

CONNECTICUT HIGHER EDUCATION SUPPLEMENTAL LOAN AUTHORITY  
Minutes of CHESLA Board Meeting  
September 21, 2023

The State of Connecticut Higher Education Supplemental Loan Authority held a meeting via videoconference on Thursday, September 21, 2023.<sup>1</sup>

The videoconference meeting was called to order at 11:30 a.m. by Mr. Peter W. Lisi, Chair of the CHESLA Board of Directors. Those present and absent were as follows:

PRESENT: Peter W. Lisi, Chair  
Laura M. Baker (*Designee for Chief Workforce Officer Kelli-Marie Vallieres*)  
Bettina Bronisz (*Designee for Connecticut State Treasurer Erick Russell*)  
Martin L. Budd  
Andrew Foster  
Michael Izadi (*Designee for Connecticut OPM Secretary Jeff Beckham*)  
Kerry A. Kelley (*Designee for CT State Colleges and Universities President Terrence Cheng*)  
Julie B. Savino, Vice Chair  
Jeanette W. Weldon (*Executive Director CHEFA and CHESLA*)

ALSO PRESENT: Denise Aguilera, General Counsel, CHEFA  
Charles Bodie, Managing Director of Finance and Operations  
Dan Giungi, Government Relations and Communications Specialist,  
CHEFA  
Rebecca Hrdlicka, Administrative Services Assistant, CHEFA  
Josh Hurlock, Assistant Director, CHESLA  
Carlee Levin, Senior Accountant, CHEFA  
JoAnne Mackewicz, Controller, CHEFA  
Shannon Reynolds, Portfolio Specialist, CHESLA  
Kara Stuart, Manager, Administrative Services, CHEFA  
Yesenia Torres-Rivera, Program Coordinator, CHESLA

GUESTS: Thomas Goldfuss, CPA & Partner, Whittlesey  
Nicole Pelletier, CPA & Manager, Whittlesey  
Tim Webb, Vice President, Hilltop Securities

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<sup>1</sup> 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 June 13, 2023 Board of Directors meeting. Mr. Budd moved to approve the minutes and Ms. Kelley seconded the motion.

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

**AYES**

Peter W. Lisi  
Laura Baker  
Bettina Bronisz  
Martin L. Budd  
Michael Izadi  
Kerry A. Kelley  
Julie B. Savino  
Jeanette W. Weldon

**NAYS**

None

**ABSTENTIONS**

Andrew Foster<sup>2</sup>

**REVIEW OF DRAFT AUDITED FINANCIAL STATEMENTS FOR FY 2023**

Mr. Thomas Goldfuss and Ms. Nicole Pelletier from Whittlesey presented the Independent Audit Report pertaining to CHESLA and gave an overview on the following topics:

- Audit Objectives and Planning the Audit
- Overview of Audit Results
- Required Communications
- Significant Audit Areas and Transactions
- Significant Accounting Estimates
- Financial Statements Highlights
- Status of Other Deliverables
- Current and Emerging Accounting Issues

During the presentation, Mr. Budd inquired about compensated absences and a brief discussion ensued.

After the presentation, Mr. Budd inquired about the timing of audit engagements. Mr. Goldfuss clarified that there is no partner or firm rotation requirement under general governing and auditing standards but that state law with quasi-state agencies requires partner or firm rotation every six years. Mr. Goldfuss stated that Whittlesey has been engaged on this audit for two years.

Mr. Bodie thanked Mr. Goldfuss and his team for their efforts with the Independent Audit.

Ms. Levin presented financial highlights for the fiscal year ending June 30, 2023. Ms. Levin stated that operating revenues were \$10.8 million, which represents a decrease of \$5.6 million from FY 2022 due to the \$7 million State contribution to the Alliance District Teacher Loan Subsidy Program received in FY 2022 and for the increase in CSLF funds received in FY 2023. Operating expenses increased by \$2.4 million compared to FY 2022 due to the \$1.7 million interest expense increase. The total operating income was \$1.2 million in FY 2023 compared to FY 2022. Ms. Levin also stated that the change in net position for FY 2023, after non-operating income, is \$3.5 million.

Ms. Levin provided an overview on the student loan receivables and bond payables. Ms. Levin reported that CHESLA closed one new bond issue totaling \$25.8 million in FY 2023. Ms. Levin

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<sup>2</sup> Mr. Foster abstained from voting as he did not attend the CHESLA Board of Directors meeting held June 13, 2023.



also reported that CHESLA utilized excess revenues to redeem additional bonds in the 2019A, 2019B, and 2020 series totaling \$4.7 million. Ms. Levin reported that the total net position was \$44.6 million, as of June 30, 2023.

Mr. Lisi requested a motion to approve draft audited financial statements for FY 2023 as presented by Whittlesey and as it relates to CHESLA. Mr. Budd moved for approval and Mr. Foster 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
Laura M. Baker		
Bettina Bronisz		
Martin Budd		
Andrew Foster		
Michael Izadi		
Kerry A. Kelley		
Julie B. Savino		
Jeanette W. Weldon		

**MEMORANDUM ON MANAGEMENT’S PROPOSED ALLOCATION OF UNRESTRICTED FUNDS**

Ms. Weldon reported that the CHESLA Board of Directors asked CHESLA management to provide a proposed allocation of unrestricted funds on the balance sheet. Ms. Weldon reported that the allocation is proposed as percentages to account for year-to-year fluctuations in the total amount of unrestricted funds. Ms. Weldon stated the approximate allocation as 60% available for equity contributions for future bond deals, 30% available for the CHESLA Scholarship Program, and 10% available as seed money for new initiatives.

Mr. Hurlock reported that the unrestricted funds total about \$3.1 million as of August 31, 2023 and provided a breakdown of the use of unrestricted funds for FY 2024 based on these percentages.

Mr. Hurlock reported that equity contributions have been necessary in prior bond deals to make the loan rate more attractive for students and families. Mr. Hurlock reported that CHESLA’s Scholarship Program has been a great success since its inception, disbursing approximately \$11 million and impacting over 5,700 students to date. As CHESLA’s mission is to provide cost-effective education financing programs, Mr. Hurlock stated that most of the unrestricted funds would be allocated to equity contributions for future bond deals to make the loan rate more attractive and also to the scholarship program. Mr. Hurlock reported that the funds allocated to the CHESLA Scholarship Program could be utilized either to increase the amount allocated to the scholarship program or to increase the amount allocated for the certificate program using unrestricted funds and support the scholarship program beyond the \$500,000 contribution from CSLF.

Mr. Budd inquired about the unrestricted funds if CHESLA were to be terminated. Ms. Weldon stated that the percentages of the unrestricted funds can be modified to cover the termination expenses if the situation arises. Mr. Hurlock noted the \$1 million in restricted funds on the balance sheet to cover termination expenses.

Ms. Weldon reported that these funds would remain invested pursuant to the investment policy, be utilized on an as-needed basis, and presented to the Board for approval at the time of implementation. Mr. Hurlock confirmed.

Mr. Budd moved for approval of management’s proposed allocation of unrestricted funds with the addendum that any withdrawal of funds be approved by the Board. 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	None
Laura M. Baker		
Bettina Bronisz		
Martin Budd		
Andrew Foster		
Michael Izadi		
Kerry A. Kelley		
Julie B. Savino		
Jeanette W. Weldon		

**INVESTMENT POLICY REVIEW (AUTHORIZING RESOLUTION #2023-06)**

Ms. Weldon introduced Mr. Charles Bodie to the Board as CHEFA’s new Managing Director of Finance and Operations, replacing Ms. Cynthia Peoples who resigned as of December 31, 2022. Mr. Bodie joined CHEFA on July 10, 2023, and is responsible for the investment policies of CHEFA, CHESLA, and CSLF under his position. Ms. Weldon noted that any time spent by CHEFA Staff is billed to CHESLA for support services. Mr. Bodie reported on his previous experience with Capital for Change and Bank of America.

Mr. Bodie presented the updates made to the CHESLA Investment Policy, stating that the redlined version has been provided for transparency purposes. Mr. Bodie reported the following changes were made:

- Formatting and language changes to provide consistency between the CHEFA and CHESLA policies
- Update in policy by Mr. Bodie to his official job title as responsible for investments instead “Investment Officer”.
- Removal of the 1990 Resolution from the Appendix, as this resolution has been closed

Mr. Budd noted on the bi-annual timeframe of investment policy review, which Mr. Bodie confirmed.

Mr. Budd inquired about the custodian for the investments, and a brief discussion ensued.

Mr. Budd moved for approval of the CHESLA Investment Policy (Authorizing Resolution #2023-06), and Ms. Savino 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
Laura M. Baker		
Bettina Bronisz		
Martin Budd		



Andrew Foster  
Michael Izadi  
Kerry A. Kelley  
Julie B. Savino  
Jeanette W. Weldon

**ELECTION OF VICE CHAIR**

Mr. Lisi stated that Ms. Savino has accepted the nomination as Vice Chair to the Board of Directors and thanked Ms. Savino for her continuing service.

Mr. Lisi requested a motion to approve Ms. Savino as Vice Chair of the Board of Directors. Mr. Foster moved for approval and Ms. Kelley seconded the motion.

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

<b><u>AYES</u></b>	<b><u>NAYS</u></b>	<b><u>ABSTENTIONS</u></b>
Peter W. Lisi	None	Julie B. Savino
Laura M. Baker		
Bettina Bronisz		
Martin Budd		
Andrew Foster		
Michael Izadi		
Kerry A. Kelley		
Jeanette W. Weldon		

**APPROVAL OF COMMITTEE CHAIRS AND COMMITTEE APPOINTMENTS**

Mr. Lisi stated that Ms. Bronisz and Mr. Budd have accepted the nominations for Chair of the Consultant/Vendor Committee and Audit-Finance/Human Resources Committee, respectively. Other committee member appointments were presented as follows:

- Consultant/Vendor Committee
  - Kerry Kelley (*Designee for CT State Colleges and Universities President Terrence Cheng*)
  - Kelli-Marie Vallieres
- Audit-Finance/Human Resource Committee
  - Michael Izadi (*Designee for Connecticut OPM Secretary Jeff Beckham*)
  - Andrew Foster
  - Julie Savino

Mr. Lisi requested a motion to approve the CHESLA Committee Chairs and Committee Members as presented. Mr. Lisi moved for approval and Mr. Foster seconded the motion.

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

<b><u>AYES</u></b>	<b><u>NAYS</u></b>	<b><u>ABSTENTIONS</u></b>
Peter W. Lisi	None	Martin Budd
Laura M. Baker		
Bettina Bronisz		
Andrew Foster		
Michael Izadi		
Kerry A. Kelley		
Julie B. Savino		

Jeanette W. Weldon

## **EXECUTIVE DIRECTOR'S REPORT**

### **Authority Updates**

Ms. Weldon reported on Public Act 23-70 that passed in the previous legislative session, which expanded the Alliance District Teacher Loan Subsidy Program to include paraprofessionals and counselors. Ms. Weldon stated that an updated Program Manual, as well as a memorandum with the State Department of Education outlining the updated structure, will be presented to the Board in November.

Ms. Weldon noted that staff is getting ready for the next strategic planning cycle. The current cycle ends on June 30, 2024, therefore July 1, 2024 will begin a new 3-year cycle. There will be Staff and Board aspects of developing the next strategic plan, and the Board aspect will occur in January 2024. The expectation is that January will be a combined meeting of the CHEFA and CHESLA Boards, and staff will update the Board as the schedule is finalized.

Mr. Budd inquired about other legislative expansions to the Alliance District Teacher Loan Subsidy Program, and a brief discussion ensued.

### **Strategic Plan Status Report FY 2023**

Ms. Weldon acknowledged the hard work of all Staff for moving the strategic initiatives forward.

Ms. Weldon presented a status report pertaining to the 3-year strategic plan of CHEFA and CHESLA. Ms. Weldon highlighted several notable achievements pertaining to collaboration; the broadening, assessment, and communication of impact; technology; and organizational identity, culture, and sustainability.

Ms. Jade Davis joined the videoconference meeting at 12:30 p.m.

### **Portfolio Update**

Mr. Hurlock reported that the In-School Loan program has disbursed approximately \$19.9 million in FY 2023, which represented a \$3.6 million increase over FY 2022.

Mr. Hurlock reported on the 2023B cash flow assumptions, which include 2022 non-trust disbursements at a 5.49% interest rate and 2023B loan disbursements at a 6.35% interest rate. Resolution 2022-09 was approved by the CHESLA Board of Directors on November 15, 2022 and is an inducement resolution allowing CHESLA to reimburse itself up to \$2 million from bond proceeds for loans made from CHESLA funds. Mr. Hurlock stated that all 2022 non-trust loans are a part of the 2019 trust and that the revenue from these loans go to the 2023B revenue account as of May 16, 2023. Mr. Hurlock also stated that the \$25 million cash flow assumptions include the \$2 million that can be reimbursed back to CHESLA. Mr. Hurlock stated that committed loan applications total \$13.3 million, which leaves approximately \$7 million remaining in 2023B loan proceeds after what has been disbursed through August 2023. Mr. Hurlock reported that this \$7 million aligns with prior remaining proceeds at the corresponding time of prior years.

Mr. Budd inquired about the disbursement deadline, and a brief discussion ensued.

Mr. Hurlock stated that the Refi CT program disbursed approximately \$4.9 million in FY 2023, which is higher than any other fiscal year. Mr. Hurlock noted that the spike in loan volume was due to the below-market interest rates that were offered and caused the Refi CT loan application



to close on March 7, 2023. Mr. Hurlock reported that the loan application reopened on May 16, 2023, in coordination with the closing of the new bond deal. Mr. Hurlock noted that future disbursements are expected to align with historical trends at approximately \$3 million.

Mr. Budd inquired about the refinancing of Refi CT loans through the Refi CT program, which Mr. Hurlock confirmed occurs infrequently.

Mr. Hurlock reported on the performance metrics for UAS. Mr. Hurlock reported that the service performance issues have stabilized as of June 2023 due to new call center staff hired, onboarded, and trained.

Mr. Budd inquired about the average income per loan disbursed per district for the Alliance District Teacher Loan Subsidy Program. Mr. Hurlock reported that some applicants input their yearly income instead of their monthly income, which heavily skews the data.

Mr. Hurlock reported that the performance metrics for CampusDoor were not received in time for the board package but that CampusDoor met all standards and KPIs for the quarter as the loan originator.

### **Marketing Update**

Ms. Reynolds gave a presentation on CHESLA Marketing and Outreach, which provided a detailed overview on the following topics:

- CT Dollars & Sense Website Overview
- CHESLA Website Overview
- Marketing and Outreach efforts that include:
  - Attending the New Educator Orientation in August 2023
  - Long-form interviews discussing CHESLA programs with WFSB's Good Day CT and FOX 61's Live Work Play
  - Continued outreach and promotion of all CHESLA programs through TV, Radio, Digital, and Social Media

Ms. Reynolds reported on the results of the request for proposal (RFP) for CHESLA website improvements. Ms. Reynolds stated that 26 submissions were received, and Peralta Design in Shelton, Connecticut was chosen as the vendor to execute the CHESLA website improvements.

Mr. Hurlock thanked Ms. Reynolds for her efforts with the RFP process.

Mr. Tim Webb inquired about the website traffic to [www.CHESLA.org](http://www.CHESLA.org), and a brief discussion ensued.

### **Scholarship Update**

Ms. Torres-Rivera reported on the successful scholarship ceremony held on July 28, 2023. The ceremony included two keynote speakers: a four-time scholarship recipient and Namita Shah, Partner at Day Pitney. The Board previously approved \$486,000 in undergraduate scholarships, which were awarded to 168 recipients; \$480,000 has been disbursed and two students have elected to defer until the spring semester.

Ms. Torres-Rivera stated that the certificate program is currently open to the public as of July 1<sup>st</sup> and will close when the \$35,000 of funds are fully utilized. Ms. Torres-Rivera reported that 6 scholarships have been awarded, 8 scholarships are pending, and 14 scholarships are still available.

Ms. Kelley inquired about where the certificate program recipients were utilizing the award, and a brief discussion ensued.

**EXECUTIVE SESSION: DISCUSSION OF EXECUTIVE DIRECTOR’S PERFORMANCE REVIEW**

Mr. Lisi requested a motion to go into Executive Session at 12:49 p.m. to review the Executive Director’s performance review. Mr. Budd moved to go into Executive Session and Ms. Savino seconded the motion.

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

<b><u>AYES</u></b>	<b><u>NAYS</u></b>	<b><u>ABSTENTIONS</u></b>
Peter W. Lisi	None	None
Laura M. Baker		
Bettina Bronisz		
Martin Budd		
Andrew Foster		
Michael Izadi		
Kerry A. Kelley		
Julie B. Savino		
Jeanette W. Weldon		

At 12:50 p.m., all Board members, excluding Jeanette W. Weldon, left the videoconference meeting to attend the Executive Session via a separate videoconference meeting room.

All Board members returned to the videoconference meeting at 1:07 p.m. No votes were taken during Executive Session.

**EXECUTIVE SESSION: NOTICE FROM UAS**

Mr. Lisi requested a motion to go into Executive Session at 1:07 p.m. to review the notice from UAS. Ms. Bronisz moved to go into Executive Session and Mr. Foster seconded the motion.

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

<b><u>AYES</u></b>	<b><u>NAYS</u></b>	<b><u>ABSTENTIONS</u></b>
Peter W. Lisi	None	None
Laura M. Baker		
Bettina Bronisz		
Martin Budd		
Andrew Foster		
Michael Izadi		
Kerry A. Kelley		
Julie B. Savino		
Jeanette W. Weldon		

At 1:08 p.m., all Board members, Ms. Aguilera, Mr. Bodie, Ms. Davis, and Mr. Hurlock left the videoconference meeting to attend the Executive Session via a separate videoconference meeting room.



All Board members, Ms. Aguilera, Mr. Bodie, Ms. Davis, and Mr. Hurlock returned to the videoconference meeting at 1:23 p.m. No votes were taken during Executive Session.

**ADJOURNMENT**

There being no further business, Mr. Lisi requested a motion to adjourn the meeting. Mr. Izadi moved to adjourn the meeting, and Ms. Savino seconded the motion.

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

**AYES**

Peter W. Lisi  
Laura M. Baker  
Bettina Bronisz  
Martin Budd  
Andrew Foster  
Michael Izadi  
Kerry A. Kelley  
Julie B. Savino  
Jeanette W. Weldon

**NAYS**

None

**ABSTENTIONS**

None

The meeting adjourned at 1:24 p.m.

Respectfully submitted,



Jeanette W. Weldon  
Executive Director