the Vice Chair, the President and CEO, the Secretary of the Corporation and each Assistant Secretary of the Corporation is designated an Authorized Officer of the Corporation ("Authorized Officer") for the purposes of this Authorizing Resolution. Any action taken or document signed by a person who is an Authorized Officer at the time of such action or signing of a document authorized by this Authorizing Resolution shall remain effective whether or not such person, at the time of the issuance of the Bonds, is the incumbent of such office when the Bonds are issued.

Section 5. Each Authorized Officer is authorized to execute and deliver to BofA Securities, Inc. (together with its successors and assigns, the "Underwriter") a purchase contract or contracts for the Bonds (the "Bond Purchase Contract") providing for the sale of the Bonds to the Underwriter at a price equal in the aggregate to par less an underwriting discount of not to exceed one percent (1.00%) of the aggregate principal amount of the Bonds (or such amount may be paid as a fee rather than as an underwriting discount), plus any original issue premium and less any original issue discount (provided that the yield on the Bonds, taking into account any such original issue discount and original issue premium, shall not exceed the maximum yield set forth in Section 2 above), plus reasonable costs and fees acceptable to and approved by an Authorized Officer.

Section 6. A Preliminary Official Statement in substantially the form presented at this meeting, with such changes as the President or one or more other Authorized Officers, upon advice of counsel, shall approve for distribution and a final Official Statement, in substantially the form of the Preliminary Official Statement, is hereby approved, with such changes and completions as shall be deemed by the President and CEO or one or more other Authorized Officers to be necessary or appropriate. The President and CEO of the Corporation is authorized to execute and deliver a final Official Statement. Use by the Underwriter of one or more Preliminary Official Statements, final Official Statements and any supplements thereto in connection with the Bonds is hereby approved.

Section 7. The Bonds shall be special, limited obligations of the Corporation and shall only be payable out of the trust estate pledged therefor pursuant to the Indenture. The Bonds issued under the Indenture shall not constitute a debt, liability or obligation of the State of Vermont or any of its political subdivisions and none of the faith and credit, the taxing power or the moral obligation of the State of Vermont or any political subdivision thereof shall be pledged to the payment of the principal of and the interest on the Bonds. For the sake of clarity, the Bonds shall not be supported by a moral obligation of the State of Vermont under Title 16, Chapter 87, Section 2867 of the Vermont Statutes Annotated.

Section 8. Each Authorized Officer is authorized to execute and deliver such additional documents or certificates as counsel to the Corporation or Kutak Rock LLP, Bond Counsel, shall advise as necessary or desirable, including, without limitation, a tax certificate, one or more continuing disclosure agreements and other closing documents.

Section 9. Any document or certificate executed or delivered by an Authorized Officer, including the Series 2024 Supplemental Indenture of Trust, the Bonds, the Bond Purchase Contract and the final Official Statement, shall be conclusive evidence of the approval of any modifications of terms submitted at this meeting of the Board and of the due authorization, execution and approval by the Corporation of any such document or certificate, subject to the provisions of Sections 2 and 5 hereof.

Section 10. This Authorizing Resolution shall take effect immediately upon its adoption, provided that the Indenture (or a new and separate indenture of trust and supplement or a supplement to any other previous indenture of the Corporation as referred to in Section 1 hereof) shall take effect immediately upon the delivery of a certified copy of the Indenture or such new and separate indenture of trust or supplement to any other previous indenture to the trustee designated therein.

Section 11. All prior acts and doings of the officers, agents and employees of the Corporation which are in conformity with the purposes and intent of this Authorizing Resolution, and in furtherance of the purposes of this Authorizing Resolution, shall be and the same hereby are in all respects ratified, approved and confirmed.

**RESOLUTION OF THE BOARD OF DIRECTORS OF
VERMONT STUDENT ASSISTANCE CORPORATION**

**DECLARING ITS OFFICIAL INTENT TO REIMBURSE THE
CORPORATION WITH PROCEEDS OF FUTURE TAXABLE
OR TAX-EXEMPT BORROWINGS**

BE IT RESOLVED BY the Board of Directors (the “Board”) of the Vermont Student Assistance Corporation (the “Corporation”) this 15th day of April, 2024 as follows:

WHEREAS, the Corporation is a non-profit public corporation organized as an instrumentality of the State of Vermont; and

WHEREAS, from time to time, the Corporation makes student loans (which may include loans made to a parent for the benefit of the parent’s child who is a student) with its own funds prior to the availability of proceeds from its revenue bonds, and may desire to be reimbursed for such expenditure from the proceeds of such revenue bonds; and

WHEREAS, Section 1.150-2 of the United States Treasury Regulations (the “Regulations”) provides that proceeds of tax-exempt bonds may be used to reimburse the issuer of such bonds for expenditures incurred prior to the issuance of the bonds for qualifying expenditures, which include the funding of student loans, subject to certain limitations, provided that the issuer adopts an “official intent” to reimburse itself (in which case reimbursement may be made for expenditures made after the date of the declaration of such official intent and during the sixty days immediately preceding such official intent); and

WHEREAS, the Board has been apprised that up to \$45,000,000 in principal amount of such student loans may need to be made prior to the issuance by the Corporation of revenue bonds in calendar years 2024 through 2026 (the “Bonds”); and

WHEREAS, the Corporation currently intends and reasonably expects to issue Bonds and to use up to \$45,000,000 of the proceeds of such Bonds to reimburse the Corporation for expenditures it makes from its own funds to make student loans incurred subsequent to sixty days prior to the date hereof, and the Board hereby desires to declare its official intent, pursuant to Section 1.150-2 of the Regulations, to reimburse the Corporation for such expenditures incurred with respect to such student loans from the proceeds of such Bonds; and

WHEREAS, similar circumstances could arise in the future, where the Corporation determines to make student loans with the intention of being reimbursed for such expenditure of moneys from future issuances of revenue bonds; and

WHEREAS, since the official intent may be in any reasonable form, including action by an appropriate representative of the issuer (*e.g.*, a person authorized or designated to declare official intent on behalf of the issuer), the Board has determined to appoint a representative of the Corporation to declare the Corporation’s official intent in the future with respect to the

reimbursement of expenditures for future student loans and related issuance costs, all in accordance with Section 1.150-2 of the Regulations;

NOW THEREFORE, BE IT RESOLVED THAT:

1. The Corporation presently intends and reasonably expects to make up to \$45,000,000 in principal amount of student loans with moneys currently contained in its operating, general or other funds, which funds have not been, and are not reasonably expected to be, allocated to such student loans on a long-term basis.

2. The Corporation presently intends and reasonably expects to issue Bonds in calendar years 2024 through 2026 and to allocate an amount not to exceed \$45,000,000 of the proceeds of such Bonds to reimburse the Corporation for its expenditures in connection with making such student loans.

3. The Board hereby determines to and does now appoint and authorize Michael R. Stuart or his successor as Vice President and CFO, and Scott A. Giles or his successor as President and CEO, each acting individually as the representative of the Corporation, to declare the Corporation's official intent with respect to the reimbursement of expenditures in the future for student loans and related issuance costs to be reimbursed from future taxable or tax-exempt borrowings, all in accordance with Section 1.150-2 of the Regulations.

4. All prior acts and doings of the officers, agents and employees of the Corporation which are in conformity with the purposes and intent of this Resolution, and in furtherance of the purposes of this Resolution, shall be and the same hereby are in all respects ratified, approved and confirmed.

5. This Resolution shall take effect immediately upon adoption.

The foregoing resolution of the Board of Directors of Vermont Student Assistance Corporation was adopted the 15th day of April, 2024.

VERMONT STUDENT ASSISTANCE
CORPORATION

