

CONNECTICUT HIGHER EDUCATION SUPPLEMENTAL LOAN AUTHORITY

Minutes of Authority Board Meeting

November 7, 2019

The State of Connecticut Higher Education Supplemental Loan Authority met at 11:30 a.m. on Thursday, November 7, 2019.

The meeting was called to order at 11:30 a.m. by Peter W. Lisi.

Those present and absent were as follows:

Present: Peter W. Lisi
Benjamin Barnes (*Designee for CT State Colleges and Universities President*)
Martin L. Budd
Andrew A. Foster
Steven Kitowicz (*Designee for Connecticut OPM Secretary*)
Sheree Mailhot (*Designee for Connecticut State Treasurer*)¹
Julie B. Savino
Jeanette W. Weldon, Executive Director

Also Present: Denise Aguilera, General Counsel, CHEFA
Kevin Barry, Accountant, CHEFA
Debrah Galli, Manager of Administrative Services, CHEFA
Joshua Hurlock, Assistant Director, CHESLA
Carlee Levin, Sr. Accountant, CHEFA/CHESLA
Eileen MacDonald, Sr. Transaction Specialist, CHEFA
JoAnne Mackewicz, Controller, CHEFA
Cynthia Peoples, Managing Director, CHEFA
Shannon Reynolds, Portfolio Assistant, CHESLA
Natalia Rozio, Portfolio Administrative Assistant, CHESLA

Guests: Judith Blank, Esq., Day Pitney LLP
Nancy S. Nicolescu, Director of Education & Communications,
Office of State Ethics
Joseph Santoro, Director-Education Finance Team Leader, BofA Securities, Inc.
Melissa Vachon, Vice President, U.S. Bank²
Thomas H. Webb, Vice President, Hilltop Securities N.A.³

MINUTES

¹ Sheree Mailhot participated in the meeting via conference telephone that permitted all parties to hear each other.

² Melissa Vachon participated in the meeting via conference telephone that permitted all parties to hear each other.

³ Tim Webb participated in the meeting via conference telephone that permitted all parties to hear each other.

Mr. Lisi requested a motion to approve the meeting minutes of the September 19, 2019 Board of Directors meeting with a correction to reflect the abstention of Mr. Foster with regard to approval of the minutes of the June 20, 2019 Special Meeting. Mr. Budd moved to approve the board meeting minutes with corrections and Ms. Savino seconded the motion.

Upon roll call, the “Ayes,” “Nays” and “Abstentions” were as follows:

AYES

Benjamin Barnes
Martin L. Budd
Andrew A. Foster
Steven Kitowicz
Sheree Mailhot
Julie B. Savino
Jeanette W. Weldon

NAYS

None

ABSTENTIONS

Peter W. Lisi

ANNUAL ETHICS TRAINING

Ms. Nicolescu provided a copy of the Top Ten Ethics Rules for Public Officials and State Employees.

Ms. Nicolescu provided ethics training, in accordance with the requirements of the Authority’s Ethics Statement and Policies.

A discussion ensued regarding gifts and gift exceptions.

Ms. Nicolescu encouraged the Board members to contact the Office of State Ethics if they had any questions.

Mr. Barnes entered the room at 11:39 a.m.

QUARTERLY FINANCIAL REPORT

Ms. Levin reported on the quarterly financial statements as of September 30, 2019.

EXECUTIVE DIRECTOR’S REPORT

Authority Updates

Ms. Weldon stated that her update would initially be focused on the provided reference material, “An Economic Perspective of Income Share Agreements”⁴ and “Unlocking the potential of ISAs to tackle the student debt crisis”. Income Share Agreements (ISAs) have received attention recently as an alternative to student loans for financing higher education expenses. Ms. Weldon noted that the information is being shared with Board Members so that they can begin to familiarize themselves with ISAs. Ms. Weldon stated that she learned more about the program through an Education Finance Council (EFC) conference that she had attended in September.

⁴ Christensen Institute, by Richard Price with contributions from Alana Dunagan

The EFC is CHESLA's trade association. The conference provided numerous sessions on the subject of ISAs as an alternative to student loans. Ms. Weldon stated that there is an interesting potential for a pilot program through collaboration of CHEFA and CHESLA. The program would relate to many aspects of the CHEFA/CHESLA Strategic Plan and the related Strategic Pillars and could draw on the CHEFA grant program's focus on workforce development.

Ms. Weldon continued that the San Diego Workforce Partnership (SDWP), in collaboration with the University of California San Diego Extension School has identified specific computer career certificate programs where it will offer ISAs. Ms. Weldon said staff will be having a conference call with the director of the SDWP to get a better understanding of the program and assess its feasibility as a model pilot program for CHESLA. If it is determined that the program has potential, further board education will be provided on ISAs.

A discussion ensued regarding ISAs and the Board supported further education.

Ms. Weldon noted that she and CHESLA staff are continuing their efforts to meet with as many people as possible to summarize some of the workforce development initiatives at both CHEFA and CHESLA. Jeanette Weldon, Josh Hurlock, and David Wasch, Legislative Liaison for both CHEFA and CHESLA, made presentations to Paul Mounds, Chief Operating Officer for the Governor; State Treasurer Shawn Wooden; and this week with Peter Denious, CEO of CERC. Ms. Weldon stated examples of the content that is being presented at these meetings. Additionally, Mr. Hurlock and Ms. Weldon have connected with the Council on Women and Girls created by the Governor. Within the council is a subcommittee that has a financial literacy initiative. The subcommittee is interested in CT Dollars and Sense as a potential vehicle that it can use as part of this initiative.

On October 4, Josh Hurlock and Jeanette Weldon met with representatives of the Human Resources Department at The Hartford to discuss the tax credit for employers that pay down employee CHESLA refinance loans. The Hartford uses a vendor called Gradifi to manage the payments and lenders, all with national lending abilities. Mr. Hurlock and Ms. Weldon met with Gradifi to learn how the program could include CHESLA and they will continue to explore this and other options.

Portfolio and Marketing Update

Mr. Hurlock provided an update on the following items:

- In-School Portfolio Fact Sheet
- CCA Default Collections and CT Income Tax Intercepts
- In-School Loan Program disbursement data
- In-School Loan Program market segment data
- Loan originations comparison to cash flow assumptions
- Refi CT disbursement data
- Refi CT portfolio analysis
- Strategic Plan dashboard with marketing highlights
 - Fox 61 Refi CT testimonial spot – aired during Game 3 of the World Series
 - NBC CT Refi CT testimonial spot
 - College Fairs
- Transition Updates:
 - No application blackout period due to the efforts of Campus Door

- Firstmark provided borrower files to UAS the evening of November 1st

Website Analytics

Ms. Shannon Reynolds provided an update/comparison on Google Analytics regarding CT Dollars and Sense and CHESLA.org.

Mr. Lisi inquired about the cost of the ad that ran during the World Series. Mr. Hurlock stated that the ad cost approximately \$1,500 to run at that time.

Ms. Savino asked about the cost to run ads on Fox 61. Mr. Hurlock said that the partnership with Fox 61 is for 1 year and includes TV spots, digital, targeted email blasts, etc.

APPROVAL OF BOARD AND COMMITTEE MEETING DATES - 2020

After a brief discussion, the Board agreed on the following 2020 Board and Committee meeting dates/times:

Thursday, January 23

- ◆ Board Meeting, 11:30 a.m.

Tuesday, March 3

- ◆ Vendor/Consulting Committee, 11:00 a.m.
- ◆ Board Meeting, 11:30 a.m.

Thursday, June 25

- ◆ Audit-Finance/HR Committee, 10:30 a.m.
- ◆ Board Meeting, 11:30 a.m.

Thursday, September 17

- ◆ Board Meeting – Annual Meeting, 11:30 a.m.

Thursday, November 5

- ◆ Board Meeting, 11:30 a.m.

Ms. Savino moved to approve the meeting schedule for 2020 and Mr. Kitowicz seconded the motion.

Upon roll call, the “Ayes,” “Nays” and “Abstentions” were as follows:

AYES

Benjamin Barnes
Martin L. Budd
Andrew A. Foster
Steven Kitowicz
Peter W. Lisi
Sheree Mailhot
Julie B. Savino
Jeanette W. Weldon

NAYS

None

ABSTENTIONS

None

FINAL

ADJOURNMENT

There being no further business, at 12:55 p.m., Mr. Lisi asked for a motion to adjourn the meeting. Mr. Kitowicz moved the motion and Ms. Savino seconded the motion.

Upon roll call, the "Ayes," "Nays" and "Abstentions" were as follows:

AYES

Benjamin Barnes
Martin L. Budd
Andrew A. Foster
Steven Kitowicz
Peter W. Lisi
Sheree Mailhot
Julie B. Savino
Jeanette W. Weldon

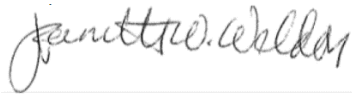
NAYS

None

ABSTENTIONS

None

Respectfully submitted,



Jeanette W. Weldon
Executive Director