

CONNECTICUT HIGHER EDUCATION SUPPLEMENTAL LOAN AUTHORITY

Minutes of Special Board Meeting
January 10, 2012
University of Connecticut – Waterbury Campus
99 East Main Street Waterbury, Connecticut

Authority Members Present: Michael E. McKeeman, Chairman; Martin Budd; Delores Graham; Steve Kitowicz (for Ben Barnes); William Pizzuto; and Sarah Sanders (for Denise Nappier); Julie Savino

Authority Staff and Advisors Present: Judith B. Greiman, Executive Director; Samuel E. Rush, Deputy Director; Judith Blank, Day Pitney LLP (General and Bond Counsel)

A quorum being present, the Chairman called the meeting to order at 9:50 a.m. Mr. McKeeman called upon Ms. Savino to give the report from the Management Planning Committee.

Ms. Savino stated that the charge of the committee was to access short and long term management strategies that would continuously work to provide loan funds and customer service to borrowers. Ms. Savino discussed the various considerations made and phases reviewed throughout the management planning process and made note of the matrix developed based on the committee's research.

Ms. Savino reported that committee members had spoken with CHFA staff and determined that it would not be a good fit for CHESLA. She stated that the committee also did not feel that it was viable to have CHESLA operate on its own. She noted that committee members decided that a management contract or similar relationship was best. Ms. Savino noted that the current contract with CCIC extends to 2013.

Ms. Savino stated that the relationship with CCIC and Ms. Greiman was working and nothing was broke. She noted that the committee met with CHEFA and the outcome resulted in three options: merger, contract for management or subsidiary.

Ms. Savino made note of a memorandum from Ms. Greiman outlining various issues to keep in mind, as well as a memorandum from Jeff Asher from CHEFA regarding the options available. Ms. Savino indicated that the final phase of the process would be due diligence activities between January and March. Mr. Budd asked that a cost analysis be prepared as part of the due diligence work.

Mr. Budd reported that he had a conversation with OPM Secretary Barnes in which Mr. Barnes indicated that some efficiencies could be achieved with a CHEFA merger and that the state may contribute \$1 million dollars to provide loans to disadvantaged students who are not otherwise able to access a CHESLA loan. Mr. Budd suggested that a committee be formed to explore that option.

Mr. Budd made a motion to authorize the Management Committee to ask CHEFA to conduct due diligence work to explore an affiliation with CHESLA. Seconded by Mr. Kitowicz, the motion passed unanimously.

The meeting adjourned at 11.15 a.m.