

# **New York State Higher Education Services Corporation Board of Trustees Meeting Minutes**

**December 7, 2023  
12:00 PM**

## **I. President's Welcome Remarks**

After brief opening remarks from HESC President Dr. Guillermo Linares, the meeting was officially called to order by Ms. Patricia Thompson, Chair of the Nominating Committee, at 12:05 PM.

## **II. Report of Nominating Committee**

Ms. Thompson reported that the Nominating Committee met on November 30, 2023. In addition to Ms. Thompson, the Nominating Committee includes members Ms. Reine Sarmiento from the City University of New York (CUNY) and Mr. William Murphy from the New York State Education Department (SED). The Nominating Committee unanimously nominated the following HESC officers: Dr. Victor Alicea for Chair, Ms. Becky Maxson for Vice Chair, and Ms. Neysa Alsina, Esq. for Secretary. Ms. Thompson asked if there were any other nominees. There were none. Ms. Thompson asked the Board members to accept said nominations. Dr. Manuel Rivera moved for the close of nominations and Mr. Marc Jerome seconded the motion. Nominations were thereupon closed and the proposed slate of officers was unanimously elected by a voice vote.

## **III. Chair Report**

### **Opening Remarks**

Chair Alicea introduced and welcomed the Board members who were present. At the New York City meeting location at CUNY's Central Office, Board members present

were: Mr. Jerome, President of Monroe College; Mr. Alexander Ruiz, President, State University of New York (SUNY) Student Assembly, SUNY Geneseo; and Ms. Reine Sarmiento, as CUNY Chancellor Felix Matos-Rodriguez's designee. Also present in New York City were the following HESC staff: Dr. Linares, President; Ms. Doris Gonzalez, Executive Vice-President; and Mr. Frank Ballmann, Federal Liaison. At the Albany meeting location at the Department of Financial Services, Board members present were: Vice-Chair Maxson, Deputy Director for Compliance and Policy at Cornell University; Mr. Murphy, Deputy Commissioner for Higher Education at SED, as SED Commissioner Betty Rosa's designee; Dr. Rivera, Associate Professor of K-12 Education Leadership Program at the Warner Graduate School of Education at the University of Rochester; and Ms. Thompson, Assistant Vice Chancellor of Student Financial Aid at SUNY, as SUNY Chancellor John King, Jr.'s designee. Also present in Albany were several HESC staff, including Board Secretary Alsina, General Counsel and Ms. Ellen Krejci, Esq., Associate Attorney.

### **Approval of May 31, 2019 Minutes**

Chair Alicea asked for a motion adopting the draft minutes from the May 31, 2019 Board Meeting. Dr. Jerome moved to adopt the minutes and Mr. Ruiz seconded the motion. The motion passed unanimously and the minutes were adopted without change.

## **IV. HESC Report**

### **President's Report**

Chairman Alicea introduced Dr. Linares, HESC President and then asked him to give the president's report.

Dr. Linares started by expressing his excitement to be working with new colleagues, including Deputy Secretary of Education Ms. Maria Fernandez and HESC Executive Vice-President Ms. Gonzalez. Dr. Linares explained that HESC's exit from its former role as a guaranty agency under the federal Family Financial Education Loan (FFEL) Program will enable it to focus fully on helping New Yorkers obtain aid to fund their education. Dr. Linares also highlighted the recent expansion of the Tuition Assistance Program (TAP) to students who were previously ineligible, including part-time students, incarcerated students, and students enrolled in workforce credential programs. He noted that HESC is continuing to work on modernizing its website and financial aid application system so that students can have an easier time getting the information they need and applying for aid.

### **Welcome New Board Member**

Chair Alicea announced that Board member Ms. Salimatou Doumbouya, Chair of the University Student Senate of CUNY, arrived at the New York City meeting location at 12:23 PM.

### **Ethics Officer Report**

Chair Alicea asked Ms. Krejci to present the Ethics Officer Report. Ms. Krejci briefly explained her role as HESC Ethics Officer, and informed Board members of their three main ethics responsibilities: filing an annual Financial Disclosure Statement (FDS); completing an annual ethics course; and abiding by the Code of Ethics in Public Officers Law § 74. Ms. Krejci explained that new Board members must file an FDS within 30 days, and annually thereafter. New Board members must complete an ethics course by December 31, 2023, and complete ethics courses annually thereafter. Ms. Krejci will be

following up by email with each Board member to give them more information about their obligations and how to fulfill them.

### **Welcome Deputy Secretary of Education**

Chair Alicea announced that Ms. Fernandez was in attendance at the New York City meeting location.

### **Federal Update**

Chair Alicea then asked Mr. Ballmann to present the Federal Report. Mr. Ballmann gave an update on the status of the new FAFSA, which will be released by December 31, 2023. He noted that HESC is seeking clarification from the Department of Education Office of Federal Student Aid (FSA) on the new proposed language they have provided for our Student Aid Internet Gateway (SAIG) agreement, which appears to prohibit sharing data with designated entities. Mr. Ballmann also updated the Board on the current status of various appropriation bills in Congress that would fund Pell Grants and other federal aid programs.

### **V. Audit Report**

Chair Alicea introduced Mr. Jerome, Chairman of the Audit Committee, and asked him to present the Audit Committee's Report. Mr. Jerome shared information about current Grants and Scholarships funding, the current balance of the Special Revenue fund, projected disbursements for 2023-24, and the financial impact of HESC's exit from the FFEL program.

Mr. Jerome then summarized the KPMG audit findings for the fiscal year ending March 31, 2022. The financial statement audit issued an unmodified opinion, but the Uniform Guidance audit issued a qualified opinion due to a variance of \$7.7 million that

existed between FFELP default loan balance reporting on the financial statements and the amount reported to the federal Department of Education, and due to a few instances of non-compliance with the Teacher Loan Forgiveness program in which repayment remittances were not issued within the required 45-day period. KPMG did not identify any issues reported related to Generally Accepted Accounting Principles, misstatements, subsequent events, illegal acts or fraud, or going concern. Going forward, beginning with fiscal year 2023, KPMG will no longer be auditing HESC's "stand alone" financial statements, and the Uniform Guidance audit requirements will be addressed through the New York State Uniform Guidance.

Finally, Mr. Jerome provided information about HESC's current internal audits being led by HESC's Audit Director, Ms. Dora Diaz-Crowe. There are currently 17 engagements planned for the 2023-24 Audit Plan, of which three have been completed, six are in progress, and eight have not yet been started. Two audits were added to the initial plan to cover unanticipated events related to default aversion underbilling and TAP overpayments. The internal audit found internal control issues that are currently being addressed by HESC and New York State Office of Information Technology Services (ITS). The Audit Committee voted to approve the 2023-24 Audit Plan. The Audit Department will report on findings, significant issues and provide updates on corrective actions.

## **VI. Public Hearing for Videoconferencing and Resolution**

Chair Alicea introduced proposed resolution 2023-1, authorizing Board members to attend meetings remotely from private locations under extraordinary circumstances, in compliance with the Open Meetings Law. Chair Alicea then opened the floor to any

member of the public who wished to comment on the proposed resolution. There were no public comments. Mr. Jerome moved to adopt the resolution and Ms. Doumbouya seconded the motion. The resolution passed unanimously.

## **VII. Approval of Resolutions**

### **Revisions to Bylaws**

Secretary Alsina introduced proposed resolution 2023-2, approving updated bylaws for the Board.

Mr. Ruiz moved to adopt the resolution and Ms. Doumbouya seconded the motion.

Dr. Rivera asked for more information about the proposed amendments to Section 11 of the bylaws. Secretary Alsina explained that the existing bylaws authorize HESC’s “administrative officer” to sign certain contracts, but HESC does not have any employee with this title. The proposed revisions would allow the director of finance, the executive vice president, or the president to sign contracts up to \$5 million in value and require signatures from both the executive vice president and the president for contracts over \$5 million.

The resolution passed unanimously.

### **Part-Time TAP for Students Enrolled in Approved Non-Degree Workforce**

#### **Credential Programs**

Secretary Alsina introduced resolution 2023-3, authorizing HESC to propose and adopt new regulations for part-time TAP, both on a temporary emergency basis, including emergency readoption, and as a permanent regulatory change. Secretary Alsina explained that the new regulations were necessary to allow HESC to expand part-time

TAP to students enrolled in non-degree workforce credential programs at community colleges and public agricultural and technical colleges, as provided for in the 2022-23 state budget.

Ms. Doumbouya moved to adopt the resolution and Mr. Jerome seconded the motion.

Mr. Murphy asked if either the statutory changes expanding the part-time TAP program to non-degree workforce credential programs or HESC's proposed regulations would require SED to amend its own regulations regarding Program of Study, Good Academic Standing, or Satisfactory Academic Progress. Ms. Krejci explained that because HESC's proposed regulations carve out an exception to the SED regulations for these non-degree workforce credential programs, no changes to SED's regulations would be necessary.

Ms. Sarmiento expressed interest in expanding part-time TAP for non-degree workforce credential programs to allow additional senior colleges to participate.

Ms. Sarmiento also noted that a number of CUNY's proposed non-degree workforce credential programs span multiple semesters and possibly multiple academic years, and requested guidance from HESC on how to handle processing awards in these situations.

The resolution passed unanimously.

## **VIII. Leadership Council**

Chairman Alicea then asked the members of the Leadership Council if they would like to address the Board with any comments or questions. There were no comments or questions.

## **IX. Announce Date for Next Board of Trustees Meeting**

Chair Alicea announced that the next meeting of the Board of Trustees is April 24, 2024. Executive Vice-President Gonzalez added that the April 24 meeting will take place from 10:00 AM-12:00 PM.

## **X. Adjournment**

Chairman Alicea then asked for a motion to end the meeting. The motion was made by Mr. Jerome and seconded by Ms. Sarmiento. The meeting was adjourned at 12:58 PM.