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

December 10, 2025

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): Ms. Reine Sarmiento, Vice Chancellor of Enrollment Manager at CUNY, as CUNY Chancellor Félix Matos Rodríguez's designee; Mr. Marc M. Jerome, President of Monroe University; Mr. Isaac Torres, Senior Vice President and General Counsel, Carver Bank; Ms. Jennessa Perez, student representative, Cornell University; Mr. Akkeem Polack, Chairperson of the University Student Senate, CUNY; Mr. Luca O. Rallis, President, State University of the State of New York (SUNY) Student Assembly; Mr. Marvin Krislov, President of Pace University; Mr. Frank Talty, President, Refrigeration Institute; and Mr. Carlos Naudon, President, Ponce Bank. Also present in New York City were the following HESC staff: Dr. Guillermo Linares, President; and Ms. Doris Gonzalez, Executive Vice-President.

At the Albany meeting location, held at HESC's offices, the following Board members were present: Mr. William Murphy, Deputy Commissioner for Higher Education at the New York State Education Department (SED), as SED Commissioner Betty Rosa's designee; Ms. Jamie Frank, Associate Vice Chancellor for Policy Implementation at the State University of New York (SUNY), as SUNY Chancellor John King, Jr.'s designee; and Dr. Manuel J. Rivera, Associate Professor, University of Rochester. Vice-Chair Becky Maxson, Deputy Director for Compliance and Policy at Cornell University, appeared remotely.

Also present in Albany were several HESC staff, including Ms. Nadia Chanza, General Counsel and Board Secretary; Ms. Kayla Devine, Director of Finance; Ms. Dora Diaz-Crowe, Audit Director; Mr. Jeremy Hayes, Internal Control Officer; Ms. Ellen Krejci, Associate Attorney and Ethics Officer; Mr. Frank Brockley, Director of Grants and Loan Forgiveness; and Ms. Patricia Thompson, Vice President, Grants and Scholarships.

Approval of May 14, 2025 Minutes

Board Chair Alicea asked for a motion adopting the draft minutes from the May 14, 2025 Board Meeting. Mr. Jerome moved to adopt the minutes and Mr. Torres 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 welcoming new trustees Mr. Krislov, Mr. Naudon, Mr. Talty, Mr. Rallis, and Mr. Polack and thanking them for their leadership and commitment. He also thanked current and past board members for their support and dedication.

Dr. Linares shared highlights of the past year, including expansion of the Tuition Assistance Program (TAP) by increasing the minimum award from $500 to $1,000 and making more than 38,000 students newly eligible by raising the maximum income threshold. During HESC's College Application Month, colleges working in partnership with HESC waived more than $50M in college application fees. New York State now ranks sixth in the nation for FAFSA completion rates, with a rate of 68% for the 2025-2026 academic year, HESC's highest completion rate since 2019. Almost three million users visited HESC's redesigned website, a 26% increase from last year.

Dr. Linares introduced a video sharing additional highlights from the past year.

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. Trustees are also required to take comprehensive ethics course at the time they join the board and

to complete an annual ethics refresher course by December 31 of each year. More information on ethics requirements including financial disclosure statement filing and training is available on the New York State Commission on Ethics and Lobbying in Government (COELIG) website.

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 highlights of the Audit Committee meeting that was held on November 25 with HESC staff.

Mr. Hayes from the Internal Controls Office introduced the State Fiscal Year 2025-2026 Risk and Internal Review Schedule and the progress made by the Internal Controls Office (ICO), noting that the office completed six risk and internal controls reviews, including grants and scholarships, loan forgiveness programs, FOIL requests, and some that are currently in-progress. As part of the policy review team, and in collaboration with HESC departments, several policies and procedures including Ethics and Fraud and Records Retention have been approved, posted to the HESC intranet, and announced to all staff. The office has been assisting with the transition of Federal Family Education Loans records to Trellis, scheduled to be completed by the end of 2025. Also, the office is working with HESC departments to create a complete inventory of HESC's paper records.

Ms. Devine reported on HESC finances. HESC's special revenue fund started the year with a balance of $50.6 million. Due to HESC's exit from the Federal Family Education Loan (FFEL) program and the related loss of operating revenue, HESC will rely on its existing fund balance through fiscal year 2025-2026, and will transition to the General Fund in fiscal year 2026-2027. Total disbursements for 2025-2026 are expected to be $47M, including salary, related benefits, routine non-personnel services, and new expenses related to the transition of HESC's Level One call center support to the New York State Office of Children and Family Services (OCFS), and transfers to the New York State Office of Information Technology Services (ITS). HESC estimates the special revenue fund will have a balance at the close of 2025-2026. HESC is currently developing a plan for the remaining funds as part of the 2026-2027 budget process.

Ms. Diaz-Crowe provided updates on the Audit Division. The Department is working through the 2025-2026 audit plan. Of the 43 planned audits, 15 are in the planning phase, three are in the fieldwork phase, and 12 are in the reporting phase. Six have been completed, and seven have either been cancelled or deferred until next year.

For the completed audits, findings range from internal control deficiencies, failure to comply with contract requirements, incomplete or nonexistent internal procedures, or no established documented processes in certain areas. Recommendations were made to address these areas and deficiencies.

New global internal auditing standards were implemented as of January 9, 2025. The department has been working towards conforming with the standards by revising its procedures, aligning its audits to comply with the standards, and providing auditor training through workshops. The department is also endeavoring to meet the external quality review required by the standards. The department completed an internal assessment and is working on addressing gaps before scheduling the external quality review.

Lastly, the audit committee was provided a summary of the audit recommendations. Of the 127 recommendations, 56 have been completed, seven have been recorded as implemented but still need verification, 44 are in progress, and 20 remain open and in need of management attention. The recommendation tracking process was automated and HESC department directors were trained in TeamMate, which has resulted in timelier and more streamlined responses.

IV. Resolutions

Amendments to Bylaws

Board Secretary Chanza introduced proposed resolution 2025-1 to amend Article III, Section 11 of the Board of Trustees' Bylaws, concerning Officers and Their Duties, allowing the Acting Director of Finance to sign contracts up to $5M.

Mr. Krislov moved to adopt the resolution and Mr. Jerome seconded the motion. Mr. Jerome asked who the Acting Director of Finance was. Ms. Gonzalez stated that the Deputy Director of Finance, Ms. Susanne Prendergast, would be the Acting Director of Finance in Ms. Devine's absence. Ms. Gonzalez further stated that Ms. Prendergast had not yet assumed this role, and that contracts over $5M would continue to be signed by the Executive Vice President. The resolution passed unanimously.

Repeal of Investment Policy

Board Secretary Chanza introduced proposed resolution 2025-2, which would repeal HESC's Formal Investment Policy.

Mr. Torres moved to adopt the resolution and Mr. Jerome seconded the motion. Mr. Jerome asked about a reference to the "President of the Board" in the memorandum sent to the Board regarding repeal of the Investment Policy, and Ms. Chanza clarified that this was an error and that the memo should have stated that the President of HESC is authorized to promulgate and adopt consensus rules on behalf of the Board. Mr. Jerome asked whether if HESC resumed lending or acquires significant lending, it foresees adopting another investment policy in the future. Ms. Chanza responded that it would depend on the circumstances and that it would be discussed with the Board if that need ever arose in the future. The resolution passed unanimously.

VI. 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.

VI. Dr. Linares' News

Dr. Linares announced to the Board that he has made the decision to retire as HESC President effective December 31, 2025. This year marks 50 years of dedicated public service for Dr. Linares, and he plans to begin a new chapter of his life including spending more time with his family. He thanked the Board members and HESC staff for their partnership and for making a difference in the lives of students throughout New York State. Dr. Linares also recognized Governor Hochul for her leadership and unwavering commitment to higher education, which has made higher education more accessible and equitable. Dr. Linares believes the leadership team at HESC will continue to do important work and lead HESC to even greater heights. In the interim, Ms. Gonzalez will oversee the transition and will share information about Dr. Linares' successor as it becomes available. Several Board members, including Ms. Frank, Mr. Murphy, and Board Chair Alicea, praised Dr. Linares' commitment to public service and to students and expressed gratitude for his leadership.

VII. Announce Date for Next Board of Trustees Meeting

Board Chair Alicea announced that the next meeting of the Board of Trustees will be held on May 13, 2026 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 Mr. Polack, and passed unanimously. The meeting was adjourned at 10:37 AM.