

STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

Minutes of Authority Board Meeting

April 17, 2024

The State of Connecticut Health and Educational Facilities Authority held a meeting via videoconference and in-person on Wednesday, April 17, 2024.

The hybrid meeting was called to order at 1:31 p.m. by Mr. Peter W. Lisi, Chair of the Board of Directors of the Authority. Those present and absent were as follows:

PRESENT: Peter W. Lisi, Chair
Michael Angelini, Vice Chair
Lawrence Davis
Steve L. Elbaum
Alan Mattamana
Sarah Sanders (*Designee for CT State Treasurer Erick Russell*)¹
Mark Varholak²

ABSENT: Kimberly Kennison (*Designee for Jeffrey Beckham, OPM Secretary*)
Susan Martin

ALSO, PRESENT: Jeanette W. Weldon, Executive Director
Denise Aguilera, General Counsel
Charles Bodie, Managing Director of Finance and Operations
Dan Giungi, Government Relations and Communications Specialist³
Rebecca Hrdlicka, Administrative Services Assistant
Josh Hurlock, Assistant Director, CHESLA
Robert Jandreau, Sr. Finance Associate
Krista Johnson, Compliance Specialist⁴
Dan Kurowski, Manager of Program Development & CHEFA CDC
Andrew Kwashnak, Senior Systems & Data Analyst
JoAnne N. Mackewicz, Controller
Michael F. Morris, Managing Director, Client Services
Marlene Pagan, Transaction Analyst⁵
Julia Pollano, Operations Reporting Analyst⁶
Kara Stuart, Manager of Administrative Services
Betty Sugerman Weintraub, Manager of Grant Programs & Philanthropic Outreach⁷ of Connecticut Health and Educational Facilities Authority

¹ Sarah Sanders participated in the meeting via teleconference that permitted all parties to hear each other.

² Mark Varholak participated in the meeting via teleconference that permitted all parties to hear each other.

³ Dan Giungi participated in the meeting via teleconference that permitted all parties to hear each other.

⁴ Krista Johnson participated in the meeting via teleconference that permitted all parties to hear each other.

⁵ Marlene Pagan participated in the meeting via teleconference that permitted all parties to hear each other.

⁶ Julia Pollano participated in the meeting via teleconference that permitted all parties to hear each other.

⁷ Betty Sugerman Weintraub participated in the meeting via teleconference that permitted all parties to hear each other.

APPROVAL OF MINUTES

Mr. Lisi requested a motion to approve the minutes of the March 19, 2024 meeting of the Board of Directors. Mr. Angelini moved to approve the minutes and Mr. Elbaum seconded the motion.

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

AYES

Michael Angelini
Lawrence Davis
Steve L. Elbaum
Peter W. Lisi
Sarah Sanders

NAYS

None

ABSTENTIONS

Mark Varholak⁸

Mr. Mattamana joined the hybrid meeting at 1:34 p.m.

EXECUTIVE DIRECTOR’S REPORT

Authority Updates

Ms. Weldon noted that the conference room being utilized to host the Board meetings is temporary until the Board room in CHEFA’s office space is fully equipped.

Ms. Weldon turned the floor over to Mr. Giungi regarding legislative updates. Mr. Giungi reported on Senate Bill 304 and Senate Bill 13 containing CHESLA legislative proposals, both of which have been voted out of the Finance, Revenue, and Bonding Committee and are awaiting action on the Senate floor. Mr. Giungi also reported on Senate Bill 305 containing the childcare tax credit proposed by CHEFA CDC. Mr. Giungi stated that the bill was referred from the Higher Education Committee to the Finance, Revenue, and Bonding Committee but did not receive action prior to the JF deadline. Therefore, Senate Bill 305 died in the Finance, Revenue, and Bonding Committee and will not be pursued.

Mr. Giungi then reported on several media opportunities, which included the following events:

- April 22, 2024: joint event with the Governor’s office, Connecticut Innovations, and CHESLA to promote the Governor’s proposal to expand the tax credit for employers who make payments on their employees’ CHESLA loans to all student loans.
- April 29, 2024: an event with Freedom Reads to promote their CHEFA Enterprise Capital grant award.

⁸ Mr. Varholak abstained from voting as he did not attend the Special Board of Directors meeting held on March 19, 2024.

- An event with All our Kin to promote their CHEFA Targeted-Enterprise Capital grant award (date to be determined).

Ms. Weldon then turned the floor over to Ms. Weintraub regarding the upcoming CHEFA Nonprofit Forum on May 2, 2024. Ms. Weintraub reported that the Nonprofit Forum will focus on career readiness for high school students, college students, non-traditional and opportunity youth, formerly incarcerated individuals, and disabled individuals. Ms. Weintraub reported that the event will host a keynote speaker and a panel of experts in the field. The event will be held in the 13th floor conference room at 1 Financial Plaza, Hartford, Connecticut. Ms. Weintraub extended the invitation to the Board to attend the informative discussion.

Client Updates

Mr. Morris reported that the Hartford Healthcare Series B bond transaction is scheduled to price tomorrow, and that the Yale New Haven Health transaction is expected to be presented for approval next month. Mr. Morris noted that the Goodwin University transaction will be presented to the Board today on a preliminary basis but that the Hamden Hall transaction is seeking final approval today.

Mr. Morris reported on the 11th advance for LiveWell Alliance totaling \$4.49 million that occurred last week, which brings the total issued to approximately \$63 million and \$18 million remaining.

Market Updates

Mr. Jandreau reported on the conditions of the municipal market, headlines relating to the Federal Reserve, and changes for the federal funds rate.

CHESLA Updates

Mr. Hurlock reported that the CHESLA In-School Loan Program has disbursed \$10.7 million through the second quarter of FY 2024, which represents a \$1 million increase year-over-year.

Mr. Hurlock reported that CHESLA's refinance loan program disbursed approximately \$540,000 in the second quarter of FY 2024 and approximately \$700,000 in the third quarter of FY 2024, which totals approximately \$1.7 million in disbursements for FY 2024 thus far.

Mr. Hurlock also provided an update on CHESLA's scholarship program:

- Scholarships for students pursuing an undergraduate degree:

- The CHESLA Board approved an initial \$455,000 allocation for FY 2025 at the January 2024 Board Meeting.
- Application opened March 1st and closes on May 15th, which is an extension of the original May 1st deadline due to the industry obstacles with the FAFSA.
- Students must be Pell Grant eligible to qualify.
- Scholarships for students pursuing a healthcare or manufacturing certificate program:
 - The CHESLA Board approved a \$45,000 allocation for FY 2025 at the January 2024 Board Meeting.
 - Applications re-opens on July 1st on a first-come, first-serve basis.
 - The CHESLA Board met earlier this week and approved the expansion of the program to include the CT Alternate Route to Teacher Certification (CT ARC).

Mr. Hurlock reported on the marketing and outreach efforts of CHESLA, which included financial aid nights, mailers to the Board of Education and high schools in CT Alliance Districts, and sports marketing.

Finally, Mr. Hurlock presented an overview of the 2024 Series B bond transaction for approximately \$31 million that the CHESLA Board approved earlier this week. Mr. Hurlock also reported that the bond sizing is larger than typical, due to the expected influx from being recently listed on UCONN's Preferred Lender List. The sizing also considered the reduced FAFSA completions across the industry.

The floor was opened to questions and a discussion ensued.

REVIEW OF FY 2025 – FY 2027 STRATEGIC PLAN

Ms. Weldon gave a presentation on the FY 2025 – FY 2027 Strategic Plan Proposal, which provided a detailed description of the mission statement, vision statement, principles, and initiatives of the proposed strategic plan for CHEFA, CHESLA, and CHEFA CDC. Ms. Weldon stated that the document presented incorporated the edits received from staff and the Board. Ms. Weldon highlighted the additions to the external initiatives for CHEFA and CHEFA CDC defined under the innovation principle.

Mr. Lisi inquired about the external initiatives for CHESLA defined under the collaboration principle. Ms. Weldon reported that the language was revised to keep the language generic.

Mr. Hurlock suggested replacing the word “CT borrowers” with “CT students” to expand the products beyond loans (i.e., “borrowers” only reference loan products whereas “students” reference any financial product, including financial literacy and scholarships).

Mr. Lisi requested a motion for acceptance of the FY 2025 – FY 2027 Strategic Plan as presented. Mr. Mattamana moved for approval and Mr. Davis seconded the motion.

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

| <u>AYES</u> | <u>NAYS</u> | <u>ABSTENTIONS</u> |
|--|--------------------|---------------------------|
| Michael Angelini Lawrence Davis Steve L. Elbaum Peter W. Lisi Alan Mattamana Sarah Sanders Mark Varholak | None | None |

Mr. Angelini left the hybrid meeting at 2:01 p.m.

PRELIMINARY STAFF MEMO

Goodwin University Issue, Series A

Mr. Jandreau reported that Goodwin University will be seeking approval at the next Board meeting for up to \$60 million. The proposed transaction will refinance some existing bank loans, as well as fund some new money projects at both the University of Bridgeport and Goodwin University campuses. Mr. Jandreau reported that Goodwin University is a non-traditional university due to the characteristics of its student population, which has a median of 29 years old, and that Goodwin’s magnet school system is the only public school system that is owned and operated by a private non-profit university in Connecticut. Mr. Jandreau then reported on the acquisition of University of Bridgeport by Goodwin University and commented on the by-laws.

Mr. Jandreau stated that a credit rating is sought from S&P. Mr. Jandreau then presented materials provided by Goodwin University to the Board, which will be distributed when final approval is sought at the next Board meeting. This presentation provided an overview and discussion of the existing institutional capital structure, Series 2024 bond statistics, and social bond designation.

Finally, Mr. Jandreau outlined the market profiles, enrollment metrics, operating performance, liquidity, and endowment for the University.

The floor was opened to questions and a discussion ensued.

Mr. Davis recused himself from consideration of the Hamden Hall Country Day School Issue, Series C as his employer, Webster Bank, is the purchaser for the transaction. Mr. Davis left the hybrid meeting at 2:18 p.m.

FINAL STAFF MEMO AND AUTHORIZING BOND RESOLUTION (#2024-04)

Hamden Hall Country Day School Issue, Series C

Mr. Jandreau reported that Hamden Hall Country Day School is seeking approval of up to \$5.9 million for its direct purchase with Webster Bank. Mr. Jandreau stated that proceeds from the transaction will be used to fund renovations and capital improvements at Hamden Hall’s middle school campus, which includes the construction and renovations of approximately 28,180 square feet to two buildings.

Mr. Jandreau reported that the transaction will be draw-down bonds with a 15-year maturity. Mr. Jandreau stated that security and covenants requirements mimic those currently in place with the School’s existing debt with Webster Bank. Mr. Jandreau stated that Webster Bank has completed their own credit approval of the School and that the School is handling growing applications and enrollment amidst rising costs. Mr. Jandreau reported that total revenues increased for the School by 14.5% over the past five fiscal years, whereas expenses have increased by 23.2%. Mr. Jandreau reported that Hamden Hall has raised tuition by 3.2% annually with expenses increasing by 5.37% annually, on average.

Mr. Lisi requested a motion for approval of up to \$5.9 million for the Hamden Hall Country Day School Issue, Series C (Resolution #2024-04). Mr. Elbaum moved for approval and Mr. Mattamana seconded the motion.

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

AYES

Steve L. Elbaum
Peter W. Lisi
Alan Mattamana
Sarah Sanders

NAYS

None

ABSTENTIONS

None

RECUSALS

Lawrence Davis

Mark Varholak

Mr. Davis returned to the hybrid meeting at 2:21 p.m.

COMMITTEE REPORT

Audit-Finance/Human Resources Committee

Mr. Lisi stated that the Audit-Finance and Human Resources Committees met earlier today in a combined meeting to review the proposed FY 2025 Human Resources compensation budget. Mr. Lisi stated that the Audit-Finance and Human Resources Committees voted to endorse the proposed 4.07% merit increase pool, then turned the floor over to Mr. Bodie to provide further details on the budget. Mr. Bodie noted that, while the budget provides a pool of 4.07% merit increases for staff, staffing changes have resulted in a FY 2025 compensation budget that is reduced from FY 2024.

Mr. Lisi requested a motion for acceptance of the Audit-Finance/Human Resources Committee recommendation and approval of the proposed FY 2025 human resources budget to be included in the FY 2025 total operating budget. Mr. Davis moved for approval and Mr. Elbaum seconded the motion.

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

| <u>AYES</u> | <u>NAYS</u> | <u>ABSTENTIONS</u> |
|--------------------|--------------------|---------------------------|
| Lawrence Davis | None | None |
| Steven L. Elbaum | | |
| Peter Lisi | | |
| Alan Mattamana | | |
| Sarah Sanders | | |
| Mark Varholak | | |

OTHER BUSINESS

Mr. Lisi noted that the Statement of Financial Interests filing with the Office of State Ethics is due on or before May 1, 2024 and that the next Board meeting is scheduled for May 15, 2024.

ADJOURNMENT

There being no further business, Mr. Mattamana moved to adjourn the meeting and Mr. Elbaum seconded the motion.

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

| <u>AYES</u> | <u>NAYS</u> | <u>ABSTENTIONS</u> |
|--------------------|--------------------|---------------------------|
|--------------------|--------------------|---------------------------|

Lawrence Davis
Steve L. Elbaum
Peter W. Lisi
Alan Mattamana
Sarah Sanders
Mark Varholak

None

None

The hybrid meeting adjourned at 2:27 p.m.

Respectfully submitted,

Jeanette W. Weldon
Executive Director