

CONNECTICUT HIGHER EDUCATION SUPPLEMENTAL LOAN AUTHORITY
Minutes of CHESLA Board Meeting
March 24, 2022

The State of Connecticut Higher Education Supplemental Loan Authority held a telephonic meeting at 11:30 a.m. on Thursday, March 24, 2022.¹

The meeting was called to order at 11:32 a.m. by Mr. Peter Lisi, Chair, of the CHESLA Board of Directors. Those present and absent were as follows:

- Present: Peter W. Lisi, Chair
Martin L. Budd
Andrew A. Foster
Darrell V. Hill (*Designee for Connecticut State Treasurer Shawn T. Wooden*)
Michael Izadi (*Designee for Connecticut OPM Acting Secretary*)
Julie B. Savino, Vice Chair
Jeanette W. Weldon (*Executive Director CHEFA and CHESLA*)
- Absent: Benjamin B. Barnes (*Designee for CT State Colleges and Universities President*)
Kelli-Marie Vallieres
- Also Present: Denise Aguilera, General Counsel, CHEFA
Kevin Barry, Accountant, CHEFA
Jessica Bishop, Administrative Services Assistant, CHEFA
Daniel Giungi, Communication and Legislative Affairs Specialist, CHEFA
Josh Hurlock, Assistant Director, CHESLA
Carlee Levin, Sr. Accountant, CHEFA
JoAnne Mackewicz, Controller, CHEFA
Cynthia D. Peoples-H., Managing Director, Operations & Finance, CHEFA
Ashley Perreira, Scholarship Program Assistant, CHESLA
Shannon Reynolds, Portfolio Assistant, CHESLA
Kara Stuart, Manager, Administrative Services, CHEFA
- Guests: Judith Blank, Esq., Pullman & Comley LLC
Sandra Dawson, Member, Pullman & Comley LLC
Brian Kares, Vice President, RBC Capital Markets
William Kotkosky, AVP & Relationship Manager, U.S. Bank, N.A.
Tyler Percell, Associate, BofA Securities, Inc.
Matthew Rosen, High School Counselor, Wilton High School, Member of
CHESLA Advisory Committee
Joseph Santoro, Director-Education Finance Team Leader, BofA Securities, Inc.
Jeff Wagner, Managing Director, RBC Capital Markets
Tyler Walsh, Associate, RBC Capital Markets
Thomas H. Webb, Director, Hilltop Securities N. A.
Gary Wolf, Director, RBC Capital Markets

¹ All attendees participated in the meeting via conference telephone that permitted all parties to hear each other

APPROVAL OF MINUTES

Mr. Lisi requested a motion to approve the meeting minutes of the January 27, 2022 Board of Directors special meeting. Mr. Budd moved to approve the minutes and Ms. Savino seconded the motion.

Mr. Budd inquired about whether inter-district schools would be considered Alliance District eligible. Ms. Aguilera stated that a teacher is eligible if they are employed by an Alliance District as a teacher and the Alliance District is involved in the management of the magnet school located outside of the Alliance District.

Upon a voice vote, the “Ayes,” “Nays” and “Abstentions” were as follows:

AYES

Peter W. Lisi
Martin L. Budd
Andrew A. Foster
Darrell V. Hill
Michael Izadi
Julie B. Savino
Jeanette W. Weldon

NAYS

None

ABSTENTIONS

None

EMPLOYEE INTRODUCTION

Mr. Hurlock introduced Ashley Perreira, Scholarship Program Assistant, who joined CHESLA on February 7, 2022 on a temporary basis.

QUARTERLY FINANCIALS 12/31/21

Ms. Levin reported on the financials for the six months ending December 31, 2021. Ms. Levin stated that revenues over expenses before non-operating income and expenses were \$70, and revenues over expenses after non-operating income and expenses were \$1,188. Ms. Levin reported that total YTD revenues were \$27,759 under budget and total YTD expenses were \$6,444 under budget.

Ms. Levin reported the following on the bond fund financials:

- On November 15, 2021, the remaining bond proceeds in the 2019A loan fund of \$710,000 and excess revenues of \$1,000,000 were used to pay down bonds in the 2019A Series. The remaining outstanding bond balance is \$2,875,000. Their regular paydown of \$415,000 was also on 11/15/2021.
- The total change in net position for the 1990 Resolution is an increase of \$80,449.
- The total change in net position for the 2019 Resolution is a decrease of \$60,273; which is actually \$180,000 less of a decrease than the first quarter which was negative \$247,528.

Ms. Levin reported the following for other programs:

- The total change in net position for the Scholarship Fund for this quarter was a decrease of \$8,229 due to additional scholarship disbursements, using prior year scholarship funds that had been returned from schools due to students withdrawing.
- The total change in net position for the Non-Bond Refi program was a decrease of \$85,867 due to an increase in loan origination fees, loan servicing fees, and the allowance for loan loss expense.

Mr. Budd inquired about a GIC on page 30 of the Board package with a 5% return. Ms. Weldon stated that the GIC is associated with the SCRF. A discussion ensued.

EXECUTIVE DIRECTOR'S REPORT

Authority Updates

Ms. Weldon presented a CHESLA Budget Modification Request for approximately \$10,500 to accommodate for expenses associated with the hiring of a temporary employee during the medical leave of a CHESLA staff member through May 13, 2022.

Mr. Lisi stated that because the request exceeds \$5,000 it requires Board approval and requested a motion to approve the CHESLA Budget Modification Request for approximately \$10,500. Mr. Budd motioned to approve the budget modification request and Mr. Foster seconded the motion.

Upon a voice vote, the "Ayes," "Nays" and "Abstentions" were as follows:

AYES

Peter W. Lisi
Martin L. Budd
Andrew A. Foster
Darrell V. Hill
Michael Izadi
Julie B. Savino
Jeanette W. Weldon

NAYS

None

ABSTENTIONS

None

Ms. Weldon provided an overview of the CHEFA/CHESLA Strategic Plan Status for FY 2022 – 2024, which was distributed with the meeting materials. Ms. Weldon highlighted initiatives and activities within the last 6 months.

Portfolio Update

Mr. Hurlock reported the following on loan disbursement data as of December 21, 2021:

- In the 2nd Quarter, CHESLA disbursed about \$1.3 million for the In-School Loan Program
- The In-School Loan Program is approximately \$1 million behind FY 2021 through the 2nd quarter.
- Loan volume loss can be attributed to the pandemic, as the higher education industry has not fully recovered.
 - Industry research through National Student Clearinghouse indicates the pandemic is a key factor. Nationally, higher education has lost approximately 1 million students since Fall 2019; Statewide, a 2-year decline amounts to approximately 10,000 students
- Mr. Hurlock reported that despite the industry challenges, CHESLA has continued to push marketing efforts. Website traffic has increased by 7% year-over-year; however, loan applications have decreased by 14%
- In comparing the loan volume of CT institutions, the comparison to FY 2021 through Q2 demonstrates that disbursement amounts vary by institution. This also shows the varying impact of the pandemic as schools have not been equally impacted.

Mr. Hurlock reported that through February 2022, CHESLA is currently \$3.5 million behind on the 2021B comparison to cash flow assumptions and stated that an analysis run through December 2023 indicates series 2019B has sufficient excess revenue to cover the debt service of 2021B.

The floor was opened to questions and a discussion ensued.

Mr. Hurlock reported that after a downturn in the Refi CT program, CHESLA experienced a historical high Q2 with \$758,000 in disbursements.

Scholarship Update

Mr. Hurlock reported that certificate scholarship applications remain open; 21 scholarships have been disbursed to date, totaling \$26,250, and a new round of funding will open on July 1, 2022. Mr. Hurlock reported that applications for undergraduate scholarships opened on March 1, 2022 with a deadline of May 1, 2022; 40 applications have been submitted and approximately 600 are drafted.

Marketing & Outreach Update

Ms. Reynolds provided the following overview:

- Over 14,000 new users to the CHESLA website representing a 6.8% increase from the prior year
- Over 70% of online traffic visits to CHESLA come from organic searches or direct to site
- Over 21,000 sessions representing a 2.9% increase from the prior year
- Q1 and Q2 saw a decrease in loan applications submitted by 13.7%

Ms. Reynolds reported on the following marketing efforts:

- Attended annual Southern Connecticut College Fair in Bridgeport on October 5, 2021
- Attended State Representative Kara Rochelle's 104th District Future Fair 2021 at Ansonia High School on October 16, 2021
- Continued outreach and promotion of all CHESLA programs through TV, Radio, Digital, and Social Media
- Ads during sporting events and pregame of NFL playoff games, Super Bowl Sunday; demographic and behavioral targeted emails; geofencing advertising around Sacred Heart, Quinnipiac, and UConn; and non-skippable ads running on digital streaming platforms

Ms. Reynolds reported that CHESLA has reached out to over 150 high schools in Connecticut; hosted virtual presentations for Greenwich High School, Brookfield High School, Plainfield High School, CREC Magnet Schools, and Cheshire High School; Fairfield Warde High School reached out to schedule for Fall 2022.

EXECUTIVE SESSION - BOND PROPOSAL

Mr. Lisi requested a motion to go into Executive Session at 12:20 p.m. for a bond proposal discussion. Ms. Savino moved to go into Executive Session and Mr. Foster seconded the motion.

Upon a voice vote, the "Ayes," "Nays" and "Abstentions" were as follows:

AYES

Peter W. Lisi
Martin L. Budd
Andrew A. Foster
Darrell V. Hill
Michael Izadi
Julie B. Savino

NAYS

None

ABSTENTIONS

None

FINAL

Approved: April 19, 2022

Jeanette W. Weldon

At 12:20 p.m. Ms. Aguilera, Ms. Peoples, Mr. Hurlock, Ms. Reynolds, Ms. Mackewicz, Ms. Levin, Ms. Judith Blank of Pullman & Comley, Ms. Sandra Dawson of Pullman & Comley, Mr. Tim Webb of Hilltop Securities, Mr. Brian Kares of RBC Capital Markets, Jeff Wagner of RBC Capital Markets, Tyler Walsh of RBC Capital Markets, Gary Wolf of RBC Capital Markets, and all CHESLA Board members left the telephonic meeting to attend the Executive Session via a separate telephonic meeting room.

Ms. Aguilera, Ms. Peoples, Mr. Hurlock, Ms. Reynolds, Ms. Mackewicz, Ms. Levin, Ms. Judith Blank of Pullman & Comley, Ms. Sandra Dawson of Pullman & Comley, Mr. Tim Webb of Hilltop Securities, Mr. Brian Kares of RBC Capital Markets, Jeff Wagner of RBC Capital Markets, Tyler Walsh of RBC Capital Markets, Gary Wolf of RBC Capital Markets, and all CHESLA Board members returned to the telephonic meeting at 1:00 p.m. and the meeting reconvened. Mr. Lisi stated that no votes were taken during Executive Session.

ADJOURNMENT

There being no further business, at 1:00 p.m., Mr. Foster moved to adjourn the meeting and Mr. Budd seconded the motion.

Upon a voice vote, the "Ayes," "Nays" and "Abstentions" were as follows:

AYES

Peter W. Lisi
Martin L. Budd
Andrew A. Foster
Darrell V. Hill
Julie B. Savino
Jeanette W. Weldon

NAYS

None

ABSTENTIONS

None

Respectfully submitted



Jeanette W. Weldon
Executive Director