

**New York State Higher Education Services Corporation**  
**Board of Trustees Meeting**  
**Minutes**  
**April 29, 2009**  
**11:00a.m.**

The meeting was called to order by Chairman Richard Guarasci at 11:00 a.m. The following members of the Board were in attendance: Dr. Cheryl Fell, Director of the Cheryl Fell School of Business; Sister Laureen Fitzgerald, President of Maria College; Ms. Eileen Bagnoli, Executive Vice-President & COO of Pioneer Savings Bank; Ms. Angela Van Dekker, Assistant Vice President of Student Financial Services of Fordham University; Mr. Philip Williams, President of the Utica School of Commerce; Mr. Joseph Frey, designee of Dr. Richard Mills, Commissioner of the New York State Education Department; Mr. Thomas J. Murphy, Principal of Trailhead Advisors; Dr. Robert Ptachik, designee of Dr. Matthew Goldstein, Chancellor of the City University of New York (CUNY); Mr. John Curtice, designee of Mr. John O'Connor, Officer in Charge of the State University of New York (SUNY); Dr. Richard Guarasci, President of Wagner College; Ms. Haleigh Tunis, student, Columbia-Greene Community College; and, Mr. Stephen Archer, student, Siena College.

Present for the Agency were: Dr. James C. Ross, President; Ms. Corinne Biviano, Executive Vice President; Ms. Cheryl Fisher; Mr. Warren Wallin; Ms. Kathy Crowder; Mr. Victor Stucchi; Ms. Elsa Magee; Mr. John Austin; Mr. Louis Christie; Mr. Matthew Downey; Mr. George Kazanjian; Ms. Patrizia Hogan; Mr. Keith Feltman; Ms. Terry Segel; Mr. Donald Traver; Mr. Bernie Maskell; Mr. Thomas Brennan; and, Mr. Charles Treadwell.

Present for the Leadership Council were: Ms. Kerrie Cooper, President of the State University of New York Financial Aid Professionals, Inc. (SUNYFAP); Mr. Kevin Smith, President of New York State Organization of Bursars and Business Administrators (NYSOBBA); and Mr. Curt Guame, President of the New York State Financial Aid Administrators Administration (NYSFAAA).

Also in attendance: Mr. Steve Dwire, College of Saint Rose; Mr. Ken Deon, KPMG; and, Mr. Brendan Kennedy, KPMG.

### **Chairman's Report**

Chairman Guarasci thanked Governor Paterson for proposing and strongly supporting the New York Higher Education Loan Program (NYHELPS) which was enacted earlier in the month. Chairman Guarasci commented that this program is New York's first new student aid program in 35 years. Chairman Guarasci also congratulated HESC for developing the program which is scheduled to be implemented in January 2010. In addition, Chairman Guarasci commended HESC on the launch of Marketplace.

### **Welcome to New Board Members**

Chairman Guarasci introduced and welcomed the following new board members: Ms. Haleigh Tunis, student, Columbia-Greene Community College; and Mr. Stephen Archer, student, Siena College. He also welcomed Ms. Melody Mercedes, President, SUNY Student Assembly; and, Ms. Simone Lamont, Chairperson, University Student Senate of CUNY, who were unable to attend.

### **Approval of September 24, 2008 Minutes**

Chairman Richard Guarasci asked for a motion adopting the draft minutes from the September 24, 2008 Board Meeting. Ms. Van Dekker moved to adopt the minutes

and Mr. Curtice seconded the motion. The motion passed unanimously and the minutes were adopted without change.

### **Audit Committee Report**

Mr. Matthew Downey, Director of Audit and Quality Control, reported that HESC finalized the procurement process for independent audit services and that KPMG was selected as HESC's independent auditor through December 2013. Mr. Downey also reported that the Audit Committee continues to work closely with HESC management. Mr. Thomas Murphy, Chairman of the Audit Committee, reported that in terms of audits, the Committee continues to pay special attention to the audit schedule and the audit reports as they are presented. In that regard, the Committee requested that additional information on individual audits be provided to the Committee for review. With respect to the financial report, Mr. Murphy informed the Board that HESC implemented all the necessary policies and procedures to comply with the state's spending controls issued by the Division of Budget (DOB). He also reported that this year HESC met targeted spending levels assigned by DOB. Mr. Murphy concluded his report stating that HESC continues to exceed the mandatory minimum reserve level of its Federal Fund for the federal fiscal year.

### **President's Report**

President Ross announced that he was pleased with the passage of NYHELPS and thanked Governor Paterson for supporting the program. President Ross informed the Board that he had received numerous phone calls from other states' guarantee agencies inquiring about NYHELPS. He also reported that he is constantly complimented for advancing the program. Turning to recent federal developments, President Ross stated

that President Obama's budget recommended that the bank-based program be eliminated and that all student loans come from the Direct Loan program, which uses funds from the U.S. Treasury. In that regard, HESC has been working diligently with appropriate industry and government leaders in addressing this proposal. President Ross expressed thanks to his staff for their marvelous work on Marketplace and NYHELPS. In concluding his report, President Ross welcomed the appointments of two new staff members to HESC: Ms. Kathy Crowder, Senior Vice-President for Communications, and Mr. Thomas Brennan, General Counsel.

### **Federal Loan Program Update and NYHELPS**

Mr. John Austin, Senior Vice President of Customer Relations, reported that the new cohort default rate formula resulted in an increase in the cohort default rate at nearly every school. As a result, an increasing number of schools have requested the assistance of the Default Management Services Unit to improve their default rates. Mr. Austin also reported that split servicing, resulting from schools switching to the Direct Loan Program, has caused confusion for borrowers contributing to increased defaults. Mr. Austin advised that HESC has delivered financial literacy services to over 200,000 high school students this year. Mr. Austin concluded his report by giving a presentation on key features of NYHELPS.

### **HESC Student Loan Marketplace Report**

The Chairman then asked Mr. Victor Stucchi, Senior Vice President of Information Technology, and Mr. Steve Dwire, Director of Financial Aid at the College of St. Rose, to present the HESC Student Loan Marketplace Report. The Board was shown a power point presentation of Marketplace, which went live last month. Mr.

Stucchi and Mr. Dwire provided an overview and explained Marketplace's many features.

### **Resolutions of Appreciation**

Ms. Cheryl Fisher, Secretary to the Board, presented Resolutions of Appreciation to Mr. John Clark, Former SUNY Chancellor; Mr. Kevin Smith, President of NYSOBBA; and, Mr. Jacob Crawford, former President of the SUNY Student Assembly.

### **Leadership Council**

Chairman Guarasci then asked the members of the Leadership Council if they would like to address the Board with any comments or questions. Mr. Guame announced that NYSFAAA is looking forward to working with HESC in the development of NYHELPS and is proud to participate in the College Access Challenge Grant. Mr. Smith applauded HESC for NYHELPS and its IT initiatives. He stated that members of NYSOBBA look forward to HESC's participation and presentations at their June conference. Ms. Cooper thanked HESC for their participation at the recent SUNYFAP conference and expressed her thanks and appreciation for HESC's support.

### **Set date for Fall Board of Trustees Meeting**

The Chairman announced that the next meeting of the Board of Trustees would be held on September 23, 2009.

### **Adjournment**

Chairman Guarasci then asked for a motion to end the meeting. The motion was made by Ms. Van Dekker and seconded by Mr. Murphy. The meeting was adjourned at 12:10 p.m.