

MINUTES OF THE BOARD OF DIRECTORS

September 21, 2023

A meeting of the Connecticut Student Loan Foundation's Board of Directors was held on Thursday, September 21, 2023 at 12:30 p.m., virtually via video conference. *

Members Present:

Dr. Peter Lisi, Chair of the Board
Laura M. Baker (designee of the Connecticut Chief Workforce Officer)
Bettina Bronisz (designee of the Connecticut Treasurer)
Martin L. Budd
Andrew Foster
Michael Izadi (designee of the Connecticut OPM Acting Secretary)
Jeanette Weldon, Executive Director, CHEFA/CHESLA

Members Absent:

Kerry A. Kelley (designee of the President of Connecticut State Colleges and Universities)
Julie B. Savino, Vice Chair

Other Attendees:

Denise Aguilera, General Counsel, CHEFA
Charles Bodie, Managing Director of Finance and Operations, CHEFA
Daniel Giungi, Government Relations & Communications Specialist, CHEFA
Rebecca Hrdlicka, Administrative Services Assistant, CHEFA
Joshua Hurlock, Assistant Director, CHESLA
Carlee Levin, Senior Accountant, CHEFA
JoAnne Mackewicz, Controller, CHEFA
Shannon Reynolds, Portfolio Assistant, CHESLA
Kara Stuart, Manager, Administrative Services, CHEFA
Yesenia Torres-Rivera, Program Coordinator, CHESLA
Thomas Goldfuss, CPA & Partner, Whittlesey
Andrea Lenox, Vice President, Structured Finance, Goal Structured Solutions, LLC
Justin Schwartz, Senior Accounting Analyst II, Goal Structured Solutions, LLC
Robert Johnson, Accounting Analyst II, Goal Structured Solutions, LLC
Tim Webb, Vice President, Hilltop Securities N.A

* All attendees participated in the meeting via conference telephone that permitted all parties to hear each other

I. Call to Order

Mr. Lisi called the meeting to order at 1:30 p.m.

II. A. Approval of Minutes:

Mr. Webb requested an amendment to the meeting minutes to document that he was present as a guest at the last board meeting.

Ms. Bronisz moved to approve the minutes, which was seconded by Mr. Lisi. The motion passed unanimously to approve the minutes as amended.

B. Election of Vice Chair:

Mr. Foster made a motion to approve the renomination of Ms. Savino as Vice Chair, which was seconded by Mr. Budd. The motion passed unanimously.

III. Executive Directors Report

Ms. Weldon noted that as a result of Fitch downgrading the US credit rating from AAA to AA+, the CSLF bonds were also downgraded to the same level. Ms. Weldon confirmed that this has no impact on the interest rate of the outstanding auction rate bonds, for which the formula stays the same provided the credit rating is above AA-.

IV. Review of Investment Policy

Mr. Bodie reviewed the proposed updates to the CSLF investment policy. Mr. Budd asked for clarification on the term “custodian” referenced on page 3 of the policy and requested the language be updated for accuracy.

Mr. Lisi requested a motion to approve the CSLF Investment Policy (Resolution #2023-03) with the changes discussed. Mr. Budd moved for approval and Ms. Bronisz seconded the motion.

V. Auditor’s Report

Ms. Levin presented the financial activity for the year. Operating revenues increased from \$4.8 million to \$6.2 million, with 97% coming from student loan interest. Operating expenses also increased from \$3.5 million to \$5.5 million, primarily due to bond interest expense rising from \$1.8 million to \$4.3 million, which represent 77% of overall expenses. Non-operating expenses increased as well by \$1.5 million as a result of more transfers to CHESLA. Operating income decreased by \$0.6 million and net position also decreased by \$3.4 million. Total assets decreased by \$30 million while total liabilities reduced by \$26 million. Net position as of June 30, 2023, was \$19.6 million.

Mr. Goldfuss briefly reviewed the draft form 990, indicating that the information was pulled directly from the financial statements and noted consistency in format from the prior year.

Mr. Lisi requested a motion to approve the Audited Financials (June 30, 2023) pertaining to CSLF. Mr. Budd moved for approval and Mr. Foster seconded the motion. The motion passed unanimously.

Mr. Lisi requested a motion to approve the IRS Form 990 and authorize the filing with the IRS. Mr. Budd moved for approval and Mr. Lisi seconded the motion. The motion passed unanimously.

Mr. Lisi requested a motion to approve the Report on Management’s Assertion (Annual Filing with U.S. DOE) and compliance. Mr. Budd moved for approval and Ms. Bronisz seconded the motion. The motion passed unanimously.

VI. Bond Redemption Activity

Mr. Schwartz reviewed the bond activity for the quarter ended June 30, 2023. Total redemptions for the quarter equaled \$2.5 million, compared to \$9.6 million last quarter. This consisted of \$1.5 million for the 2006 A-1 tranche and \$1.0 million for the 2006 A-2 tranche. The outstanding bond balance at the end of the quarter stood at approximately \$75.9 million, representing a 3% decline.

The Weighted Average Coupon (WAC) decreased from 6.81% to 6.75% and the Weighted Average Remaining Maturity (WARM) of the portfolio increased slightly from 206.50 months to 207.52 months. Forbearance rates increased from 6.24% to 10.13% and loans in repayment decreased from 90.34% to 87.19%.

VII. Adjournment

Mr. Budd made a motion, which was seconded by Mr. Foster, to adjourn the meeting.

The motion passed unanimously, and the meeting was adjourned at 1:59 p.m.

Respectfully Submitted by:



Jeanette Weldon, Executive Director