

CONNECTICUT HIGHER EDUCATION SUPPLEMENTAL LOAN AUTHORITY  
Minutes of Special CHESLA Board Meeting  
May 11, 2021

The State of Connecticut Higher Education Supplemental Loan Authority held a special telephonic meeting at 12:00 p.m. on Tuesday, May 11, 2021.<sup>1</sup>

The meeting was called to order at 12:02 p.m. by Mr. Peter Lisi, Chair, of the CHESLA Board of Directors. Those present and absent were as follows:

Present: Peter W. Lisi, Chair  
Benjamin B. Barnes (*Designee for CT State Colleges and Universities President*)  
Martin L. Budd  
Darrell V. Hill, (*Designee for Connecticut State Treasurer*)  
Steven Kitowicz (*Designee for Connecticut OPM Secretary*)  
Julie B. Savino, Vice Chair  
Jeanette W. Weldon (*Executive Director CHEFA and CHESLA*)

Absent: Andrew A. Foster

Also Present: Denise Aguilera, General Counsel, CHEFA  
Debrah Galli, Manager of Administrative Services, CHEFA  
Joshua Hurlock, Assistant Director, CHESLA  
Carlee Levin, Sr. Accountant, CHEFA  
JoAnne Mackewicz, Controller, CHEFA  
Cynthia D. Peoples-H., Managing Director, CHEFA  
Shannon Reynolds, Portfolio Assistant, CHESLA  
Natalia Rozio, Portfolio Administrative Assistant, CHESLA  
Kara Stuart, Administrative Services Assistant of the Connecticut Health and Educational Facilities Authority

Guests: Judith Blank, Esq., Pullman & Comley LLC  
Lew Deluca, Coordinator, Student Financial Literacy and Advising, SCSU  
William Kotkosky, Assistant Vice President & Relationship Manager,  
U.S. Bank Global Corporate Trust  
Scott Robertson, Vice President, BofA Securities, Inc.  
Joseph Santoro, Director-Education Finance Team Leader, BofA Securities, Inc.  
Thomas H. Webb, Director, Hilltop Securities N. A

**APPROVAL OF MINUTES**

Mr. Lisi requested a motion to approve the meeting minutes of the March 25, 2021 Board of Directors meeting.

Ms. Savino stated that there is an error on page 3 of the Board minutes showing “Mr. List” when it should be corrected to “Mr. Lisi.”

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

Mr. Budd moved to approve the board meeting minutes with the above correction and Mr. Kitowicz seconded the motion.

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

<u><b>AYES</b></u>	<u><b>NAYS</b></u>	<u><b>ABSTENTIONS</b></u>
Peter W. Lisi	None	None
Benjamin B. Barnes		
Martin Budd		
Darrell V. Hill		
Steven Kitowicz		
Julie B. Savino		
Jeanette W. Weldon		

### **APPROVAL OF MINUTES**

Mr. Lisi requested a motion to approve the meeting minutes of the April 1, 2021 CHEFA and CHESLA Board of Directors Strategic Planning Retreat meeting. Mr. Budd moved to approve the board meeting minutes and Mr. Lisi seconded the motion.

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

<u><b>AYES</b></u>	<u><b>NAYS</b></u>	<u><b>ABSTENTIONS</b></u>
Peter W. Lisi	None	Steven Kitowicz <sup>2</sup>
Benjamin B. Barnes		
Martin Budd		
Darrell V. Hill		
Julie B. Savino		
Jeanette W. Weldon		

### **RESOLUTION TO APPROVE AUTHORIZING RESOLUTION FOR THE 2021 SERIES B BONDS (2021-02)**

Ms. Weldon reported that she and Mr. Hurlock have been working with CHESLA’s financial advisor, underwriter and bond counsel to structure the 2021 Series B transaction. Ms. Weldon stated a key goal with this bond issuance is to eliminate the 3% reserve fee for borrowers. Ms. Weldon turned the floor over to Mr. Hurlock.

Mr. Hurlock reported that he has been researching the student loan industry regarding origination fees, looking at 5 state organizations similar to CHESLA and 7 other private lenders, finding that a vast majority of organizations do not have origination fees. Mr. Hurlock noted that in March a bill was proposed in the Senate to remove origination fees for all federal loans.

Ms. Weldon stated that eliminating the reserve fee is important for CHESLA to achieve. Ms. Weldon referenced the transaction, financial statements, and balance sheet in the Board package. Ms. Weldon stated that staff is proposing a \$1 million equity contribution in the bond transaction to facilitate the elimination of the 3% reserve fee. Ms. Weldon turned the floor over to Mr. Tim Webb, Hilltop Securities, to summarize the 2021 Series B financing and cash flows of the bond transaction.

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<sup>2</sup> Mr. Kitowicz abstained from voting as he did not attend the April 1, 2021 Meeting.

Mr. Webb gave a detailed presentation including the following items:

- PLUS Loan Rate vs CHESLA In-School Loan Rate
- Series 2021B Proposed Bond Structure
- 2021B Stress Case Assumptions
- 2021B Stress Case Cash Flow Results and comparison
- 2021B Management Case Cash Flow Results

A brief discussion ensued.

Mr. Lisi requested a motion to approve the authorizing resolution for the 2021 Series B bonds (Resolution #2021-02). Mr. Budd moved to approve the resolution and Mr. Kitowicz seconded the motion.

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

<u>AYES</u>	<u>NAYS</u>	<u>ABSTENTIONS</u>
Peter W. Lisi	None	None
Benjamin B. Barnes		
Martin Budd		
Darrell V. Hill		
Steven Kitowicz		
Julie B. Savino		
Jeanette W. Weldon		

Mr. Lisi thanked Mr. Webb for his participation and expertise.

**RESOLUTION TO TRANSFER FUNDS FOR THE REFINANCE PROGRAM (2021-03)**

Ms. Weldon referenced the financial statements in the Board package. Ms. Weldon reported that the revenue account from the Refi loans outside of the trust has approximately \$1.7 million. The proposal would give management the ability to use up to \$1.5 million of those revenues to make new Refi loans.

Mr. Budd moved to approve the resolution to transfer funds for the refinance program (Resolution #2021-03) and Ms. Savino seconded the motion.

Mr. Budd inquired if management and counsel to the Authority could present a resolution allowing management to move funds from the revenue fund to the loan fund in the future without continually needing the Board’s authorization. A brief discussion ensued.

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

<u>AYES</u>	<u>NAYS</u>	<u>ABSTENTIONS</u>
Peter W. Lisi	None	None
Benjamin B. Barnes		
Martin Budd		
Darrell V. Hill		
Steven Kitowicz		
Julie B. Savino		
Jeanette W. Weldon		

**EXECUTIVE DIRECTOR’S REPORT**

Ms. Weldon reported that S.B. No. 932, An Act Concerning An Alliance District Teacher Loan Rate Subsidy Program, was voted out of the Higher Education Committee but did not make it out of the Finance, Revenue and Bonding Committee. Ms. Weldon stated that there is a reasonable chance that it will become part of an amendment to another bill that is already on the floor of the House. Ms. Weldon stated that staff will know more in the next few weeks and will continue to monitor the situation.

Mr. Budd inquired about the previous proposal regarding increasing the SCRF capacity using a letter of credit to fund the SCRF. Ms. Weldon stated that the proposal did not move forward. A brief discussion ensued.

**OTHER BUSINESS**

Mr. Lisi noted that Mr. Kitowicz will be retiring from the State of Connecticut. Mr. Lisi and all CHESLA Board members congratulated Mr. Kitowicz and thanked him for his time and support over the years.

**ADJOURNMENT**

There being no further business, at 12:50 p.m., Mr. Hill 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  
Benjamin B. Barnes  
Martin Budd  
Darrell V. Hill  
Steven Kitowicz  
Julie B. Savino  
Jeanette W. Weldon

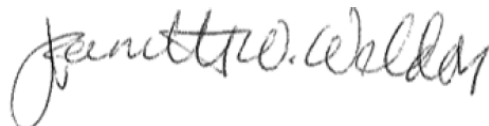
**NAYS**

None

**ABSTENTIONS**

None

Respectfully submitted



Jeanette W. Weldon  
Executive Director