

# CONNECTICUT HIGHER EDUCATION SUPPLEMENTAL LOAN AUTHORITY

## Minutes of Meeting

March 13, 2012

UConn Waterbury Campus – 2<sup>nd</sup> Floor Conference Room, 230E  
99 East Main Street Waterbury, Connecticut

Authority Members Present: Julie Savino, Vice Chair; Martin Budd; Delores Graham; Steve Kitowicz (for Ben Barnes); William Pizzuto; Sarah Sanders (for Denise Nappier)

Authority Staff and Advisors Present: Judith B. Greiman, Executive Director; Samuel E. Rush, Deputy Director; Joshua Hurlock, Portfolio and Marketing Assistant; Judith Blank, Day Pitney (General and Bond Counsel); Elizabeth Hammer, U.S. Bank (Trustee); Christine Doyle, PFM (Financial Advisor); Joe Santoro, Merrill Lynch/Bank of America (Co-managing Underwriter); Reed Risteen, Blum Shapiro (Auditor)

Authority Advisory Committee Members Present: None

Guest/Members of the Public Present: Jeffrey Asher, Executive Director, Jeanette Weldon, Managing Director and Paula Herman, General Counsel (CHEFA)

A quorum being present, the Vice Chairman called the meeting to order at 9:08 a.m. The minutes of the December 15, 2011 Board meeting and January 10, 2012 Special Board meeting were unanimously approved.

Mr. Kitowicz made a motion to approve the December 15, 2011 and February 1, 2012 Bond Committee minutes. Seconded by Ms. Sanders, the motion was approved unanimously by Bond committee members.

Mr. Budd made a motion to approve the January 10, 2012 Management Planning Committee meeting minutes. Seconded by Ms. Sanders, the motion was approved unanimously by Management Planning Committee members.

Mr. Rush reviewed the quarterly marketing data.

Ms. Greiman presented the executive director's report. She noted:

- Staff has contacted all financial aid directors and campus loan staff with information on the program, flyers and a request to be notified of upcoming opportunities to respond to an RFI process.
- Notice has been sent to all transfer counselors at community colleges in an initiative started by Josh
- Considerable time has been devoted to gathering data and info for the CHEFA due diligence process
- The bond deal has been priority over the past few months.
- The Legislature has heard the CHESLA/CHEFA merger bill in one committee and has forwarded that bill to the House. It is likely to be combined with other mergers into one bill. The issue of the effective date remains open.

She further reported that the Authority had \$19.2 million (gross) of 2010 loan funds available to lend. Ms. Greiman indicated that Collection Company of America (CCA) had collected approximately \$13.5 million (net) through fiscal month end December 2011 (first placement collection rate of 72.3%; second placement collection rate of 77.1%).

Ms. Greiman reviewed the FY2012 budget year to date results. She indicated that the budget reflects a reduction in revenue from the 1990 Trust accounts due to the lower draw approved by the Bond Committee in December and the higher computer expense line item stemming from recent upgrades as approved by the Board.

Ms. Greiman reported that agenda item 5d consisted of AMTEC's quarterly 2% Loan Yield calculations. She indicated that the liability amounts continued to be tracked and that further action may be needed in the future to further decrease existing liabilities. Following discussion, she indicated that she will convene the 2% Loan Yield Committee soon to have members flesh out options for consideration by the Board.

Mr. Rush provided a revised copy of the combined statement of revenues, expenses and changes in net assets. He reported that Mr. Santore indicated the financials for the second quarter were in good condition and that there were no significant issues. Ms. Greiman noted that Mr. Santore says that market fluctuations play a role in how our statements look and that there may be other ways to display this. Members encouraged her to have Mr. Santore display this both ways for comparison purposes at the next meeting.

Ms. Savino introduced a resolution to approve the payment of \$5,000 to Day Pitney for work performed for the Management Planning Committee. Ms. Greiman explained that the Management Planning Committee had authorized this additional payment and was under the impression that CHESLA's chair had authorization authority on expenditures up to \$5000 of unbudgeted expenses. In fact, the authority is for up to \$2000. Thus, a ratification of the approval is needed. Mr. Budd made a motion to approve the payment of \$5,000 to Day Pitney for work performed for the Management Planning Committee. Seconded by Dr. Pizzuto, the motion was approved unanimously.

Ms. Doyle reported on the status of the 2012 bond refinance deal. She indicated that the pricing date is March 14, 2012 and that a present value savings of 5.56% has been calculated as the savings of refinancing the 1999A and 2001A bonds.

Mr. Asher presented an overview of CHEFA, described its organization make up and reviewed the composition of the CHESLA Board of Directors if legislation to make CHESLA a subsidiary of CHEFA passes. He noted CHEFA's favorable support of changing the legislation to have an October 1 effective date. Mr. Asher stated that Ms. Weldon would assume the role of CHESLA Executive Director. Members and CHEFA staff engaged in a dialogue about CHEFA and how staff contemplate managing CHESLA.

Mr. Budd made a motion to approve a resolution stating the CHESLA Board of Directors supports Senate Bill No. 29, urging that the effective date of the legislation be October 1, 2012, and stating that the Board recognizes the valuable partnership with and excellent service provided by CCIC since the establishment of CHESLA and expresses its desire that the needs of CCIC be given due consideration in effecting the transition of the management of CHESLA as contemplated by Senate Bill No. 29. Seconded by Ms. Graham, the motion was approved unanimously.

New Business – No new business.

Public Participation – No public participation.

The meeting adjourned at 10:35 a.m.