

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

**May 15, 2024
10:00 AM**

I. Opening Remarks

Board Chair Victor Alicea, President of Boricua College, introduced and welcomed the Board members who were present. At the New York City meeting location, held at the City University of New York (CUNY) Central Office, the following Board members were present (in addition to Board Chair Alicea): Mr. Marc Jerome, President of Monroe College; and Ms. Reine Sarmiento, as CUNY Chancellor Felix Matos-Rodriguez's designee. Also present in New York City were the following HESC staff: Dr. Guillermo Linares, President; Ms. Doris Gonzalez, Executive Vice-President; and Ms. Dora Diaz- Crowe, Audit Director.

At the Albany meeting location, held at the Department of Financial Services, the following Board members were present: Vice-Chair Becky Maxson, Deputy Director for Compliance and Policy at Cornell University; Dr. David Harris, President of Union College; Mr. William Murphy, Deputy Commissioner for Higher Education at the New York State Education Department (SED), as SED Commissioner Betty Rosa's designee; and Ms. Patti 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 Neysa Alsina, General Counsel and Board Secretary; Ellen Krejci, Esq., Associate Attorney; and Ms. Kayla Devine, Director of Finance. HESC staff member Mr. Frank Ballmann, Federal Liaison, was in attendance remotely via videoconferencing.

Board member Jennessa Perez, Student Educational Opportunity Program and Higher Education Opportunity Program (EOP/HEOP) Ambassador, Cornell University, was in attendance remotely via videoconferencing from a private location due to extraordinary circumstances.

Approval of December 7, 2023 Minutes

Board Chair Alicea asked for a motion adopting the draft minutes from the December 7, 2023 Board Meeting. Mr. Jerome moved to adopt the minutes and Ms. Thompson seconded the motion. The motion passed unanimously and the minutes were adopted without change.

II. HESC Reports

President's Report

Board Chair Alicea introduced Dr. Linares, HESC President and asked him to give the President's report.

Dr. Linares began by highlighting the recent TAP increase provided for in the 2024-25 budget that will benefit approximately 93,000 students, including 48,000 students newly eligible for TAP. The minimum TAP award will increase from \$500 to \$1,000, and the maximum net taxable income limits for dependent students, married students, and independent students will all increase significantly. The 2024-25 budget also expanded Part-Time TAP to proprietary colleges, which will benefit approximately 1,230 students. He also mentioned the recently issued TAP Difference Report, which highlights the role TAP has placed in broadening college access and completion and fostering educational equity, particularly among low-income families and first generation students. Another new initiative in the 2024-25 budget requires all high school seniors to

complete a FAFSA application, DREAM Act application, or a signed waiver. HESC is working with the Governor's Office to promote awareness and make sure every high school senior completes FAFSA and takes advantage of available financial aid. HESC also worked with the Governor's Office on the new Health Care Workers For Our Future scholarship program, which will provide 500 students with two-year scholarships covering tuition and cost of attendance in exchange for a commitment to work in specific health care professions in high needs areas of the state for two years after graduation.

Dr. Linares also introduced a video featuring HESC's new website, but due to technical difficulties, playback of the video was temporarily postponed until after the Federal Report.

Welcome Additional Attendees

Board Chair Alicea announced that Ms. Maria Fernandez, Deputy Secretary of Education, and Ms. Salimatou Doumbouya, Chair of the University Student Senate of CUNY, arrived at the New York City meeting location during Dr. Linares' report.

Ethics Officer Report

Board Chair Alicea asked Ms. Krejci to present the Ethics Officer Report. Ms. Krejci briefly explained her role as HESC's 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 reminded Board members that their FDS statements were due that day, and explained the process for requesting an extension from the Commission on Ethics and Lobbying in Government. She briefly explained the difference between the required ethics training for new members and the annual refresher training for members

who have previously completed the live training. She provided a brief summary of the Code of Ethics and Standards of Conduct contained in Public Officers Law §74. Finally, she provided an update on HESC's ethics activities since the previous meeting, including the updated Ethics and Fraud Policy issued in February 2024 requiring all HESC employees to submit an annual questionnaire about any outside business activities.

Federal Update

Board Chair Alicea then asked Mr. Ballmann to present the Federal Report.

Mr. Ballmann provided an update on national implementation of the new FAFSA and stated that 40% of high school seniors in New York had completed a FAFSA application as of April 26, 2024, which is above the national average. He advised that HESC has signed a new Student Aid Internet Gateway agreement with the U.S. Department of Education so it can share data with partners, enabling them to find high school seniors who have not yet completed their FAFSA applications.

New Website

After the Federal Report, the video featuring HESC's new website was shown in its entirety. HESC's new website represents its first redesign since 2012, and was designed with input from more than 2,000 stakeholders after numerous interviews and focus groups. The new website is less confusing and easier to navigate. It was designed for navigation with smartphones since that is how the majority of people access HESC's website now. Events are easier to find.

III. Audit Report

Board 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 2024-2025 Grants and Scholarships funding (\$1B), including budget increases for the Senator Patricia K. McGee Nursing Faculty Scholarship (\$1M increase for a total of \$4.9M), the Young Farmers Loan Forgiveness Incentive Program (\$50K increase for a total of \$200K), and the Child Welfare Worker Incentive Scholarship Program (\$100K for a total of \$150K). He also shared information about the current balance of the Special Reserve Fund, projected disbursements for 2024-25, and the financial impact of HESC's exit from the FFEL program. Mr. Jerome noted that due to HESC's exit from FFELP, HESC will rely on its existing Special Revenue Fund balance until it is exhausted, at which point HESC will transition to General Fund support. This is anticipated for 2026-27.

Finally, Mr. Jerome provided information about HESC's current internal audits being led by HESC's Audit Director, Ms. Diaz-Crowe. Of the 17 audits planned for the 2023-24 fiscal year, seven have been completed, four are currently in progress, five have not yet started, due to division process changes, and one was cancelled. For the 2024-25 fiscal year, the internal audit unit will carry out nine audits, five of which are carry-overs from the previous year. The IT audit unit will perform five IT audits. The external audit unit will focus on auditing Chapter XXII schools and GEAR UP sub-grantees for grant compliance. Planning is still ongoing to determine the exact number of external audits as the unit is not fully staffed, but HESC is expecting between five and ten additional audits. There are currently 56 recommendations related to the 2023-24 audit plan: the Audit Division is working with other divisions to ensure implementation of these recommendations.

IV. District Attorney and Indigent Legal Services Loan Forgiveness Program Regulations

Board Secretary Alsina gave a high-level description and eligibility requirements of the existing District Attorney and Indigent Legal Services Attorney Loan Forgiveness Program. She then introduced proposed resolution 2024-1 to approve the filing of the proposed regulations since the regulations of the District Attorney and Indigent Legal Services Attorney Loan Forgiveness Program had previously expired. Board Secretary Alsina encouraged the public to submit comments on the proposed regulations.

Mr. Jerome moved to adopt the resolution and Dr. Harris seconded the motion. The resolution passed unanimously.

V. Leadership Council

Board Chair 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.

Board Chair Alicea then asked if anyone from the public wished to address the Board. There were no comments or questions.

VI. Announce Date for Next Board of Trustees Meeting

Board Chair Alicea announced that the next meeting of the Board of Trustees is December 4, 2024 from 10:00 AM-12:00 PM.

VII. Adjournment

Board Chair Alicea then asked for a motion to end the meeting. The motion was made by Mr. Jerome and seconded by Dr. Harris. The meeting was adjourned at 10:40 AM.