

DRAFT
New York State Higher Education Services Corporation
Board of Trustees Meeting
Minutes
October 26, 2011
11:00 a.m.

The meeting was called to order at 11:02 a.m. by Mr. Charles DeLaney, a member of the Nominating Committee, on behalf of Mr. Philip Williams, Chair of the Nominating Committee, who was unable to attend the Board meeting.

The following members of the Board were in attendance: Ms. Eileen Bagnoli, President and Chief Executive Officer of Pioneer Savings Bank and Chair of the Board of Trustees; Ms. Angela Van Dekker, Associate Vice President of Student Financial Services at Fordham University and Vice Chair of the Board of Trustees; Ms. Kaitlyn Beachner, President of the SUNY Student Assembly; Mr. John D'Agati, designee of Dr. David Steiner, Commissioner of the New York State Education Department (SED); Mr. Charles DeLaney, Director, New York Institute of Photography and the Sheffield School; Mr. Alan Klinger, Co-Managing Partner of Strook & Strook & Lavan LLP; Dr. Robert Ptachik, designee of Dr. Matthew Goldstein, Chancellor of the City University of New York (CUNY); and Ms. Patricia Thompson, designee of Dr. Nancy Zimpher, Chancellor of the State University of New York (SUNY).

Present for the Agency were: Ms. Elsa Magee, Acting President & Executive Vice-President; Ms. Cheryl Fisher, Secretary to the Board; Mr. John Austin; Mr. Frank Ballmann; Mr. Thomas Brennan; Ms. Kathy Crowder; Mr. Matthew Downey; Mr. George Kazanjian; Ms. Christine Konsistorum; Mr. Aaron Pisacane; Mr. Elgin Joseph

Taylor, Sr.; and Mr. Victor Stucchi. Also present for the agency were Ms. Cori Biviano, Ms. Joanne Razzano and Ms. Aleah Wendell.

Also in attendance were: Mr. Louis Christie; Mr. Stan Hansen; Ms. Amy Lochner; Mr. Bernie Maskell; Ms. Lisa Simpson; Ms. Pat Spath and Mr. Warren Wallin.

Nominating Committee Report

Mr. DeLaney, on behalf of Mr. Williams, Chair of the Nominating Committee, presented to the Board the Committee's (comprised of Mr. Williams, Mr. Delaney and Dr. Ptachik) recommended slate of officers for consideration and action as follows: Ms. Eileen Bagnoli as Chair, Ms. Angela VanDekker as Vice Chair and Ms. Cheryl Fisher as Secretary. There being no other nominees, Ms. Beachner made a motion to accept the proposed slate of officers and Dr. Ptachik seconded the motion. The proposed slate of officers was unanimously elected by a show of hands vote.

Chairperson's Report

Welcome to New Board Member

Chairwoman Eileen Bagnoli welcomed Ms. Kaitlyn Beachner, President of the SUNY Student Assembly, and Mr. John D'Agati, Deputy Commissioner for Higher Education at the State Department of Education, and new designee for the Commissioner of the State Education Department.

Approval of Minutes from the April 27, 2011, Board Meeting and the October 5, 2011 Special Meeting of the Board

Chairwoman Bagnoli asked for a motion adopting the draft minutes from the April 27, 2011 Board meeting and the October 5, 2011 Special Meeting of the Board. Mr. Klinger moved to adopt the minutes and Ms. VanDekker seconded the motion. The motion passed unanimously and the minutes were adopted without change.

Chairwoman Bagnoli then congratulated HESC on a successful application for a 2011 College Access Challenge Grant award on behalf of New York State. She noted that the award was the third for the State, and that this is the agency's third year as the designated lead agency to apply for and administer the program.

Audit Committee Report

Mr. Alan Klinger, Chairman of the Audit Committee, then presented the Audit Committee Report. He reported that the Committee had discussed a number of issues including: the Audit Division's activity for the period April 1, 2011 to June 30, 2011; the Division's Amended Audit Plan; the potential for a State shared services arrangement for internal audit functions; and staffing issues. In addition, the Committee reviewed Audit recommendations regarding the Acceptance of Risk; the NYS Banking Department's Examination Report; and the Guaranty Agency Review. The Committee was also provided an overview of the agency's Information Security Program and a Finance update. Mr. Klinger was pleased to report that none of these matters presented any concern.

Mr. Klinger explained that KPMG, HESC's independent auditor, would not be giving a presentation on the 2010-11 financial statements because they are not yet complete. Although they appear to be in order, Mr. Klinger stated that there is one contingency liability under analysis that he expects to be addressed in time to allow completion before the end of the year.

President's Report

Ms. Elsa Magee, HESC's Acting President and Executive Vice President, began her presentation by stressing the importance of the role HESC plays in educating New York State's students, citing recent reports that emphasize the need for a well-educated workforce to sustain the economic competitiveness of our State and the nation. She recalled for the Board the many programs the agency administers for youth attending college, as well as at-risk youth who may not be aware of the importance of, or their ability to obtain, a college education.

Ms. Magee credited the dedication of the HESC workforce with enabling the agency to accomplish many significant activities the Board would next hear about from senior staff. She concluded with assurances that HESC remains committed to the successful administration of student financial aid and college access programs as well as to meeting the needs of New York's students and schools.

Federal Update

Mr. Frank Ballmann, Director of Federal Relations, began his report with an update on the U.S. Department of Education's initiative to enter into Voluntary Flexible

Agreements (VFA) with guaranty agencies. Mr. Ballmann stated that while HESC did not submit a VFA proposal, 24 guaranty agencies submitted a total of 22 proposals in some format, including some as part of a consortium. Several proposals called for guaranty agencies to perform aversion work on some loans and collection work on other loans. However, in a recent call, the Department made clear that guarantors must make a distinct choice between aversion and collection in their proposal, which further supported HESC's initial determination that submitting a VFA to the Department was not in the best interests of New York's students and schools. Rather, HESC will continue to provide valuable aversion services and continue collection efforts on its existing portfolio while continuing to pursue a contract with the Department to provide services to NYS students that are direct loan borrowers.

Mr. Ballmann reported that HESC is continuing to work with the Department to obtain further guidance regarding the best approach to developing a strong contract proposal for consideration regarding federal direct loan services, with a focus on providing services on direct and "put" loans with a New York State nexus. Mr. Ballmann stated that the Department anticipates a resolution to the VFA proposals by summer 2012.

Regarding the College Access Challenge Grant (CACG), Mr. Ballmann reported that 22 states who had not met the CACG "maintenance of effort" (MOE) requirements, which require states to maintain a certain level of funding for higher education in their individual state budgets in order to continue to qualify for awards, had submitted waiver requests. New York is one of 14 states whose MOE waiver was approved. Eight states' waiver applications remain in various stages of review by the Department.

In terms of federal budget activity, Mr. Ballmann then reviewed several of the provisions of the Budget Control Act of 2011 (BCA). Mr. Ballmann reported that the BCA increased the federal debt ceiling in early August, but requires a bi-partisan “Super Committee” of six Senators and six Representatives to identify at least \$1.2 trillion in budget savings (i.e., spending cuts or revenue increases) to help reduce future deficits. The BCA preserves the Pell Grant maximum at \$5,550, but subsidized interest on Stafford Loans to graduate students was eliminated effective July 1, 2012, as were on-time repayment incentives for new direct loans. If the “Super Committee” fails to identify and recommend over \$1.2 trillion in spending cuts by November 23, or if the proposed cuts are not enacted by early 2012, then 2013 spending will be subject to “sequestration,” in which across the board cuts are mandated, although certain programs including Pell grants, will be exempt.

Mr. Ballmann concluded his presentation with information regarding the Federal Fiscal Year (FFY) 2012 Budget. The federal budget is under a Continuing Resolution until November 18. Although House and Senate Appropriations Committees both marked up education appropriation bills earlier this month, there is not agreement between the two bills. The Senate bill would eliminate the interest subsidy on undergraduate subsidized Stafford loans during the grace period. The House bill includes several changes to Pell eligibility, including limiting Pell eligibility to 12 semesters, requiring students to be attending at least half time, establishing a minimum size for Pell grants and making changes to “auto-zero” EFC and income protection allowances that would serve to reduce the cost of the Pell program.

With regard to both the BCA and the FFY 2012 Budget, many observers believe “everything is on the table” in terms of potential cuts to higher education programs, although the Pell maximum is fairly safe. With regard to future changes to Pell, Mr. Ballmann stated that there could be changes made to Satisfactory Academic Progress standards, which could be modeled after state grant programs.

Mr. Ballmann announced to the Board that President Obama had last evening issued an Executive Order (EO) regarding student debt management. The EO includes, among other things, a loan consolidation proposal that would consolidate split Federal Family Education Loan Program (FFELP) and Direct Loans (DL) into a DL consolidation loan, which could result in the loss of FFELP borrower benefits for those borrowers who qualified for interest rate reductions and other benefits. The new consolidated loan would offer a 0.25% rate reduction for any FFELP loan consolidated, on the FFELP balance, and an additional 0.25% rate reduction if loan payments are made via a direct debit from the borrower’s bank account.

In addition, the EO reduces from 15 percent to 10 percent the minimum payment due under the Income Based Repayment (IBR) program, and decreases from 25 to 20 the number of years of payments before a loan can be forgiven under the IBR. Both of these IBR changes would only apply to student borrowers who take out loans in 2012; for other borrowers, these changes will become effective under existing law in 2014. Although too early to determine the impact on the balance between FFELP and DL, consumers will need to carefully evaluate these options.

Dr. Ptachik inquired as to the impact of the Department’s delay in addressing HESC’s contract proposal on HESC’s revenue stream. Ms. Magee responded that

HESC's current FFELP portfolio will provide operating revenue through 2030, even with no new volume and barring any new edicts by the Department that impact the agency's existing FFELP portfolio.

Grants and Scholarships Update

Mr. George Kazanjian reported on a number of different initiatives in the Grants and Scholarships Unit. He reminded the Board that the 2011-12 NYS Budget was enacted on time, allowing for timely implementation of system changes for grant and scholarship programs. As a result, Mr. Kazanjian reported that, for 2011-12, over 544,000 TAP applications have been processed as of October 24, 2011.

Mr. Kazanjian reported that the "NY-SUNY 2020" legislation requires SUNY/CUNY to conduct a study by October 1, 2013 regarding the effectiveness and functionality of the NYS TAP – plus recommendations to improve TAP to better meet the future financial aid needs of students and to ensure continued access and affordability. Mr. Kazanjian stated that HESC has had conversations with Patti Thompson at SUNY and Jim Murphy at CUNY and that the agency is ready to provide data and other resources to assist SUNY and CUNY in the production of the final report.

Mr. Kazanjian reported that statutory authority for the Robert C. Byrd Honors Scholarship (Byrd) ended on April 15, 2011. As a result, no new awards for the 2011-12 academic year will be given and Byrd Scholarship payments for returning students will not be paid. HESC has worked with the Department of Education to develop New York State's plan for an estimated \$327,061 in unspent Byrd funds remaining after obligations from 2010-11 are paid. HESC will make payments in 2011-12 to two groups of students:

first, all students who legitimately deferred in 2010 and are now beginning college study in 2011; and, second, for any remaining resources, all students who will be seniors at the beginning of the fall 2011 semester. It is anticipated that HESC will make awards by the end of the calendar year.

Mr. Kazanjian reported that HESC Acting President Elsa Magee and Acting Director of the NYS Division of Veterans' Affairs, Bill Kraus, sent a joint letter to the U.S. Department of Veterans Affairs in September regarding recent amendments to the "Post-9/11 Veterans Educational Assistance Improvements Act of 2010" - the Post-9/11 GI Bill. The two agencies are seeking clarification of portions of the amendments regarding the timing of the awarding of state aid to veterans. Mr. Kazanjian explained that New York State law limits or conditions the application of State-sponsored educational assistance benefits as being available for use only after the exhaustion of, or solely as a supplement to, the federal benefit. Mr. Kazanjian stated the agency's belief that the clarification being sought will be beneficial to veterans and that both agencies are cautiously optimistic NYS will receive a favorable interpretation letter consistent with letters issued to other states.

Ms. VanDekker asked that Mr. Kazanjian also seek clarification regarding the impact on the timing of awarding institutional aid, as generally, school specific aid is awarded after TAP.

Mr. Kazanjian next reported that HESC was not awarded a new GEAR UP grant and that the only New York State recipient was Mohawk Valley Community College (MVCC). Mr. Kazanjian went on to say that, in prior years, the Department had called

for additional proposals, based on availability of funds. He assured the Board that HESC will be ready to apply should such an opportunity be presented.

Mr. Kazanjian stated that the agency did receive a one year extension of its previous GEAR UP grant. As a result, HESC will be able to offer additional services to approximately 800 GEAR UP students that did not graduate from high school last spring with their GEAR UP cohort.

Ms. VanDekker asked why HESC had not been successful in the grant application. Ms. Magee explained that the field was very competitive and the grant requirements very specific. She then offered that HESC is initiating discussions to determine if there is a way in which the State might be able to step in to help a cohort of 7th graders this year until HESC can apply for a next round of grants.

Mr. Kazanjian then reported on the College Access Challenge Grant (CACG) Program. Last year, over 47,193 students participated in New York's CACG Program activities or received services. Mr. Kazanjian then reported that, in July 2011, HESC applied for the next round (federal fiscal year 2011) of CACG funds on behalf of New York State and, in September, HESC was informed by the U.S. Department of Education that the application had been approved. Currently, HESC is awaiting receipt of the formal grant notification; however, New York is eligible to receive up to \$6.9 million for retention and reenrollment efforts.

Ms. Thompson inquired if partnerships - perhaps with SUNY- would be considered. Mr. Kazanjian offered that he anticipates many options will be available.

Mr. Kazanjian then spoke to the Board about the soon-to-be-launched GO! College NY web site designed in a format youth will find engaging. Mr. Kazanjian

stated that the web site will be a comprehensive resource for CACG-eligible students and their families, CACG partners and sub-grantees, and middle and high school counselors and educators from which they can find information on post-secondary school options, programs and links to State and federal grant and aid programs, financial literacy and career exploration programs, colleges and universities.

Mr. Kazanjian then reported that HESC, in partnership with NYSFAAA, offers targeted Professional Development Training to assist guidance counselors in addressing college financing needs faced by their CACG-eligible students. HESC sponsored a number of regional professional development workshops in partnership with NYSFAAA last fall, in which over 3,695 Guidance Counselors participated.

The 2011 HESC College Access and Financial Aid Training for School Counselors are being held between October 2011 and January 2012 in Buffalo, Syracuse, Albany and other cities across the State. Through the workshops, attendees learn about available federal and state financial aid programs which will be useful in assisting students who are at risk of not attending college. The workshops will also address special circumstances in financial aid such as non-traditional families, homelessness, and residency, and provide early awareness opportunities.

Lastly, Mr. Kazanjian spoke to the Board about College Goal Sunday (CGS) sponsored events, which provide students on-site professional assistance in completing the Free Application for Federal Student Aid (FAFSA). HESC assisted over 1,500 NYS students and families in completing the FAFSA during CGS events held at over 25 sites during February and March 2011. Efforts are underway for organizing the 2012 sites. The official date of next year's CGS is February 12, 2012.

Dr. Ptachik inquired as to HESC's knowledge of products used by the majority of New York State's high schools such as Naviance and ConnectEDU, and whether providing them with HESC content would assist us in reaching more students and parents. Ms. Magee responded that HESC is aware of such products, but that we understand them to require specific contracts with the end users, and that HESC has left the product choice to the school.

At the conclusion of his presentation, Ms. Thompson thanked Mr. Kazanjian and the agency for their assistance in implementing the mandated SUNY tuition credit calculations in a timely manner.

NYHELPS Update

Mr. Aaron Pisacane, NYHELPS Chief Credit Officer, gave an update regarding the NYHELPS Program. Mr. Pisacane reported that the Program recently completed its second peak lending season, exhibiting 52 percent growth in dollar loan volume, to \$5.6 million for peak summer lending in the 2011-12 annual year from \$3.6 million over the same period last year. In addition, the number of participating colleges has increased from 33 at launch to 92, which includes one new participant as recently as the previous day.

Mr. Pisacane then gave several breakdowns of the loans, including: a geographic breakdown of 19 percent downstate and 81 percent upstate; average loan size of \$9,409 (up from \$8,900 last year); weighted average interest rate of 8.36 percent; the breakdown between public and private colleges of 28 percent to 72 percent, respectively; public volume having increased from 17% the prior year due, in part, to the continued subsidization of the college fee by the State, which HESC plans to continue for the next

fiscal year as well. Mr. Pisacane then stated that TAP-eligible New Yorkers are consistently served by NYHELPS, with approximately 76 percent of loans being taken by this demographic.

Mr. Pisacane next discussed that NYHELPS differs from private student lending in large part because HESC is not focused on earning late fees. Rather, HESC employs unique early contact delinquency resolution strategies with borrowers and cosigners, even before the first payment is due. As of today, there are no 30-plus day delinquencies in the NYHELPS portfolio. These efforts are helping borrowers and cosigners to build and maintain strong credit histories.

Finally, Mr. Pisacane gave an overview of the Program's current rate and fee structure as determined by choice of repayment option and credit score. Interest rates and fees will continue to remain unchanged, with rates ranging from 7.55 - 8.75 percent and fees generally ranging 4-7 percent, through May 1, 2012 because loans are being financed by the initial bond financing.

Ms. VanDekker asked if there was a known reason why the upstate volume was higher than downstate. She wondered if it might have to do with the high cost of many private colleges downstate and NYHELPS loan limits. Mr. Pisacane surmised that, although NYHELPS is very visible statewide due to a media campaign, the direct mail campaigns of private lenders may have more of an impact downstate. Ms. VanDekker went on to say that the private loan volume at her institution has declined dramatically, due to the focus on taking federal PLUS loans first. Mr. Pisacane agreed that private loan volume had seen a steep decline since its peak in 2006, whereas state loan program volume remained consistent.

HESC Annual Information Security Program

Mr. Matthew Downey, Senior Vice President for Corporate Finance, reminded the Board that they had recently been provided with the Corporation's Information Security Program. He advised that the Gramm-Leach-Bliley Act of 2000 (GLB) mandates that financial institutions, the definition of which includes HESC, take steps to safeguard the security and confidentiality of customers' non-public personal identifying information. Compliance with GLB involves observance of both the privacy provisions of the Act and the provisions regarding the safeguarding of personal information. Mr. Downey explained that HESC's Information Security Program encompasses actions by both employees of HESC and its outside service providers. He went on to highlight several of the specific policies and procedures referenced in the Program that have been reviewed and approved by executive staff as part of the ongoing procedure review project.

Mr. Downey went on report that, during the past year, the Information Protection Office (IPO) has verified the appropriateness of all staff access to HESC facilities and offices. In addition, ongoing verification is occurring for the various systems used by staff. Mr. Downey informed the Board that October is designated as cyber security month, and IPO recently held a cyber security awareness fair that was well attended by staff. In addition, the annual security training for all staff, as well as penetration testing, is scheduled for November.

Mr. Downey closed by reporting that there were no known information security breaches during the past year, and IPO staff continues to be vigilant in protecting HESC's facilities and data.

Dr. Ptachik inquired as to the procedure if there is deemed to be a security breach. Ms. Magee responded that there is a statewide procedure for HESC and all state agencies to follow in such an instance.

Empowerment Grant

Mr. John Austin, Senior Vice President of Customer Relations, provided a status update to the progress made on this project. He recalled for the Board that in 2009 the NYS Attorney General issued an RFP to create a national web site and a live operator call center to advise students and families about student financial aid and student lending, as well as an RFP for a national advertising campaign. In December 2010, HESC received a conditional award of \$2.5 million to provide a national web site and live operator call center to advise students and families about student financial aid and student lending for a four-year period. NYPIRG was also conditionally awarded \$10.5 million to provide a one-year public service announcement and advertising campaign to support the efforts. Mr. Austin reported that HESC recently signed a contract with the Attorney General's office and staff is moving forward to launch the product.

Mr. Austin stated that the goal of the web site is to provide borrowers with objective college financing suggestions, including advice to minimize debt, and exhaust state and federal grant options before they borrow. The web site will provide state-specific information as well as student-specific information on paying for college and help on repaying loans. The results will include advice, such as loan suggestions and questions to ask the college financial aid advisor that will be gathered on a form to be

emailed or printed. All visitors to the web site will also be able to conduct a live chat during business hours with HESC representatives.

Mr. Austin explained that the web site will address specific subject information in articles by Mark Kantrowitz, publisher of the FinAid web site, a highly regarded student loan industry expert. HESC will also be contracting with Mr. Tim Ranzetta of Student Loan Analytics (SLA) to provide a loan comparison tool. SLA will evaluate many loan products and then present the 5 or 6 lowest cost options.

Mr. Austin reported that, in addition to the HESC call center, an adjunct call center is planned through Industries for the Blind to accommodate overflow during high volume and extended hours for callers on the West coast. A reference number from the web site will inform the agent where the caller is in the web site, which will assist the agent with helping a caller by providing options most specific to their needs. It is anticipated that a significant number of visitors to the web site and callers to the call center will be borrowers in distress, a population with whom HESC has much experience. Mr. Austin reported that a soft launch is expected in May 2012, and that NYPIRG will launch ad campaigns during the summer of 2012.

Following Mr. Austin's presentation, Mr. D'Agati inquired about the appropriateness of presenting "best loan options" with respect to the rules prescribed for Preferred Lender Lists. Mr. Austin explained that the loan comparison tool was a required component of the contract, and that utilizing Mr. Ranzetta allowed for an independent third party to analyze the true cost of the loan for students and families.

In addition, there was much conversation among members of the Board regarding the need to educate students and parents to consider making more affordable college choices, and avoiding too much debt. It was agreed that families need to consider affordability and value, and

the importance of taking into account the long-term cost of different institutions as well as the income potential associated with a student's intended career choice and the resulting ability to repay four years of student loans. Ms. VanDekker asked that payment plan options, which allow for payment of tuition over time thus eliminating the need to take on loan debt, be added to the options presented on the web site.

Minority and Women-Owned Business Enterprises Goals Update

Mr. Elgin Joseph Taylor, Sr., Director of HESC's Office of Affirmative Action Programs (OAAP), shared with the Board some highlights on the programs and activities administered by the OAAP, in conjunction with State and federal programs.

Mr. Taylor explained to the Board that the OAAP ensures that certified Minority and Women-Owned Business Enterprises (MWBE) are provided an opportunity for meaningful participation in the performance of contracts awarded by HESC. In February, 2011, a study by the State Department of Economic Development identified numerous barriers for access by MWBEs to State contracting. Governor Cuomo established an MWBE team to identify ways of improving the overall percentage rate from 9.2 percent, requiring State agencies to set a master goal of 20 percent procurement to certified MWBEs. To meet this objective, the OAAP worked with staff from HESC's Finance Division and Contracts Unit to conduct a detailed analysis of all planned spending, and identified opportunities to increase HESC's MWBE participation to roughly \$2 million dollars, allowing HESC to meet the required 20 percent procurement rate. In addition, all new HESC procurement contracts will be reviewed by OAAP to ensure MWBE opportunities were sought and considered.

Next, Mr. Taylor addressed HESC's Policy on the Prevention of Sexual Harassment, stating that it is the goal of HESC to provide a workplace that is free of sexual harassment. To that end, in an effort to raise levels of awareness on Sexual Harassment Prevention, OAAP has conducted, in conjunction with the Governor's Office of Employee Relations, an intense mandatory training entitled "What All Employees Should Know about Sexual Harassment." Over 700 employees received the training. Annually, HESC is required to report incidents involving sexual harassment to the Department of Civil Service. Mr. Taylor reported that, during this reporting year, there were no claims filed at HESC. During the past three reporting years, while there were alleged claims of sexual harassment filed, each claim was fully investigated, resolved and brought to closure in an expeditious manner, preventing external filing through NYS Division of Human Rights and/or U.S. Equal Employment Opportunity Commission.

Lastly, Mr. Taylor reported that, recognizing the importance of promoting inclusion, tolerance, sensitivity and mutual respect in the workplace, OAAP has recently developed a Policy on Non Discrimination. While HESC is committed to providing a discrimination and harassment free workplace as defined by federal law and regulation, including the prompt investigation and resolution of all complaints, Mr. Taylor explained that HESC also promotes training in the area of discrimination so employees understand the seriousness of accusing another employee of discrimination or harassment under HESC's policies. Mr. Taylor stressed that while OAAP strives to investigate any potential claim brought forth and immediately resolve it, employees are given the opportunity, should they disagree with any decision made, to seek resolution through the

NYS Division of Human Rights and/or the U.S. Equal Employment Opportunity Commission.

Ms. Bagnoli inquired as to who conducted the trainings, and it was explained that the agency used a hybrid of in-house and outsourced trainers.

In addition, Dr. Ptachik asked how MWBE was defined. Ms. Magee responded that the entity was required to be majority owned and controlled by a woman or minority, and able to demonstrate that they could independently operate the enterprise. A list of qualifying MWBEs is maintained by the Office of General Services.

Resolutions

Chairwoman Bagnoli asked Ms. Cheryl Fisher, Supervising Attorney, to present the resolutions to the Board. Ms. Fisher began by explaining to the Board that the annual meeting of the Board was being held in October rather than September because the by-laws call for the annual meeting to be held in the third quarter, which HESC had previously interpreted to mean calendar year, but that, upon further review, is more appropriately interpreted as the fiscal year. She indicated that at a future Board meeting, a revision of the by-laws would be presented for action.

Ms. Fisher then read the resolution regarding HESC's Information Security Program. She next presented an update on the amendments to the NYHELPS Regulation, explaining that the amendments consisted of technical cleanup and clarification of several processes. A motion to adopt the resolution regarding HESC's Information Security Program was made by Mr. Klinger and seconded by Ms. VanDekker. A motion to adopt

the resolution regarding the amendments to the NYHELPS Regulation was made by Mr. DeLaney and seconded by Dr. Ptachik. Both resolutions were unanimously adopted.

Ms. Cheryl Fisher then presented a Resolution of Appreciation for Julie Gondar, former President of the SUNY Student Assembly. A motion to adopt the resolution was made by Ms. Beachner and seconded by Mr. Klinger. The resolution was unanimously adopted.

Spring Board of Trustees Meeting

Chairwoman Bagnoli announced that the next meeting of the Board of Trustees will be held on Wednesday, April 25, 2012.

Adjournment

Chairwoman Bagnoli then asked for a motion to end the meeting. The motion was made by Mr. DeLaney and seconded by Ms. Thompson. The meeting was adjourned at 12:35 p.m.