

STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
Minutes of Authority Special Board Meeting – May 25, 2010

The State of Connecticut Health and Educational Facilities Authority met at 1:00 p.m. on Tuesday, May 25, 2010.

The meeting was called to order at 1:00 p.m. by Barbara Rubin, Chair of the Board of Directors of the Authority. Upon roll call those present were as follows:

PRESENT:

John Biancamano
William Cibes, Jr., Ph.D.
Benson R. Cohn
John Mengacci (Rep. Secretary Brenda Sisco)
Bryan Pollard, Esq.
Barbara Rubin, Chair
Sarah Sanders, (Rep. Honorable Denise Nappier)

ABSENT: Patrick Colangelo, Vice Chair

ALSO PRESENT: Jeffrey A. Asher, Executive Director
Paula Herman, General Counsel
Tara Keating, Grants Administrative Assistant
Eileen MacDonald, Manager, New Business/EasyLoan Program
Joanne Mackewicz, Controller
Michael Morris, Assistant Director
Cynthia Peoples, Assistant Director
Debra Pinney, Manager, Administrative Services
Jennifer Smyth, Manager, Legal Services
David Wasch, Manager, Government Programs
Jeanette Weldon, Managing Director
of the Connecticut Health and Educational Facilities Authority

GUESTS: Jeremy Bass, Consultant, Public Financial Management
Coleman Casey, Esq., Shipman & Goodwin LLP
Lisa Hammersley, Analyst, State of CT Office of Policy and Management
Jason Krechko, Engineer, GZA GeoEnvironmental, Inc.
Karen Mercer, Vice President, JP Morgan Chase Bank, N.A.
Marie Phelan, Esq., Pullman & Comley
Edward J. Samorajczyk, Jr., Esq., Robinson & Cole LLC
Elizabeth Schramek, Vice President, RBC Capital Markets
Namita Shah, Esq., Day Pitney
Tiffany Stevens, Esq., McCarter & English LLP

Christopher Valentino, Lamont Financial Services Corp.
Noreen White, Co-President, Acacia Financial Group, Inc.
John Yarbrough, Esq. Carmody & Torrance LLP

MINUTES

Ms. Rubin requested a motion for approval of the minutes of the April 27, 2010 Board of Directors meeting. Dr. Cibes moved for approval of the minutes, which was seconded by Mr. Mengacci.

Upon roll call, the “Ayes,” “Nays” and “Abstentions” were as follows:

AYES

John Biancamano
Benson Cohn
William Cibes
John Mengacci
Bryan Pollard
Barbara Rubin
Sarah Sanders

NAYS

None

ABSTENTIONS

None

HIGHER EDUCATION SECTOR ANALYSIS REPORT

Mr. Morris presented the Higher Education Sector Analysis report for FY 2009.

Results

Most notably, there was a significant decrease in financial resources among Connecticut institutions over the past three years mainly due to negative investment returns. There was a significant decline in unrestricted resources at many of the institutions due to the Connecticut UPMIFA Statute which affected those higher rated credits with larger endowments. The impact of the current economic conditions created increased need for financial aid. Student market demand remained stable, but matriculation continues to decline with private schools.

Bonds Issued

From 2005 to 2009, the Authority financed 31 bond issues totaling \$2.2 billion to eleven private institutions and the four state universities that make up the Connecticut State University System. Yale University represented 40% of that total issued, and new money constituted approximately 72%. After a record year in FY 2008, activity was light in FY 2009.

Portfolio Overview

During FY 2009, the Authority closed three issues, Yale for \$530 million, in addition to Wesleyan University and Fairfield University new money issues. Overall, Higher Education represents approximately 60% of the Authority’s total portfolio. Yale University accounts for over 60% of the Higher Education portfolio, followed by Quinnipiac University with \$481.0

million debt outstanding accounting for 11.1%. Unenhanced Issues are at 71.2% and insured are at 25.7% with letters of credit at 3.1%. Trinity College, Mitchell College and the University of Bridgeport are expected to have bond issues in FY 2010 or early FY 2011. Connecticut State University also indicated interest in a bond issue for approximately \$50 million, although no timeframe has been given yet.

Ratings Outlook

There were two ratings changes since last year. Quinnipiac University was downgraded from 'A2' to 'A3' by Moody's due to increased debt load and decrease in financial resources. Sacred Heart University received an upgrade from 'Baa3' to 'Baa2' by Moody's. Eight of the eleven institutions have ratings.

Demand and Selectivity

The number of applications for the private institutions has increased over the past three years by 18.5% as well as a median increase from FY 2009 to FY 2010. The three largest increases were Yale University, University of New Haven, and University of Bridgeport. Central Connecticut accounted for the largest increase for Connecticut State University. The selectivity median for CHEFA's private institutions increased over the past three years from 54% to over 61%. However, CHEFA's FY 2009 median was not much higher than Moody's overall median. Connecticut State University's selectivity also increased during the past three years. The matriculation median for the private institutions declined for the fifth consecutive year and historically has been below Moody's overall median.

Expendable Resources

Total expendable resources for the eleven private institutions declined by approximately 35%, with CHEFA's median declining almost 50%. Expendable resources to debt median declined from 1.15 times to 0.57 times from FY 2007 to FY 2009. The decrease was due to combination of decrease in expendable resources and new money issued in FY 2008. The expendable resource to operations decline was greater from FY 2007 to FY 2009, 1.25 times to 0.58 times.

Annual Debt Service Burden

The Annual Debt Service has been relatively stable with the median at 5%. The institutions most vulnerable are the tuition dependent and those with annual debt service burden above 6%.

Moody's Outlook

Moody's originally assigned a negative outlook to the Sector in January 2009, which has remained for 2010. It is expected to continue for the next 12 to 18 months. Some of the concerns cited in Moody's report included:

- 1) Net Tuition revenue decline
- 2) Increased pressure on tuition pricing and financial aid.

- 3) Uncertainty with enrollment due to competition from public universities, and with the population of high school graduates having peaked in FY 2008.
- 4) Decline in state appropriations – Mr. Morris noted that for Connecticut State University System, the appropriation was 6.6% less in FY 2009 than 2008. Although a majority of the decline was for capital purposes rather than operating purposes.

On the positive side, Moody's noted many institutions benefited from improvements in the equity markets over the past year, overall enrollment has been generally stable and access to capital markets has improved.

Dr. Cibes requested that Mr. Morris elaborate on the unrestricted resource decline in respect to the new Connecticut Statute. Mr. Morris stated that the statute required institutions to reclassify previous income and accumulated gains on permanently restricted endowment funds that had been classified as unrestricted endowment to temporarily restricted until they are appropriated for expenditure.

CURRENT AND PENDING BOND ISSUES

Financing Forecast

Ms. MacDonald reported that Mitchell College will refinance a bank loan for approximately \$14 million, Trinity College is refunding \$25 million in variable rate bond issues to fixed-rate unenhanced, and Pomfret School will refund their Series A issue for \$14 million and also new money.

Summary of Financing

The Wesleyan University transaction was closed on May 18, 2010 for approximately \$207 million. The University converted all their variable-rate debt to 90% fixed rate and 10% variable rate. The true interest cost on that conversion was 4.3%. The Stamford Hospital transaction is expected to close Thursday, May 27, 2010. Staff met with Yale-New Haven Hospital to discuss a potential EasyLoan for the entire system totaling approximately \$125 million.

Sales Report: Wesleyan University Issue, Series G

Mr. Jeremy Bass from Public Financial Management presented the sales report for Wesleyan University Issue Series G (fixed-rate) and Series H (variable rate).

The Wesleyan University transaction closed on May 18, 2010 for \$206 million. The Series G issue was a fixed-rate at approximately \$186 million and Series H was a variable rate at approximately \$20 million. This transaction took out the variable rate demand bullet maturities and terminated the associated interest rate swaps which were underwater, and refinanced that to a traditional fixed-rate with a \$20 million variable rate component. The University is rated 'Aa3' by Moody's Investor Service and 'AA' by Standard & Poor's. The Series G is an uninsured fixed-rate with Series H at variable rate demand Bonds with dedicated liquidity from Bank of America. The senior underwriter for the Series G issue was Goldman Sachs with J.P Morgan, RBC Capital Markets, and Rice Financial Products Company as Co-Managers. The senior

underwriter for the Series H issue was Goldman Sachs. The All-In True Interest Cost for the Series G issue was 5.41% (which includes swap costs and cost of issuance, and the True Interest Cost was 4.57%. The University went from bullet structures to a back loaded structure. The transaction pricing on the Series G issue was low due to lower yields in the municipal markets due to reaction to Standard & Poor's lowered debt ratings of Greece and Portugal. The final yields on the Series G Bonds averaged 37 basis points over the April 27, 2010 'AAA' MMD scale. The Series G transaction was structured with serial bonds from 2023 – 2030 and term bonds in 2035 and 2039. The 2023 and 2024 maturities were structured with a 5-year par call and 4.0% coupons and the other bonds were structured with a 10-year par call and 5.0% coupons. Goldman received three orders for the Series H bonds: Fidelity placed an order for all of the Series H Bonds and was allocated \$14.855 million; Dreyfus and Inverness placed orders for \$5 million and \$250,000 respectively and were allocated their full order. Due to thee number of investors, the yield on the Series H bonds was set at 0.29%. SIFMA was computed latter in the week at 0.31%. Approximately 5 investors approved the credit and can participate in future remarketing. Goldman Sachs expects a few other investors to approve the credit in the weeks following the sale.

Ms. Rubin inquired to the total cost savings. Mr. Bass replied that there was a significant risk reduction, and that the transaction may have been a slight disavings going from a synthetic structure to an amortizing structure. Mr. Morris added that it could be considered flat with significant risk reduction.

Sales Report: Stamford Hospital Issue, Series I

Ms. Noreen White from Acacia Financial Group presented the sales report for Stamford Hospital Issue, Series I.

The Stamford Hospital transaction will close in May 2010, refinancing Stamford's Series I issue. There was a significant amount of retail interest and participation at approximately \$48 million. The lead underwriter was Goldman Sachs, which was able to add some additional retail maturities.

The refunding of the Series 1996 and 1999 bonds were structured to produce uniform savings over the life of the Series I Bonds. In connection with 2008 Wachovia Note, the Hospital plans to maintain the line of credit in the principal amount of \$15 million with Wachovia Bank. The proceeds to fund cost associated with the Master Facilities Plan and the reimbursement to the Hospital were structured to wrap around the existing debt of the Hospital to avoid unnecessary spikes in annual debt service and produce a more level overall debt service structure. By employing this wrap structure, the Hospital is able to maintain the flexibility to incur additional debt service in the future.

The pricing of the Series I Bonds took place on Tuesday, May 11, 2010 and Wednesday, May 12, 2010, with the retail order period beginning on Tuesday morning and continuing through Wednesday afternoon. The institutional pricing period began on Wednesday morning and ended by 12 noon. A pre-pricing conference call was scheduled for Monday afternoon to discuss the details of the preliminary structure. At that point, the spread to 'AAA' Municipal Market Data ("MMD") yield curve, a benchmark used for municipal bonds yields, initially ranged from 95 to 145 basis points. These proposed spreads were recognized by the group as relatively aggressive based on market conditions and other comparable transactions. The preliminary structure

anticipated the use of serial bonds from 2011 to 2021 and two terms bonds in 2024 and 2030. To target certain investors, the underwriters proposed to bifurcate the 2018 and 2021 maturities (the maturities were split between a more par-like structure and premium structure to attract different buyers). In addition, the underwriters determined it was most beneficial for the transaction to offer the 2030 term bond to institutional buyers only and not include it during the retail order period. In general, it was determined to approach the market with an aggressive scale with the hope of taking advantage of a strong demand and the lack of supply for tax-exempt State of Connecticut paper.

On Tuesday morning the Authority, Hospital, Financial Advisor and other working group members assembled on another pre-pricing call. Based on preliminary retail investor feedback, the underwriters proposed to bifurcate additional maturities to meet investor's demands. The underwriters proposed to bifurcate the 2014, 2015, 2019 and 2020 maturities in addition to the 2018 and 2021 maturities initially proposed. The yields and spreads to 'AAA' MMD that the underwriters presented did not change at this time. However, during the course of the day the market improved with MMD yields decreasing by 1-2 basis points in years 2016 through 2023. There was a brief call on Tuesday afternoon to discuss the results of the retail order period and the initial strategy for the institutional pricing period. A conference call was scheduled for Wednesday morning to discuss the strategy for the institutional pricing period. Based on the feedback from retail buyers and the market tone, the underwriters determined that it was necessary to propose a less aggressive scale to appeal to certain institutional investors. That being said, the underwriter's revised the scale approximately 5-10 basis points higher in years 2011-2018 as well as the 2030 term bond. Traders received positive feedback as a result of this change and were able to decrease yields in years 2012-2015 by 2 basis points and by 7 basis points in year 2030. The final spreads to 'AAA' MMD ranged from 89 to 147 basis points, which is very close to the initial scale proposed. The final proposed structure was presented on the final pricing call on Wednesday afternoon and the verbal award was given. The final structure was then successfully verified by the verification agent.

Interest Rate Update and Market Update

Ms. Peoples reported that the Dow Jones Industrial Average and the S&P 500 Index are currently dropping. With concerns with the European Banking industry, particularly Spain, issues in North Korea and South Korea, and budget deficits in European countries, one report indicated that the market is pricing based on a worst case scenario factoring in a possible lending freeze and a possible major banking failure. The Dow Jones is down to 9,891, S&P Index is down to 1055, Gold has increased to 1199, and Crude Oil has decreased to approximately \$68 a barrel. The 30-Year Treasury has decreased 0.60% to 4.02%, the yield curve for 5/24/2010 is higher but compared to what was reported last month yields are lower with at least a 30 basis point spread if not higher between most of the yields going out from the five year on. The Connecticut STIF Fund yield has increased 7 basis points to 30 basis points. The STIF is comprised of primarily 42% deposit instruments and 25% of FDIC guaranteed or insured securities. Those money markets structured as prime funds have gone up approximately 2 basis points, and the Government money market rates have gone up 3 basis points. A SIFMA first quarter 2010 report on Decline in VRDO's was included in the handout as well as graphs of Long-term Issuance by General Use of Proceeds and the number of issues of education and healthcare, and Long-term Unenhanced Issuance by Rating and Enhancement by quarter.

Ms. Weldon reported that the Market Update regarding health and education transactions included a fair amount of activity since the last Board meeting. The Wesleyan University and Stamford Hospital issues are listed, as well as a \$1 billion health care transaction for the Sisters of Charity of Leavenworth. The Sisters of Charity is a multi-state healthcare system in Colorado, Kansas and Montana which is very highly rated. The MMD spreads were favorable on the 30-year bonds given their rating. The University of Connecticut was in the market at the same time as the Stamford Hospital issue, with the yield differential on their respective 2030 maturities reflective of their different investor bases.

Ms. Rubin inquired why Wesleyan University's MMD spread was almost double that of the University of Connecticut. Ms. Weldon responded that the UCONN bonds carry the State's rating and also noted the maturity differences.

PRELIMINARY STAFF MEMOS **Pomfret School Issue, Series B**

Pomfret is looking to refund their Series A issue for \$5.4 million. This issue was a variable rate with Bank of America. The new money component consists of \$3.0 million for two artificial turf fields and \$4.2 million for the School's energy upgrade project. The School has maintained an 'A-' rating with S&P since 2007. The School is requesting use of only one rating because it is in the 'A' category in order to avoid incurring expenses of a second credit assessment. The security will be a tuition pledge receipt with a debt service reserve fund and a negative pledge.

The Applications for FY 2010 reached a record high at 822 (increasing 42% from prior year) although applications declined 27% from FY 2008 to FY 2009. Mr. Morris was unclear why applications have fluctuated over the past couple of years. The applicant pool is strong at 50% higher than the CHEFA boarding school median. Despite an increase in applications, selectivity was at its highest level in the past five years because the School has planned to allow for a drop in matriculation.

The matriculation rate has decreased from a favorable 47.6% to 29.3% from FY 2009 to FY 2010 (the lowest of the boarding schools), however Pomfret managed to meet its targeted yield of 130 students. The enrollment is steady at approximately 350 students which equals the CHEFA boarding school median.

Pomfret's geographic draw is consistent with its peers. They have students from 25 states, and 14 foreign countries. Their attrition rate is on the high side, just under 10% as compared to the 7% boarding school median.

Operating margins have been inconsistent over the past five years ranging from -3.68% in FY 2010 to 7.83% in FY 2009. The expendable resources declined 39% since FY 2007 with an additional \$8 million in new debt, the School's pro forma expendable resources to debt ratio is 1.47 times (as compared to the CHEFA median at 1.24 times) and the expendable resources to operations equaled 1.16 times.

The endowment declined from \$39 million to \$28 million since 2007 and the School reports as of March 31, 2010 a total endowment of approximately \$38 million with a favorable endowment draw of 4.75%.

Mr. Asher asked if the 'A-' rating was stable. Mr. Morris replied that the rating is stable. Ms. Rubin asked how much an additional rating would cost. Mr. Morris replied that a rating would cost approximately \$15,000. Dr. Cibes requested that the Authority research the reason for the noteworthy decline in the endowment since 2007. Ms. Rubin stated that the matriculation rate dropped significantly. Mr. Morris added that the school is accepting more students. Mr. Biancamano stated that the additional applications may have affected the matriculation rates. Ms. Rubin requested that the Authority look into the matriculation calculations and justifications.

FINAL STAFF MEMO

Trinity College Issue, Series M

Mr. Morris reported that Trinity College is looking to partially refund their Series F issue, because \$9.8 million of the 2021 maturity is non-callable. The total amount will be approximately \$23 million. The net present value savings is approximately \$1.5 million or 7% which the college would like to realize over the first three years. The College is rated 'A1/A+' by both Moody's and S&P. Trinity will be meeting with rating agencies next week to find out if the ratings will remain the same. The College is considering obtaining bond insurance, but given the credit, the premium and terms would have to be attractive. In addition, the college needs to close by July 1, 2010 due to the plan for a partial redemption on the semi-annual interest payment date.

The current security structure would remain the same with a general obligation pledge, and no debt service reserve fund. Applications have decreased by approximately 24% since FY 2008. The reason stated for the decrease from FY 2009 to 2010 was an additional essay question on the application. This additional essay question will be eliminated for FY 2011.

The School's selectivity remained consistent with one previous year exception in FY 2008, and the matriculation is at its highest level at over 30% which is significantly higher than the CHEFA median.

FTE's have remained relatively steady over the past five years with a 3.7% decline from FY 2009 to FY 2010. The School demonstrates commitment to diversity with 22% of student body of color, which includes international students.

The School noted a significant decline in expendable resources at approximately 55%. The expendable resources to debt ratio for FY 2009 decreased to 0.77 times from 1.67 times. The expendable resources to operations ratio was more favorable at 1.0 times, down from 2.3 times.

Historically, the College has had operating losses. In FY 2009, the College fell just below the breakeven at -.4%. Historically, the College's endowment draw has been above the industry average of 5%, but has improved since FY 2003 from 6.4% to 5.4%.

The College will reduce the draw for FY 2011 to draw equal to 5% of FY 2009 market value. In addition, the College is lowering their tuition fee increase to below 4%, and has included a number of cost cutting initiatives to balance its budget. The College will increase the number of students. Fundraising has been favorable which includes a \$350 million capital campaign. To date the college has raised \$188 million, of which \$70 million has been pledged from members of the College's Board of Trustees.

There being no further discussion, Ms. Rubin introduced Resolution 2010-10 Trinity College Issue, Series M. Authorizing which resolution was included in the materials distributed to the Board. Mr. Mengacci moved for adoption of Resolution 2010-10, which was seconded by Mr. Biancamano.

Upon roll call, the "Ayes," "Nays" and "Abstentions" were as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTENTIONS</u>
John Biancamano	None	None
Benson Cohn		
William Cibes		
John Mengacci		
Bryan Pollard		
Barbara Rubin		
Sarah Sanders		

The Chair then declared Resolution 2010-10 adopted.

Stamford Hospital Issue, Series I: Discussion on Amended Structure

Mr. Morris reported that the Stamford Hospital Issue, Series I approved at the April 2010 Board of Directors meeting included a provision regarding the days cash on hand. Staff's proposal stated that the Hospital and the Parent (as guarantor) would maintain 60 days cash before and after giving effect to, any transfer by the Parent (other than to the Hospital). The Authority was advised by Bond Counsel that the IRS limits days cash on hand testing to twice a year. Based on bond counsel advice, requiring 60 days cash on hand after transfer and requiring testing at each time of transfer is equivalent to a requirement that 60 days cash be maintained at all times. This may be viewed by the IRS as creating an additional reserve fund, which would be required to be yield restricted. To avoid the potential characterization as a reserve fund requirement, days cash on hand is generally tested only twice a year. According to bond counsel, imposing a requirement that days cash on hand meet a specific level after a transfer would be the equivalent of imposing more frequent testing. In other words, the Hospital and Parent need the ability to fall below 60 days cash on hand between semi-annual test periods; otherwise, the IRS would view it as creating the additional reserve.

Consequently, upon advice of bond counsel, the test was modified as follows: 1) days cash on hand would be tested twice a year as of March 31 and September 30; 2) if the Hospital and the Parent met the 60 days cash on hand test on a semi-annual test date, the Parent would be permitted to transfer assets; 3) if the Hospital and the Parent failed to meet the 60 days cash on hand on any test date, the Parent would be prohibited from transferring assets (except to the Hospital) unless and until it could demonstrate to the Authority that, after giving effect to the proposed transfer and any other transfers proposed to be made prior to the next semi-annual test date, the Hospital and the Parent would meet the 60 days cash on hand test. Staff believes that given tax law constraints, the above described modified days cash on hand test was the best available means of addressing the Board's intent. Therefore, Staff believes that it was an appropriate use of delegated authority under the Bond Resolution to modify the test as described above. It should be noted that the bond documents also limit the Hospital's ability to transfer assets to the Parent (no more than an amount equal to 5% of the value of Property, Plant, and Equipment). This limits the amount of assets that the Parent can derive from the Hospital. An alternative structure of including the Parent in the obligated group would still allow the Parent to dispose of up to 5% of consolidated Property, Plant, and Equipment each year without limit and would allow unlimited transfers from the Hospital to the Parent.

AUDIT FINANCE COMMITTEE MEETING REPORT

Mr. Cohn reported that the Audit-Finance and Human Resource Committees met jointly today at 11:30 a.m. to approve the Operating and Capital Budget for FY 2011; approve the Draft Legal/Compliance: Bond Covenants Analysis Function; and approve the Revised 2011 Audit Plan/Risk Assessment. The Compliance Internal Audit Function and Business Continuity Plan were discussed in reference to potential exposure to CHEFA/CHEFA clients, and the timeframe necessary to resume the CIA Function in its entirety.

Mr. Cohn stated that the Operating Budget will reflect one change from the Staff proposal. The Operating Budget projects a surplus of \$2.5 million. The change recommended by the Committee is to reserve \$1.5 million of those funds for reinstating the Grant Program including any expenses related to participation or direct contributions to education.

Dr. Cibes inquired if the Authority would like to reinstate the membership in the Connecticut Council of Philanthropy. Ms. Rubin stated that there is an inclusion in the language which states related expenses are included. Dr. Cibes then inquired about the reduction in personnel compensation relative to the prior proposal to the Human Resource/Audit Finance Committee, a reduction of \$45,000. Ms. Weldon stated that the Authority's labor grade adjustment is now incorporated into the merit increase pool. The numbers also reflect the Committee's requirement that the incentive pool be limited to 75% of the eligible maximums.

Ms. Rubin requested a motion for approval to move forward with the operating and capital budget recommended by the Committee. Mr. Cohn moved for approval of the budget, which was seconded by Mr. Biancamano.

Upon roll call, the “Ayes,” “Nays” and “Abstentions” were as follows:

AYES

John Biancamano
Benson Cohn
Bryan Pollard
Barbara Rubin

NAYS

William Cibes
Sarah Sanders

ABSTENTIONS

John Mengacci

CHEFA FINANCIAL OPERATIONS

April 2010 Financial Statements

Ms. Mackewicz reported that for the ten months ending April 30, 2010, revenues were over expenses by approximately \$2.4 million before program related expenses and \$2.3 million after program related expenses. Revenues were under budget by approximately \$164,000 and expenses were also under budget by approximately \$108,000. There were no other notable items this month.

EXECUTIVE DIRECTORS REPORT

Mr. Asher reported that the Board membership for the Authority will be changing in the upcoming month. Dr. Cibes will be leaving the Board on June 30, 2010 and his replacement, Dr. Pamela Trottman Reid from Saint Joseph College will start July 1, 2010. The Governor has also appointed Mr. Peter Lisi from the University of Hartford. He will be joining the Authority Board for a five-year term effective July 1, 2010. Mr. Lisi is currently the Director of Institutional Advancement at the University of Hartford. Prior he was employed by Choate Rosemary Hall, and the Connecticut Conference of Independent Colleges. The Governor’s Office is currently considering candidates for the remaining seat available.

Mr. Asher stated that in the handouts there are two documents associated with Healthcare Reform, a summary and a timeline.

There were two legislative issues discussed. The Statement of Financial Interest legislation regarding posting information on the Internet was not passed during the last session. The Board Members received email communication regarding the status of this legislation. There was an inclusion in the budget implementation bill which designated CHEFA as the entity that will be administering a Guaranteed Loan Fund Program to fund projects on energy conservation. The loans will be processed through banks and other lending institutions for individual homeowners, small businesses (under 50 employees), and nonprofits. The program will be structured similarly to the Authority’s Childcare Guaranteed Loan Program. It is proposed that the State will issue taxable general obligation bonds up to as \$18 million, the proceeds of which will be deposited with the Authority and will be used to fund the loan guarantees. Depending upon levels we can negotiate for first lost guarantees with the lending institutions, which may allow up to \$90

million in lending. This program will be a contractual commitment between the Authority and the lending institutions. CHEFA will not be involved in approving individual loans.

Ms. Rubin asked who was in charge of managing the money. Mr. Asher stated that the Authority will be.

Mr. Asher stated that the second legislative issue he wanted to discuss was the Student Loan Forgiveness program, this program is for student loans related to green technology and certain healthcare related programs which was voted enacted. The Act calls for the Authority to transfer \$3.0 million on January 1, 2012 to the General Fund to fund a loan forgiveness program. This is being administered through the State Department of Higher Education.

OTHER BUSINESS

The next Board of Directors meeting will be held on June 29, 2010 at 1:00 p.m.

There being no further business, at 2:09 p.m., Ms. Rubin requested a motion to adjourn the meeting. Dr. Cibes moved to adjourn and Mr. Cohn seconded the motion. All were in favor.

Upon roll call, the “Ayes,” “Nays” and “Abstentions” were as follows:

AYES

John Biancamano
Benson Cohn
William Cibes
John Mengacci
Bryan Pollard
Barbara Rubin
Sarah Sanders

NAYS

None

ABSTENTIONS

None

Respectfully submitted,

Jeffrey A. Asher
Executive Director