

CONNECTICUT HIGHER EDUCATION
SUPPLEMENTAL LOAN AUTHORITY

Agenda item 4

Management Planning Committee
Meeting Minutes
January 10, 2012

Committee Members Present: Julie Savino (Chair), Michael McKeeman, Michael Meotti, Sarah Sanders (for Denise Nappier), Martin Budd

CHESLA Board, Authority Staff and Advisors Present: Steven Kitowicz (for Ben Barnes), Judith Blank (Day Pitney)

The meeting held at University of Connecticut Waterbury Campus was called to order at 9:05 a.m.

The December 19, 2011 minutes were presented. Mike McKeeman motioned to approve the minutes, seconded by Martin Budd. Motion unanimously approved.

Julie Savino stated for the committee and those present that over the last 18th months the MPC assumed the charge from the CHESLA Board to perform due diligence without bias to assess a short and long term strategic direction for management that will continue to serve the students and families of CT and their need for financing in a tumultuous time in our history. Ms. Savino also felt at present CHESLA is a strong quasi state organization, whom within the financial aid industry has an excellent reputation and been a model for other higher education alternative loan programs. As background for discussion the following summary of activity was presented:

Phase I: July 2010 – December 2010 Information Gathering.

- Collected CHESLA MPC Information included current CHESLA management, organizational relationships and costs.
- Review of Potential Future Strategic Options for CHESLA, prepared by Sarah Sanders with input from Committee.

Phase II: January 2011 – December 2011 Vetting Process

CHESLA key areas for operating structure and senior management were discussed in early January 2011, with a schedule of activities that took place in the months that followed.

- Independent Authority with CHESLA Executive Director: From the review of the information available as of June 2011, it was the opinion of the Committee that an individually staffed organization was not an appropriate option in the short-term. It was more appropriate to continue to operate with either a contracted model or with a relationship with a Connecticut quasi either contracted or statutorily.
- Contract of Service with CCIC: Contract end date June 30, 2012, with option for two-year renewal through June 30, 2014. Since work not yet complete and future direction unsure, the contract was extended until June 30, 2013.
Is a good contract for CHESLA, fiscally sound, prudent, yet as with any contract services subject to an RFP process on a three year cycle.
- Relationship with a Connecticut Quasi. Conversations with CHEFA (open for further conversation) and CHFA (no interest) took place in the early part of 2011. A unified approach was brought forth from those representing OPM, Treasurer's Office and Department of Higher Education, in which they would meet with the state officials to assess support and confirm levels of interest. Of recent, OPM Secretary Ben Barnes comments that in his view integrating CHESLA's mission with CHEFA could have a number of advantages, that it could be accomplished in a timely fashion and that he would view it positively if recommended by CHESLA's Board.

CHEFA staff met with the MPC November 28, 2011 outlining three options for partnering with CHESLA. 1. Merger, 2. Contractual via MoU, or 3. Subsidiary. Following the December CHESLA Board Meeting a MPC meeting was called on December 19, 2011. A general discussion ensued about the various issues that would need to be understood between CHESLA and CHEFA that brings us to a year-end review.

Phase III: January 2012 – March 2012. Careful examination (scrutiny) of options suitable for CHESLA's future management structure.