

MINUTES

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

May 11, 2005

The Higher Education Student Assistance Authority (HESAA) Board held its quarterly meeting on May 11, 2005 at 10:00 a.m. at the HESAA offices in Hamilton.

PRESENT: Michael Angulo, Esq.; Mr. James Avery; Ms. Caroline Ehrlich, Treasurer's Designee; Ms. Erin Ferris; Ms. M. Wilma Harris; Ms. Jean McDonald Rash; Mr. Frank Mertz; Ms. Maria I. Torres.

PARTICIPATED BY PHONE: Dr. Phyllis Della Vecchia; Dr. Harold Deutschman; Mr. Keith A. Green; Dr. Harvey Kesselman; Ms. Rossy M. Matos; Mr. Joseph Smith; Warren E. Smith, Esq.; Tamika Gadsden of the Secretary of State's Office.

ABSENT: Dr. William B. Rogers; Christian Edward Samay, Esq.

SPECIAL GUESTS: Victoria Pratt; Assistant Counsel, Governor's Authorities Unit; Sarah Darrow, Deputy Attorney General; Constance M. Willett, Office of Management and Budget.

HESAA STAFF: Fran Andrea, Chief Operating Officer, Gene Hutchins, Chief Financial Officer, Sudha Tiwari Kantor, Esq., Director, Legal and Governmental Affairs, Teresa Gervasio, Director, Student Loans, Sherry Fox, Acting Director, Grants and Scholarships.

CALL TO ORDER

Ms. Torres called the meeting to order at 10:00 a.m. and stated that the meeting had been noticed in compliance with the requirements of the Open Public Meetings Act.

Ms. Torres welcomed the Board members. Ms. Torres advised members of the public who wished to speak to sign up with Ms. Powell.

Ms. Torres asked Ms. Powell to call the roll.

CONSIDERATION OF THE MINUTES OF THE FEBRUARY 16, 2005 MEETING:

A motion to approve the minutes of the February 16, 2005 meeting was made by Mr. Avery and seconded by Ms. Harris. The minutes were approved unanimously.

CONSIDERATION OF THE MINUTES OF THE APRIL 15, 2005 MEETING:

A motion to approve the minutes of the April 15, 2005 meeting was made by Ms. Ferris and seconded by Ms. Harris. The minutes were approved unanimously.

UPDATE ON THE CONTINUED ELIMINATION OF THE INSURANCE PREMIUM FOR FFELP LOANS:

Ms. Gervasio presented this matter orally to the Board. Pursuant to Resolution 11:01 which was adopted by the Board at its meeting on March 5, 2001, HESAA will continue its elimination of the 1% insurance fee for the Federal Family Education Loan for academic year 2005-2006. This is the seventh consecutive year that the Authority has been able to eliminate this fee, which is ordinarily paid for by student borrowers. HESAA estimates that the elimination of the one percent insurance fee will save students \$7.1 million dollars for academic year 2005-2006, bringing the 7 year cumulative savings to approximately \$35 million.

The continued elimination of the 1% insurance fee reflects HESAA's long-standing commitment to making higher education affordable and accessible. Thus, after 6 years of suspension of the insurance premium, the Authority's reserve in the federal student loan reserve fund remains above the minimum reserve requirements. The revenues generated by the insurance premiums are not needed to meet the minimum reserve requirements.

RESOLUTION 06:05 - ADOPTING A SCHEDULE OF MEETINGS FOR FISCAL YEAR 2006:

Ms. Kantor presented Resolution 06:05 to the Board.

Ms. Kantor stated that the Resolution 06:05 seeks to adopt a Board meeting schedule for FY 2006. HESAA staff had contacted each of the Board members and the dates were chosen based on the members' availability. Ms. Kantor requested and recommended that the dates of Tuesday, July 12, 2005, Wednesday, October 19, 2005, Wednesday, February 15, 2006, and Monday, May 8, 2006, be adopted as the schedule for the FY 2006 Board meetings.

A motion to approve Resolution 06:05 was made by Ms. Harris and seconded by Ms. Ferris. The FY 2006 meeting schedule was approved unanimously.

RESOLUTION 07:05 - CONSIDERATION OF PROPOSED READOPTION, WITHOUT AMENDMENTS, OF N.J.A.C. 9A:8, HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY POLICIES, PROCEDURES AND PROGRAMS:

Ms. Kantor presented Resolution 07:05 to the Board.

Ms. Kantor stated that Resolution 07:05 requests Board approval for re-adoption of N.J.A.C. 9A:8, which is the Higher Education Student Assistance Authority Policies, Procedures and Programs Chapter. This chapter of HESAA regulations consists of 9A:8-3.1 which is the Minority Faculty Advancement Loan and Loan Redemption Program, and 9A:8-5.1 which is Selective Service Compliance. Selective Service Compliance is necessary for students to receive state funded grants and scholarships.

The enabling act creating HESAA, N.J.S.A. 18A:72A-1 et seq.; also redefined the Minority Faculty Advancement Loan and Loan Redemption Program which was renamed as the Minority Faculty Advancement Program under its own statute at N.J.S.A. 18A:72F-1 *et seq.*

The remaining participants in the program under Chapter 8 are continuing to be served by the Authority, and therefore, HESAA requests that the chapter be re-adopted until those participants have completed their program participation. The superceded Minority Faculty Advancement Program is under the Commission on Higher Education, which has adopted its own regulation. However, the Minority Faculty Advancement Loan and Loan Redemption Program continues to be administered through HESAA.

The second portion of the Chapter 8 covers the selective service registration requirements. Pursuant to the Military Selective Service Act under the federal statute, the recipient of state funded loans, grants or scholarships are required to provide a Selective Service Compliance statement. Students using the Free Application For Student Financial Aid (FAFSA), are already registered when they complete the FAFSA, but for those who do not complete the FAFSA and who are eligible for state loan redemption, scholarships or other types of financial aid are requested to comply with the selective service requirements and that is done through this second piece of sub-chapter 8.

HESAA would ask and recommend that the Board approve the Re-adoption of Chapter 8 without modification. Once the Board approves that proposal, HESAA will then promulgate the rule proposal within the New Jersey Register and giving notice by publication to all interested parties.

A motion to approve Resolution 07:05 was made by Mr. Avery and seconded by Ms. Ferris. Resolution 07:05 was approved unanimously.

Ms. Harris asked how many people are still in the program and if the program will continue until participants have exhausted their eligibility. Ms. Gervasio responded that there are approximately 50 participants. The program continues until participants have exhausted their eligibility.

RESOLUTION 08:05 - CONSIDERATION OF PROPOSED AMENDMENTS TO THE GENERAL PROVISIONS FOR TUITION AID GRANT AND GARDEN STATE SCHOLARSHIP PROGRAMS REGULATION, N.J.A.C. 9A:9-2.2, RESIDENCY:

Ms. Kantor presented Resolution 08:05 to the Board.

Recently, Acting Governor Codey signed Bill A-3705, sponsored by Assembly members Voss and Greenstein. This Bill waived residential requirements for dependent children of military personnel that were transferred to military installations within the State of New Jersey for purposes of the Tuition Aid Grant (TAG) program. The current regulation for the Garden State Scholarship Programs and Tuition Aid Grant requires at least 12 months of residence and domicile within the State of New Jersey. Thus, the regulations must be amended to reflect A-3705. In addition, additional amendments are necessary to clarify the residency requirements for both the Tuition Aid and Garden State Scholarship Programs.

Historically, for these two programs, a dependent student's legal residence has been considered that of the parent(s). Bill A-3705, which actually makes an exception to the 12 month residency requirement for dependent children of military personnel who have been transferred to a military installation in New Jersey, the 12 month residency requirement is waived for TAG.

In addition, there are some clarifying language HESAA recommends. The proposed amendments, in bolded text indicate the amendatory language and the strikethrough indicate the proposed deletions of the language that is presently in the regulation. The changes and the amendments not only provide for the implementation of and compliance with A-3705, but also clarify the language of the residency requirements for the award of the Tuition Aid Grant and Garden State Scholarship Program awards.

Mr. Mertz asked whether the child of a parent who is transferred from out of state into New Jersey must also relocate to New Jersey in order to be eligible for TAG under A3705.

Ms. Kantor advised that if a parent is transferred to a N.J. military installation, whether their parent is working at the base or is deployed out of the country, the NJ installation would be considered their residence.

Mr. Mertz clarified his questions: If a parent/child lives in the state of Ohio, the parent is transferred to military installation in New Jersey, the other spouse plus child still remain in Ohio, is that person a resident of New Jersey for purposes of the TAG?

Ms. Kantor stated that there has to be a dependent child to which Mr. Mertz added, living in New Jersey.

Ms. Kantor advised that the bill does not specify these circumstances. However, if the children are dependent then they are living with either of the parents. Children applying for the Tuition Aid Grant would have to fill out which parent they are applying through and their residence would be the residence of the parent through whom they apply.

Mr. Kesselman asked if HESAA is going to approve the situation that was just delineated, that is a family where the child could be with the spouse in another state but that child could go to a New Jersey school and qualify for a Tuition Aid Grant?

Ms. Kantor responded yes, they would have to attend an institution in New Jersey in order to be eligible for TAG.

Mr. Mertz asked if they would have to attend a post-secondary institution in New Jersey and gave the following example: The parents and child are living in Ohio; the other spouse is transferred to a military installation in New Jersey; spouse and other child still remain in Ohio. Is, for purposes of TAG, the dependent student living in Ohio eligible for TAG when attending a New Jersey school?

Ms. Kantor responded that under the circumstances, legislative intent is to be considered. The intent of A3705 is that a family that has been uprooted to move to New Jersey for purposes of serving the country should not be denied the benefits of TAG.

Mr. Mertz said the intent is clear that New Jersey does not want someone to lose something because they are uprooted. That being the intent one could waive intellectual concern and consideration.

Ms. Ferris added that when the student committee discussed the bill, it was pointed out that sometimes there is not room at the bases for the entire family to relocate. Several of the students have brought this to her attention. She was not previously aware of the situation where an entire family is uprooted but the relocation does not occur during the normal financial aid fiscal year. In theory, there could be students who may be in Ohio (using this for an example) for a couple of extra weeks because the whole family cannot be accommodated on the base.

Mr. Kesselman asked if that same individual who went to a New Jersey institution of higher education, for those institutions that have differential rates for in state students versus out of state students, would be charged "in state" student rates?

Ms. Kantor responded that A3705 relates to TAG.

Mr. Warren Smith suggested HESAA pose that question in a letter to OLS.

Mr. Angulo thanked Mr. Warren Smith for that recommendation. Mr. Angulo commented that the intent of the underlying bill is very clear and, unless there is a confusing or an ambiguous provision, it is uncertain whether writing to the OLS staff will be productive since OLS normally refers inquiries back to the Bill statement or to HESAA. HESAA will re-evaluate the statement on the Bill to make sure legislative intent is clear and if it is not then HESAA may consider contacting OLS.

Mr. Warren Smith concurred.

Ms. Harris commented, with regard to the example that Erin cited where there is a lag between the parent's reassignment and the child's move. Ms. Harris questioned whether it is implicit that a physical move occur within a reasonable amount of time.

Ms. Kantor responded that she believes that it is implicit and the Bill statement is clear that it was intended to support the families that were uprooted. If the military base itself does not have the facilities, and the student's move is impeded, then HESAA would definitely take that into consideration. If there was a parental or voluntary choice made for the student not to relocate to New Jersey that may be a different scenario.

Mr. Avery asked Mr. Angulo if he is suggesting to review the legislative intent and if he is suggesting this resolution be postponed.

Mr. Angulo stated no, this resolution certainly can go forward. HESAA will make sure that the intent of the bill is properly administered per HESAA's regulatory capacity.

Ms. Matos asked a question in reference to the language that will be added regarding the eligibility of the dependents in general. There was concern about the issue of dependent students whose parents for one reason or another move out of New Jersey even though the dependent student has been living in New Jersey for a while and is eligible. Ms. Matos requested a clarification.

Ms. Kantor responded by saying that under HESAA regulations, if the student is enrolled in school and is receiving TAG, and the parents choose to move out of New Jersey. The student will continue to be eligible for TAG. A subsequent change of parents domicile does not invalidate a student's eligibility.

Ms. Matos asked how about if a student is a New Jersey resident and the parents for whatever reason decided they are moving out right after graduation from high school. Will that student now be eligible?

Ms. Kantor responded that the student would have probably applied for TAG prior to that happening so that is a borderline question. It would depend on the timing but one of the key timing pieces is going to be, has the student received a TAG award.

Ms. Matos further requested clarification regarding the proposed amendment, relative to the language that has been changed. Specifically, the term "guardian" was deleted. Ms. Matos asked for clarification as to why was "guardians" deleted since some students do not live with their parents and it is their legal guardians who are responsible for the student.

Ms. Kantor referred that question to the State Grants and Scholarships Director or Assistant Director.

Ms. Fox responded that the reason that HESAA omitted "guardian" is because the Free Application For Federal Student Aid ("FAFSA") no longer collects the financial

information for the guardian. Typically a student, whose parents are not living, or some other situation, would file the FAFSA as an independent student. For independent students, the residence of the parents or guardian is not important.

Ms. Matos asked if Ms. Fox was saying that a student who is not living with their parents then is an independent student.

Ms. Fox explained that there are certain conditions that must be met, however, if the student had guardians, one would presume that they likely would meet the definition of an independent student.

A motion to approve Resolution 08:05 was made by Ms. Ferris and seconded by Ms. Rash. Resolution 08:05 was approved unanimously.

RESOLUTION 09:05 - CONSIDERATION OF PROPOSED AMENDMENTS TO THE GARDEN STATE SCHOLARSHIPS REGULATION, N.J.A.C. 9A:9-4.2 (c), ACADEMIC REQUIREMENTS (EDWARD J. BLOUSTEIN DISTINGUISHED SCHOLARS).

Ms. Fox presented this item to the Board.

Board approval is requested of Resolution 09:05 which will permit publication in the New Jersey Register of an amendment to Garden State Scholarship regulation, N.J.A.C. 9A:9-4.2(c), Academic Requirements. The proposed amendment will ensure that all students who receive recognition as an Edward J. Bloustein Distinguished Scholars rank in the top 10% of their class. As provided in regulations, all eligible secondary school students who meet the following criteria as of the end of their junior year receive offers for the Edward J. Bloustein Distinguished Scholar award:

Class rank of one, two or three in the graduating class at the end of the junior year; or class rank within the top 10% percent of the graduating class at the end of the junior year with combined SAT scores of 1260 or above at the end of the junior year.

The first eligibility criteria was intended to ensure that each high school in the state has at least three Distinguished Scholar award recipients even if none of its students meet the minimum SAT requirements. However it is not intended to offer awards to students who do not rank in the top 10% of their junior class.

Over the past few years, HESAA has experienced an increase in the number of charter, magnet, small religious and other private schools that are submitting nominees for the Garden State Scholarship Program. During the most recent selection process in Fall 2004, 17 schools with a junior class size of less than 25 students were identified. This included eleven schools that had fewer than 15 students in the junior class. Based on current regulations, nominees who ranked first, second and third at these schools at the

end of the junior year received a Distinguished Scholars award offer even though they do not rank in the top 10% of their class.

It is recommended that the Board approve the attached resolution to amend the Garden State Scholarship regulation N.J.A.C. 9A:9-4.2 (c), Academic requirements, to require that all students who rank 1, 2, or 3 in their class must also rank in the top 10% of their class to be offered a Distinguished Scholar award. For schools with class sizes of less than 10 students, only one student would qualify for Distinguished Scholar award.

A motion to approve Resolution 09:05 was made by Ms. Harris and seconded by Mr. Avery. Resolution 09:05 was approved unanimously.

RESOLUTION 10:05 – CONSIDERATION OF PROPOSED AMENDMENTS TO GARDEN STATE SCHOLARSHIPS REGULATION, N.J.A.C. 9A:9-4.2, ACADEMIC REQUIREMENTS – SCHOLASTIC ASSESSMENT TEST (SAT) SCORES:

Ms. Sherry Fox presented this item to the Board.

Board approval is requested for Resolution 10:05, which will permit the publication in the New Jersey Register of amendments to Garden State Scholarships regulation N.J.A.C. 9A:9-4.2, Academic requirements. These amendments are required as a result of modifications to the Scholastic Assessment Test (SAT) that the College Board implemented in March, 2005 and will permit HESAA to continue to select Garden State Scholarship recipients using the same eligibility requirements that are currently in place.

Under the Garden State Scholarship umbrella, there are three merit based scholarship awards: Edward J. Bloustein Distinguished Scholars, Urban Scholars, and Garden State Scholars. SAT scores are a key component of the distinguished scholars selection criteria. Currently, a combined minimum score of 1260 on the verbal and math components is required to be eligible. SAT scores are also a factor in Garden State Scholar selection criteria; however, due to funding priorities Garden State Scholar awards have not been offered since the mid 1990's. SAT scores are not considered in selecting urban scholars.

Some of the highlights of the new SAT that the College Board implemented in March 2005 include the following:

The test was expanded from two to three sections by adding a writing component, which consisted of an essay and grammar questions.

The math section was revamped to include additional math topics.

The verbal section was renamed “critical reading” and the content now includes short reading passages and exercises.

With the addition of the writing section, the maximum SAT score increased from 1600 to 2400.

The College Board conducted field trial research and has conclusively demonstrated that the scores on a critical reading and math sections are comparable to scores on the previous verbal and math sections. This provides consistency for college admissions purposes as well as to match the SAT scoring that HESAA has used to determine eligibility for merit programs.

Over the past year, HESAA staff has attended national conferences to determine how college admissions officers are planning to use the score from the new writing section of the test. Many admissions officers are taking the “wait and see” approach until the College Board has had an opportunity to more extensively review the results of this test and assess its impact on the specific categories of students.

According to its published material, The College Board will begin validity studies in Spring 2006. HESAA staff is recommending that the Board approve the attached resolution to amend the Garden State Scholarship regulation N.J.A.C. 9A:9-4.2, Academic requirement, to reflect the Garden State Scholarship’s selection will continue to be based on the combined math and verbal, now called the critical reading, score on the SAT test. After the College Board completes and reports its studies on the writing components of the SAT, HESAA staff will evaluate the same and staff will advise if the Authority Board should consider modification to the GSS selection criteria.

If this resolution is approved, eligibility for the Outstanding Scholars Recruitment Program (OSRP) would also be based on the combined math and critical reading sections of the SAT.

A motion to approve Resolution 10:05 was made by Mr. Kesselman and seconded by Mr. Green. Resolution 10:05 was approved unanimously.

Harvey Kesselman stated that he applauds HESAA for not moving too rapidly on trying to determine the new writing scores as part of the formula. In addition to whatever the College Board decides in its studies, the thrust will be to determine whether it disproportionately impacts certain groups of students. One of the things one wants to do is keep it relatively consistent with what else is happening in the United States related to this test. He applauds HESAA for not moving too rapidly on trying to incorporate that score.

Ms. Torres commented that she agreed with Mr. Kesselman.

RESOLUTION 11:05: THE READOPTION OF N.J.A.C. 17:25, COLLECTION OF DEBTS (WAGE GARNISHMENT OR DEBTS OWED TO HESAA):

Ms. Kantor presented this item to the Board.

Resolution 11:05 request Board approval proposing readoption of N.J.A.C. 17:25, which addresses wage garnishment regulations. At the January 4, 2005 Board meeting, the Board approved a proposal for readoption of this particular code and that proposal was made in the New Jersey Register that was published on March 7, 2005. The proposal was also published on the HESAA website and the Department of Treasury website. It was sent to the State House news media and secondary notice was also provided to the following interested parties: college presidents, lenders and banks' financial aid officers, schools and credit agencies.

The sixty-day legislative period for review of the proposal expired on April 3, 2005 and the public comment period for this rule expired on May 6, 2005. HESAA received no comment on this rule proposal. HESAA, in review of the rule proposal, is recommending two technical changes. One is to replace the word "DEPENDENT" with Undergraduate" so that the acronym "PLUS" matches the name. The "D" would be substituted with a U" so it actually spells out PLUS. The second is to add a hyphen for Federal-State-private sector partnerships. With those two technical changes and given that no comments were received, given that the Board has already approved a proposal of the rule, HESAA would request that the Board approve its adoption with the technical changes.

A motion to approve Resolution 11:05 was made by Ms. Ferris and seconded by Ms. Harris. The Resolution was approved unanimously.

CHAIR TO ANNOUNCE NOMINATING COMMITTEE APPOINTMENTS

Speaking on behalf of the Chairman, Warren E. Smith, Ms. Torres stated that Chairman Smith has asked James Avery to chair the Nominating Committee and Wilma Harris and Keith Green to be a part of that committee. Ms. Torres thanked them for participating on behalf of Warren.

EXECUTIVE DIRECTOR'S REPORT

Mr. Angulo delivered the Executive Director's Report

On Thursday April 28, 2005 I appeared before the Assembly Budget Committee Roundtable on behalf of the Authority. I am happy to report that we received strong support from the members of the committee. They recognized the favorable impact HESAA has on the students and families of the state as well as the important role that we play in the state's overall success. Additionally, the committee appreciated the cost savings to the state through HESAA revenues generated through the guaranteed student loan program. With the state facing a \$4 billion deficit, HESAA's ability to fund its administrative infrastructure primarily through non-state appropriated revenue is certainly taxpayer friendly.

Today at the close of this meeting, I will be appearing before the Senate Budget and Appropriations Committee. I hope HESAA will make a similarly positive impact with them.

We continue to serve as a valuable resource to our elected officials. The Authority has worked closely with our congressional delegation locally and in Washington, DC and formulating financial aid policy and in addressing their constituent needs.

I am also happy to report that last week HESAA completed its 2005 bond issue and secured an extremely favorable outcome for our students. The NJCLASS Loan fixed rate is 6.15% for those students who do not elect the automated clearing-house (ACH) and 5.65% for those who do elect the ACH. In a market where variable rate private loans have drastically increased, our products provide the most competitive instrument over a 15-year repayment period. This ACH rate is expected to be well below the PLUS loan rate for the next academic year which the PLUS rate will be set by the federal government at the end of this month.

Among our current priorities, we want to assist students and families, compare loan products for the many variable private loans, that the elimination of origination fees are cost effective for the borrower. Many variable rate private loans are based on either short-term rate Treasury or prime rates and can be expected to be adjusted upwards quarterly, costing families more to pay for higher education. To address this concern we are updating our website with an alternative loan calculator that will allow all families and students the ability to compare and make a sound decision on loan options. The Authority will provide all school students and families with an analysis comparing NJCLASS with the most popular alternative and supplemental loans in the country. Through a side-by-side comparison, the student is able to make an educated decision on what is in his or her best interest. In addition, understanding the needs of our NJCLASS clients, we have created an NJCLASS consolidation loan available June 1 for students and families who have borrowed more than one NJCLASS loan and have \$30,000 or more in indebtedness. Additional details will be available shortly. I want to point out that this issue was brought to the forefront by a caller during a radio call-in show to Governor Codey and just to show you how swiftly the Governor acted upon letting us know this concern we have obviously taken immediate and prompt action to address it.

The HESAA FFELP Loan Volume continues to grow with the recent addition of another state university. The competitive benefits provided by our lender partners coupled with HESAA's comprehensive array of services, provide an exceptional borrower benefit package for students and schools. At our next Board meeting we will be presenting new products to further serve our students and families. That will enhance their ability to afford higher education.

Again I want to thank everybody for your attention and I turn it back to the Chair.

Mr. Kesselman asked Mr. Angulo if the OSRP report had been completed when it was supposed to have been completed.

Mr. Angulo responded that there was a question as to when the OSRP was cleared by the Governor's office for public release. It has since been released, approximately three weeks ago, and hopefully everybody on the Board has received a copy of the report.

Mr. Kesselman continued that he was more concerned about the Legislative Committee. He commented it was certainly done in the time span it was supposed to have been done and just wanted to make sure that was clear.

Mr. Angulo responded that there is no current issue with the OSRP report.

Mr. Mertz commented regarding an original date of September 2004.

Ms. Harris commented that that was the original date and an extension was approved.

Mr. Angulo commented that the Governor's office granted the extension so that HESAA could coordinate with the consultants. The OSRP report was posted on the website and is the same as the initial report which was previously circulated among the Board. There were no changes to it, and it is the same as previously distributed to the Board.

NEW BUSINESS

Ms. Torres announced that the Board was honoring Erin Ferris. Ms. Torres read the resolution presented to Ms. Ferris acknowledging and thanking her for two years of service and dedication to the Higher Education Student Assistance Authority Board, and that a copy this resolution will be noted in all the official records of the Authority.

Ms. Ehrlich added that she just wanted to personally applaud Erin.

Ms. Ferris thanked everyone.

FACILITIES SUB-COMMITTEE

Ms. Torres, in speaking for Chairman Smith, said that the Chair would like to appoint a sub-committee of the Board to address the facility needs of the Authority. A few years ago, this committee was active and the Authority is ready to move forward with this item. The Chair has asked Harvey Kesselman, Keith Green and Maria Torres, to be part of the facilities committee.

Mr. Warren Smith commented that he thinks that staff may wish to outline the purpose of the committee and the timeframe it may be expected to follow.

Mr. Angulo commented that HESAA does not have any firm deadlines or timeframes or time pressures. HESAA wants to make sure that it follows through with the Board's prior resolution as it explores opportunities and options regarding a new facility for the agency. HESAA continues to expand and absorb new programs. Loan volume continues

to increase exponentially, however, HESAA is still confined to very limited space. HESAA's needs definitely require it to move forward with opportunities locally, and if not locally, then elsewhere. HESAA definitely needs to move forward with this. Through the sub-committee HESAA will make sure that the Board is apprised of the status.

Ms. Torres asked Mr. Warren Smith if there was anything else he would like to say before adjournment.

Motion to adjourn was made by Ms. Harris and seconded by Mr. Avery. The meeting was adjourned at 10:55 a.m.