

# CONNECTICUT HIGHER EDUCATION SUPPLEMENTAL LOAN AUTHORITY

## Minutes of Authority Board Meeting

June 12, 2018

The State of Connecticut Higher Education Supplemental Loan Authority met at 11:30 a.m. on Tuesday, June 12, 2018.

The meeting was called to order at 11:33 a.m. by Dr. Peter Lisi, Chair, of the CHESLA Board of Directors. Those present and absent were as follows:

Present: Steven Kitowicz (*Designee for Benjamin Barnes, OPM Secretary*)  
Dr. Peter W. Lisi, Chair  
Sheree Mailhot, (*Designee for Denise Nappier, State Treasurer*)  
Paul H. Mounds, Jr.  
Julie Savino  
Erika Steiner (*Designee. for Mark Ojikian, President, Connecticut State Colleges & Universities*)  
Jeanette Weldon

Absent: Martin L. Budd

Also Present: Denise Aguilera, General Counsel, CHEFA  
Joshua Hurlock, Assistant Director, CHESLA  
Carlee Levin, Sr. Accountant, CHEFA/CHESLA  
JoAnne Mackewicz, Controller, CHEFA  
Debra M. Pinney, Manager of Administrative Services, CHEFA  
Natalia Rozio, Administrative Intern, CHESLA  
David Wasch, Government Programs Specialist/Legislative Liaison, CHEFA

Guests: Judith Blank, Esq., Day Pitney LLP  
Lisa Cohen, Vice President of Trust Admin, Controller & Treasurer,  
Goal Structured Solutions<sup>1</sup>  
Joseph Santoro, Director, Merrill Lynch, Pierce, Fenner & Smith, Inc.,  
Bank of America, N.A.<sup>2</sup>  
Namita Shah, Esq., Day Pitney LLP  
Thomas H. Webb, Vice President, Hilltop Securities<sup>3</sup>  
Ann Zucker, Esq., Carmody Torrance Sandak & Hennessey LLP

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<sup>1</sup> Ms. Cohen participated in the meeting via conference telephone at 1:00 p.m. that permitted all parties to hear each other.

<sup>2</sup> Mr. Santoro participated in the meeting via conference telephone that permitted all parties to hear each other.

<sup>3</sup> Mr. Webb participated in the meeting via conference telephone that permitted all parties to hear each other.

## **INTRODUCTION**

Dr. Lisi welcomed Mr. Paul H. Mounds, Jr., to the CHESLA Board of Directors. Mr. Mounds is Vice President of Policy and Communication at the Connecticut Health Foundation and serves as a Trustee at Trinity College.

Mr. Mounds thanked Dr. Lisi for the opportunity to serve on the CHESLA Board of Directors.

## **MINUTES**

Dr. Lisi requested a motion to approve the March 1, 2018 Board of Directors minutes. Ms. Steiner moved to approve the minutes and Mr. Kitowicz seconded the motion.

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

### **AYES**

Steven Kitowicz  
Dr. Peter Lisi  
Sheree Mailhot  
Julie Savino  
Erika Steiner  
Jeanette Weldon

### **NAYS**

None

### **ABSTENTIONS**

Paul H. Mounds, Jr.<sup>4</sup>

## **BOARD SELF-EVALUATION REPORT – Ann Zucker, Carmody Torrance Sandak & Hennessey LLP**

Dr. Lisi thanked Ms. Zucker and her assistant for arranging the telephone interviews for the survey with the CHESLA Board of Directors.

Ms. Zucker reported that out of seven CHESLA Board members, six Board members completed the online survey and telephone survey. By design, the Executive Director did not participate.

Ms. Zucker reviewed the areas of inquiry which were: Board meetings; membership; structure; indemnification; culture and ethics; roles and responsibilities; relationship with management and corporate governance.

Ms. Zucker presented the results of the CHESLA survey. Most areas covered in the survey had a positive consensus regarding: meetings; logistics; board materials; background and experience of directors; relationship with management team and staff; ethics; confidentiality; culture and team work. Some observations were: to improve diversity of the Board; better reporting from committees; update directors on indemnification; self-evaluation and review of committee rules and responsibilities annually.

The Board should also give consideration to: key risks; risk assessment system; efforts on CHESLA’s cybersecurity; and discussion on succession planning.

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<sup>4</sup> Mr. Mounds abstained from voting as he did not attend the March 1, 2018 Board Meeting.

Board members identified the following as top priorities: utilize the strategic plan to guide business; educate legislature and public on the role and success of CHESLA and its students; continue wise financial management in light of legislature's disinclination for additional debt; continue forward thinking on established scholarship programs; offer new products, increase Board education; maintain a competitive edge in the marketplace; and anticipate change in Governor for January 2019.

Board members were pleased with the Board leadership and indicated it was a pleasure and honor to serve. The Directors with strong technical expertise were encouraged to provide background for their remarks and questions. The recommendations are to develop a program to increase diversity and Board education; discuss succession planning for the management team; hold CHESLA presentations at CHEFA Board meetings periodically and continue with the Board self-assessments.

### **UPDATE ON CHESLA PROCEDURES**

Ms. Aguilera reviewed the proposed amendments to CHESLA's Procedures that would update the required non-discrimination language and change the date for budget submission to the board to June 30. The amendments to the procedures will not become effective until 30 days after a notice is published in the CT Law Journal, unless comments are submitted that would warrant the Executive Director to come back to the Board to reconsider or further revise the procedures.

Dr. Lisi requested a motion to approve the amended CHESLA Procedures, Resolution #2018-01. Mr. Kitowicz moved to approve Resolution #2018-01 and Ms. Savino seconded the motion.

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

| <b><u>AYES</u></b>   | <b><u>NAYS</u></b> | <b><u>ABSTENTIONS</u></b> |
|--|--------------------|---------------------------|
| Steven Kitowicz<br>Dr. Peter Lisi<br>Sheree Mailhot<br>Paul Mounds<br>Julie Savino<br>Erika Steiner<br>Jeanette Weldon | None               | None                      |

### **QUARTERLY FINANCIAL REPORT**

Ms. Levin provided a report on the CHESLA financial statements for the nine months ending March 31, 2018.

## **EXECUTIVE DIRECTOR'S REPORT**

### **Legislative Updates**

Mr. Wasch reported that it has been a busy legislative year and he provided an update on key meetings and activities that have occurred. In terms of key meetings, staff has had a number of meetings with executive staff around some topic areas. This year, the Governor has hired a new liaison, Ms. Mandisa Lewis. She is the liaison to agencies that utilize the Higher Education and Employment Advancement Committee as their Committee of Cognizance. Mr. Wasch and Ms. Weldon met with the Higher Education Committee and provided updates on activities of CHESLA and CHEFA. There was a significant amount of interest in CHESLA and its activities. After the meeting, some of the Co-Chairs indicated that they wanted to post links to CHESLA's RefiCT program and CT Dollars and Sense websites on their websites. Representative Haddad was interested in receiving CHESLA materials on the refinancing programs. Mr. Wasch pointed out that he and Ms. Weldon also met with House Majority Leader Matt Ritter and Speaker Joe Aresimowicz and there was a lot of interest in getting CHESLA information on the Dollars and Sense website to their constituents. They were pleased with CHESLA's outreach to students. Mr. Wasch added that there has been activity on the federal side and this past November, he and Ms. Weldon met with an aide to Senator Murphy and had a conference call with aides to Senator Blumenthal regarding Private Activity Bonds.

Mr. Wasch also discussed the proposed bills during the session that related to CHESLA. Senate Bill 213 was seeking to create another quasi-public agency to focus on apprenticeship and workforce programs coordinating with higher education in Connecticut and bringing resources to enhance programs for students seeking to obtain degrees. Ms. Weldon provided testimony in support of that bill and a subsequent iteration included giving CHESLA a seat on the board of the proposed quasi-public agency. However, the bill ultimately did not make it out of the legislature.

Mr. Wasch provided an update on the bills that passed:

- Public Act 18-64 – This Act tightens rules around ethics and when employees attend programs outside the State and are required to report their lodging expenses.
- Public Act 18-93 – This Act requires agencies to inform the employees that an FOI request was made regarding their disclosable information and that the information was provided.
- Public Act 18-137 – Auditors must report misuse of quasi-public funds and the Act also puts a cap of \$50,000 on settlements or non-disparagement agreements of employees that are planning to leave employment.

The re-election of State legislators will be taking place, as well as key executive officers, most notably the state treasurer and governor. Mr. Wasch reported that next fiscal year CHESLA is planning to host a legislative breakfast.

Mr. Wasch also provided a brief update on the Department of Banking's efforts to license a servicer, the Pennsylvania Higher Education Assistance Agency (PHEAA). As a servicer of federal loans, PHEAA was having difficulty in getting the Federal Department of Education to give them permission to share documentation with the State. The issue of federal preemption of state law has raised interest with Representative Lesser and some of our national delegation. Mr. Wasch indicated that he would closely track this case moving forward.

Mr. Wasch added that there is a lawsuit that was initiated concerning the sweeps that happened in the past at the Connecticut Green Bank. Numerous environmental groups are claiming violations of the federal Constitution in terms of changing private contracts. He stated that he will be tracking this case.

### Portfolio Update

Mr. Hurlock provided an update on the following items:

- Portfolio Fact Sheet
- CCA Default Collections and CT Income Tax Intercepts through March 2018
- Loan disbursement data
- Market segment data
- Loan origination comparison to cash flow assumptions
- Refi CT disbursement data
- Refi CT portfolio analysis
- Strategic Plan dashboard with marketing highlights
- CT Dollars and Sense Google Analytics

Mr. Hurlock highlighted some recent marketing activities including CHESLA's sponsorship of a FOX61 Student News contest, which culminated in a student award ceremony. A CHESLA/CHET Higher Education Award was presented by Ms. Weldon to a team of students. Mr. Hurlock also stated that he represented CHESLA as an exhibitor at a high school guidance counselors' conference at the University of Hartford and Dr. Lisi stopped by the event. Dr. Lisi remarked that Mr. Hurlock did an excellent job of representing the Authority.

Ms. Weldon provided some highlights of achievements related to the FY 2018 Strategic Plan initiatives.

### **FY 2019-2021 STRATEGIC PLAN**

Ms. Weldon stated that a final version of the FY 2019-2021 Strategic Plan was included in the Board meeting materials and highlighted some key CHESLA initiatives for the next three years.

### **AUDIT-FINANCE / HUMAN RESOURCES COMMITTEE REPORT**

Mr. Kitowicz reported that the Audit-Finance/Human Resources Committee reviewed the proposed FY 2019 Operating Budget and adopted the budget. Some of the highlights of the budget are that it includes funds to hire a portfolio assistant to assist with day-to-day responsibilities and other projects. There was also an increase in marketing costs to expand marketing initiatives.

Mr. Mounds inquired about the 15% increase in insurance premiums and asked if this is an average increase. Ms. Weldon stated that CHEFA/CHESLA obtains their medical insurance through CBIA and the broker that the Authority works with provides a number of options with estimated rates.

Mr. Mounds inquired if CHESLA has a consultant in mind for the social media consultant. Ms. Weldon stated that a Request for Proposal may be issued by CHEFA with certain CHESLA-specific tasks included.

Dr. Lisi requested a motion to approve the FY 2019 Operating Budget. Ms. Steiner moved to approve the FY 2019 Operating Budget; Ms. Savino seconded the motion.

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

**AYES**

Dr. Peter Lisi  
Paul H. Mounds, Jr.  
Julie Savino  
Erika Steiner  
Jeanette Weldon

**NAYS**

Steven Kitowicz  
Sheree Mailhot

**ABSTENTIONS**

None

**ADJOURNMENT**

There being no further business, Dr. Lisi moved to adjourn the meeting at 1:02 p.m. and Mr. Kitowicz seconded the motion.

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

**AYES**

Steven Kitowicz  
Dr. Peter Lisi  
Sheree Mailhot  
Paul H. Mounds, Jr.  
Julie Savino  
Erika Steiner  
Jeanette Weldon

**NAYS**

None

**ABSTENTIONS**

None

Respectfully submitted

Jeanette W. Weldon  
Executive Director

**CHESLA Budget**  
**Budget for the Twelve Months Ending June 30, 2019**

|  | FYE<br>June 30, 2016<br>Budget | FYE<br>June 30, 2016<br>Actual | FYE<br>June 30, 2017<br>Budget | FYE<br>June 30, 2017<br>Actual | FYE<br>June 30, 2018<br>Budget | FYE<br>June 30, 2018<br>Proj Actual * | FYE<br>June 30, 2019<br>Budget |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|---------------------------------------|--------------------------------|
| <b>Revenues</b>  |                                |                                |                                |                                |                                |                                       |                                |
| Admin Fee Income                                       |                                |                                |                                |                                |                                |                                       |                                |
| In-school product                                      | \$ 758,163                     | \$ 758,360                     | \$ 697,840                     | \$ 716,094                     | \$ 892,111                     | 903,597                               | \$ 910,818                     |
| Refinance product                                      | 0                              | 0                              | 19,606                         | 6,029                          | 16,803                         | 23,697                                | 42,230                         |
| Investment Income                                      | 2,800                          | 7,324                          | 8,428                          | 16,359                         | 9,000                          | 45,238                                | 30,000                         |
| Refinance Pilot Program from CSLF                      | 0                              | 500,000                        | 0                              | 0                              | 0                              | 0                                     | 0                              |
| Misc Income & Recovery                                 | 0                              | 0                              | 0                              | 0                              | 0                              | 2,271                                 | 0                              |
| <b>Total Revenues</b>                                  | <b>\$ 760,963</b>              | <b>\$ 1,265,684</b>            | <b>\$ 725,874</b>              | <b>\$ 738,482</b>              | <b>\$ 917,914</b>              | <b>\$ 974,803</b>                     | <b>\$ 983,048</b>              |
| <b>Expenses</b>  |                                |                                |                                |                                |                                |                                       |                                |
| Compensation   | \$ 159,007                     | \$ 81,513                      | \$ 166,860                     | \$ 166,860                     | \$ 184,673                     | \$ 97,394                             | \$ 235,604                     |
| Employee Benefits                                      | 48,994                         | 36,849                         | 50,445                         | 50,571                         | 53,361                         | 36,798                                | 73,832                         |
| General and Administrative                             | 92,190                         | 88,574                         | 118,842                        | 108,485                        | 139,921                        | 131,499                               | 150,805                        |
| Business Education, Board and Reimbursable             | 11,750                         | 4,558                          | 9,900                          | 2,685                          | 11,900                         | 2,119                                 | 12,450                         |
| Membership Dues  | 12,500                         | 12,980                         | 12,800                         | 14,289                         | 12,599                         | 12,721                                | 13,500                         |
| CHEFA Support Services                                 | 154,955                        | 154,955                        | 180,557                        | 180,557                        | 206,109                        | 206,109                               | 209,000                        |
| Outside Services                                       | 38,800                         | 37,350                         | 35,150                         | 33,300                         | 35,490                         | 34,110                                | 44,925                         |
| <b>Total Expenses</b>                                  | <b>\$ 518,195</b>              | <b>\$ 416,779</b>              | <b>\$ 574,554</b>              | <b>\$ 556,746</b>              | <b>\$ 644,054</b>              | <b>\$ 520,750</b>                     | <b>\$ 740,116</b>              |
| <b>Excess Revenue from Operations</b>                  | <b>\$ 242,768</b>              | <b>\$ 848,905</b>              | <b>\$ 151,320</b>              | <b>\$ 181,736</b>              | <b>\$ 273,860</b>              | <b>\$ 454,053</b>                     | <b>\$ 242,932</b>              |
| <b>Non Operating Expenses</b>                          |                                |                                |                                |                                |                                |                                       |                                |
| Bond Issuance Costs & Amortization & Transfer to Trust | 29,795                         | 29,795                         | 10,627                         | 19,032                         | 32,635                         | 142,635                               | 0                              |
| Transfer from Trust                                    | 0                              | 0                              | 0                              | 0                              | 0                              | (1,000,000)                           | 0                              |
| Refinance Pilot Program Start-up Costs                 | 0                              | 170,625                        | 329,375                        | 201,282                        | 128,093                        | 45,195                                | 82,902                         |
| <b>Total Excess Revenue</b>                            | <b>\$ 212,973</b>              | <b>\$ 648,485</b>              | <b>\$ (188,682)</b>            | <b>\$ (38,579)</b>             | <b>\$ 113,133</b>              | <b>\$ 1,266,223</b>                   | <b>\$ 160,031</b>              |
| <b>Benefit % to Compensation</b>                       | <b>30.81%</b>                  | <b>45.21%</b>                  | <b>30.23%</b>                  | <b>30.31%</b>                  | <b>28.89%</b>                  | <b>37.78%</b>                         | <b>31.34%</b>                  |

\* Projected Actual is based on Actual Financials as of April, 2018, plus 2 months of projected amounts.

**CHESLA Salary & Benefits Expense**  
**Budget for the Twelve Months Ending June 30, 2019**

|  | FYE<br>June 30, 2016<br>Budget | FYE<br>June 30, 2016<br>Actual | FYE<br>June 30, 2017<br>Budget | FYE<br>June 30, 2017<br>Actual | FYE<br>June 30, 2018<br>Budget | FYE<br>June 30, 2018<br>Proj Actual | FYE<br>June 30, 2019<br>Budget |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|-------------------------------------|--------------------------------|
| <b>Staff Compensation</b>                        | \$ 159,007                     | \$ 81,513                      | \$ 166,860                     | \$ 166,860                     | \$ 171,829                     | \$ 97,394                           | \$ 220,784                     |
| Temporary Salaries (Intern)                      | 0                              |                                | 0                              | 0                              | 12,844                         | 0                                   | 14,820                         |
| <b>Total Compensation</b>                        | \$ 159,007                     | \$ 81,513                      | \$ 166,860                     | \$ 166,860                     | \$ 184,673                     | \$ 97,394                           | \$ 235,604                     |
| <b>Payroll Taxes</b>                             | \$ 12,258                      | \$ 7,378                       | \$ 12,903                      | \$ 12,909                      | \$ 14,234                      | \$ 8,497                            | \$ 20,364                      |
| <b>Medical &amp; Life Insurance</b>              |                                |                                |                                |                                |                                |                                     |                                |
| CBIA Medical w/CBIA Life                         | 3,732                          | 3,459                          | 3,658                          | 3,800                          | 4,570                          | 4,467                               | 8,632                          |
| Deductible Funding HSA (CHEFA)                   | 1,875                          | 1,968                          | 2,063                          | 2,081                          | 2,175                          | 2,100                               | 6,450                          |
| Less: CBIA Co-insurance                          | (552)                          | (511)                          | (541)                          | (685)                          | (956)                          | (785)                               | (1,295)                        |
| Net Medical Insurance                            | 5,055                          | 4,916                          | 5,180                          | 5,196                          | 5,789                          | 5,783                               | 13,787                         |
| CHEFA Alternative Insurance                      | 2,800                          | 1,050                          | 2,800                          | 2,800                          | 2,800                          | 1,167                               | 2,800                          |
| Life Insurance                                   | 658                            | 217                            | 685                            | 790                            | 731                            | 384                                 | 1,201                          |
| Dental   | 2,273                          | 2,272                          | 2,335                          | 2,318                          | 2,505                          | 2,182                               | 2,799                          |
| Less: Dental Co-Insurance                        | 0                              | 0                              | 0                              | 0                              | 0                              | (2)                                 | (28)                           |
| <b>Total Medical, Life Insurance &amp; Other</b> | 10,786                         | 8,455                          | 11,000                         | 11,104                         | 11,825                         | 9,513                               | 20,559                         |
| <b>Pension</b>                                   |                                |                                |                                |                                |                                |                                     |                                |
| Contributions                                    | 15,901                         | 7,671                          | 16,436                         | 16,379                         | 17,183                         | 9,592                               | 22,078                         |
| Administrative Fee                               | 594                            | 594                            | 594                            | 594                            | 594                            | 594                                 | 594                            |
| Total Pension                                    | 16,495                         | 8,265                          | 17,030                         | 16,973                         | 17,777                         | 10,186                              | 22,672                         |
| <b>457 Plan</b>                                  | 2,508                          | 1,878                          | 2,508                          | 2,508                          | 2,508                          | 1,920                               | 4,008                          |
| <b>Vacation</b>                                  | 0                              | 5,241                          | 0                              | 512                            | 0                              | 0                                   | 1,000                          |
| <b>Disability Insurance - Long Term</b>          | 453                            | 207                            | 468                            | 543                            | 506                            | 577                                 | 751                            |
| <b>Disability Insurance - Short Term</b>         | 679                            | 302                            | 683                            | 792                            | 740                            | 716                                 | 910                            |
| <b>Workers Compensation</b>                      | 815                            | 823                            | 853                            | 750                            | 771                            | 789                                 | 568                            |
| <b>Tuition</b>                                   | 5,000                          | 4,300                          | 5,000                          | 4,480                          | 5,000                          | 4,600                               | 3,000                          |
| <b>Total Employee Benefits</b>                   | 48,994                         | 36,849                         | 50,445                         | 50,571                         | 54,312                         | 36,798                              | 73,832                         |
| <b>Total Employment</b>                          | \$ 208,001                     | \$ 118,362                     | \$ 217,305                     | \$ 217,431                     | \$ 238,985                     | \$ 134,192                          | \$ 309,436                     |



**CHESLA Non Salary Expense**  
**Budget for the Twelve Months Ending June 30, 2019**

|   | FYE<br>June 30, 2016<br>Budget | FYE<br>June 30, 2016<br>Actual | FYE<br>June 30, 2017<br>Budget | FYE<br>June 30, 2017<br>Actual | FYE<br>June 30, 2018<br>Budget | FYE<br>June 30, 2018<br>Proj Actual | FYE<br>June 30, 2019<br>Budget |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|-------------------------------------|--------------------------------|
| <b>Lease &amp; Storage</b>                            |                                |                                |                                |                                |                                |                                     |                                |
| Lease - Office Space                                  | \$ 12,668                      | \$ 12,693                      | \$ 12,972                      | \$ 30,533                      | \$ 19,722                      | \$ 19,049                           | \$ 20,095                      |
| Lease - Taxes/CAM fees                                | 1,437                          | 903                            | 228                            | 408                            | 408                            | 0                                   | \$ 80                          |
| Offsite Storage & Filesanywhere (electronic storage)  | 114                            | 100                            | 114                            | 220                            | 135                            | 116                                 | \$ 135                         |
| <b>Total Lease &amp; Storage</b>                      | <b>14,219</b>                  | <b>13,696</b>                  | <b>13,314</b>                  | <b>31,160</b>                  | <b>20,265</b>                  | <b>19,165</b>                       | <b>\$ 20,310</b>               |
| <b>Business Insurance</b>                             |                                |                                |                                |                                |                                |                                     |                                |
| Office Package  | 677                            | 531                            | 584                            | 1,041                          | 593                            | 603                                 | \$ 634                         |
| Cyber Policy  | 5,609                          | 4,973                          | 5,031                          | 8,755                          | 4,855                          | 4,680                               | \$ 4,241                       |
| Fiduciary & Performance Bond & Terrorism              | 445                            | 277                            | 284                            | 520                            | 290                            | 264                                 | \$ 277                         |
| Directors and Officers Liability / Public Officials   | 14,591                         | 14,522                         | 15,119                         | 28,160                         | 15,677                         | 15,443                              | \$ 16,721                      |
| <b>Total Business Insurance</b>                       | <b>21,323</b>                  | <b>20,302</b>                  | <b>21,018</b>                  | <b>38,476</b>                  | <b>21,415</b>                  | <b>20,990</b>                       | <b>\$ 21,873</b>               |
| <b>Office Supplies and Non Capital Equipment</b>      |                                |                                |                                |                                |                                |                                     |                                |
| General Office Expense and Supplies                   | 1,300                          | 798                            | 1,000                          | 1,579                          | 1,000                          | 539                                 | \$ 1,000                       |
| Non-Capital furniture, Equipment & Software Licensing | 3,060                          | 2,019                          | 3,000                          | 4,415                          | 3,000                          | 929                                 | \$ 4,000                       |
| <b>Total Office Supplies and Non Capital Equip</b>    | <b>4,360</b>                   | <b>2,817</b>                   | <b>4,000</b>                   | <b>5,993</b>                   | <b>4,000</b>                   | <b>1,468</b>                        | <b>\$ 5,000</b>                |
| <b>Communications: Telephone &amp; Internet</b>       |                                |                                |                                |                                |                                |                                     |                                |
| Phone, Data Svc & Conferencing                        | 2,600                          | 2,935                          | 3,000                          | 5,383                          | 3,000                          | 2,712                               | \$ 4,000                       |
| Email (Trend Micro Email & Security)                  | 0                              | 0                              | 142                            | 136                            | 86                             | 35                                  | \$ 707                         |
| Website Development & Hosting                         | 500                            | 508                            | 500                            | 2,241                          | 1,500                          | 1,728                               | \$ 1,500                       |
| <b>Total Communications: Phone &amp; Internet</b>     | <b>3,100</b>                   | <b>3,443</b>                   | <b>3,642</b>                   | <b>7,760</b>                   | <b>4,586</b>                   | <b>4,475</b>                        | <b>\$ 6,207</b>                |
| <b>Postage Expense</b>                                |                                |                                |                                |                                |                                |                                     |                                |
| Postage & Courier Expense                             | 3,000                          | 1,814                          | 2,500                          | 3,956                          | 2,500                          | 1,325                               | \$ 2,000                       |
| <b>Maintenance Contracts</b>                          | <b>6,288</b>                   | <b>5,846</b>                   | <b>7,210</b>                   | <b>8,039</b>                   | <b>5,066</b>                   | <b>4,148</b>                        | <b>\$ 8,890</b>                |
| <b>Publications &amp; Resource Materials</b>          | <b>300</b>                     | <b>223</b>                     | <b>300</b>                     | <b>243</b>                     | <b>175</b>                     | <b>68</b>                           | <b>\$ 175</b>                  |
| <b>Marketing Costs</b>                                | <b>37,500</b>                  | <b>38,601</b>                  | <b>40,000</b>                  | <b>40,362</b>                  | <b>80,000</b>                  | <b>79,137</b>                       | <b>\$ 85,000</b>               |
| <b>Miscellaneous</b>                                  | <b>2,100</b>                   | <b>1,833</b>                   | <b>27,000</b>                  | <b>22,911</b>                  | <b>2,000</b>                   | <b>723</b>                          | <b>\$ 1,350</b>                |
| <b>Total General and Administrative Expenses</b>      | <b>\$ 92,190</b>               | <b>\$ 88,574</b>               | <b>\$ 118,984</b>              | <b>\$ 108,485</b>              | <b>\$ 140,007</b>              | <b>\$ 131,499</b>                   | <b>\$ 150,805</b>              |
| <b>Refinance Pilot Program Start-up Costs</b>         | <b>0</b>                       | <b>170,625</b>                 | <b>329,375</b>                 | <b>201,282</b>                 | <b>128,093</b>                 | <b>45,195</b>                       | <b>\$ 82,902</b>               |
| <b>Bond Insurance Cost - Amortization</b>             | <b>29,795</b>                  | <b>29,795</b>                  | <b>10,627</b>                  | <b>19,032</b>                  | <b>32,635</b>                  | <b>32,635</b>                       | <b>0</b>                       |
| <b>Bond Issuance Costs</b>                            | <b>0</b>                       | <b>0</b>                       | <b>0</b>                       | <b>0</b>                       | <b>0</b>                       | <b>0</b>                            | <b>0</b>                       |
| <b>Total Bond Issuance Cost</b>                       | <b>\$ 29,795</b>               | <b>\$ 29,795</b>               | <b>\$ 10,627</b>               | <b>\$ 19,032</b>               | <b>\$ 32,635</b>               | <b>\$ 32,635</b>                    | <b>0</b>                       |

**CHESLA Non Salary Expense**  
**Budget for the Twelve Months Ending June 30, 2019**

|   | FYE<br>June 30, 2016<br>Budget | FYE<br>June 30, 2016<br>Actual | FYE<br>June 30, 2017<br>Budget | FYE<br>June 30, 2017<br>Actual | FYE<br>June 30, 2018<br>Budget | FYE<br>June 30, 2018<br>Proj Actual | FYE<br>June 30, 2019<br>Budget |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|-------------------------------------|--------------------------------|
| <b>Depreciation</b>                                     | \$ 0                           | \$ -                           | \$ 0                           | 0                              | \$ 0                           | 0                                   | \$ 0                           |
| <b>Employee Reimbursable</b>                            |                                |                                |                                |                                |                                |                                     |                                |
| Staff business and travel expenses                      | 500                            | 208                            | 500                            | 37                             | 500                            | 467                                 | 1,000                          |
| <b>Total Employee Reimbursable</b>                      | 500                            | 208                            | 500                            | 37                             | 500                            | 467                                 | 1,000                          |
| <b>Board Expense</b>                                    |                                |                                |                                |                                |                                |                                     |                                |
| Board lunches & parking                                 | 1,000                          | 426                            | 500                            | 348                            | 500                            | 437                                 | 550                            |
| Board education   | 0                              | 0                              | 0                              | 0                              | 0                              | 0                                   | 0                              |
| <b>Total Board Expense</b>                              | 1,000                          | 426                            | 500                            | 348                            | 500                            | 437                                 | 550                            |
| <b>Conference &amp; Education Expense</b>               |                                |                                |                                |                                |                                |                                     |                                |
| CAPFAA  | 1,500                          | 1,044                          | 1,400                          | 832                            | 1,400                          | 495                                 | 1,400                          |
| EFC   | 2,750                          | 895                            | 2,500                          | 0                              | 3,500                          | 0                                   | 3,500                          |
| EASFAA  | 0                              | 0                              | 0                              | 0                              | 0                              | 620                                 | 1,000                          |
| NASFAA  | 5,000                          | 1,945                          | 4,500                          | 1,378                          | 5,000                          | 0                                   | 2,000                          |
| Other (Conferences and non tuition education)           | 1,000                          | 40                             | 500                            | 90                             | 1,000                          | 100                                 | 3,000                          |
| <b>Total Conference &amp; Education Expense</b>         | 10,250                         | 3,924                          | 8,900                          | 2,300                          | 10,900                         | 1,215                               | 10,900                         |
| <b>Total Business Education, Board and Reimbursable</b> | \$ 11,750                      | \$ 4,558                       | \$ 9,900                       | \$ 2,685                       | \$ 11,900                      | \$ 2,119                            | \$ 12,450                      |
| <b>Memberships Dues</b>                                 | \$ 12,500                      | \$ 12,980                      | \$ 12,800                      | \$ 14,289                      | \$ 12,599                      | 12,721                              | \$ 13,500                      |
| <b>CHEFA Support Services</b>                           | \$ 154,955                     | \$ 154,955                     | \$ 180,557                     | 180,557                        | \$ 206,109                     | 206,109                             | \$ 209,000                     |

**CHESLA Non Salary Expense  
Budget for the Twelve Months Ending June 30, 2019**

|  | <b>FYE<br/>June 30, 2016<br/>Budget</b> | <b>FYE<br/>June 30, 2016<br/>Actual</b> | <b>FYE<br/>June 30, 2017<br/>Budget</b> | <b>FYE<br/>June 30, 2017<br/>Actual</b> | <b>FYE<br/>June 30, 2018<br/>Budget</b> | <b>FYE<br/>June 30, 2018<br/>Proj Actual</b> | <b>FYE<br/>June 30, 2019<br/>Budget</b> |
|--|---|---|---|---|---|--|---|
| <b>Accounting Systems</b>              |   |   |   |   |   |  |   |
| Enhancements (IT)                      | 1,000                                   | 0                                       | 500                                     | 0                                       | 0                                       | 0  | <b>0</b>                                |
| <b>Total Accounting and IT Systems</b> | <b>1,000</b>                            | <b>0</b>                                | <b>500</b>                              | <b>0</b>                                | <b>0</b>                                | <b>0</b>                                     | <b>0</b>                                |
| <b>Consultant Others</b>               |   |   |   |   |   |  |   |
| Social Media Consultant                | 0                                       | 0                                       | 0                                       | 0                                       | 0                                       | 0  | <b>10,000</b>                           |
| Insurance Consultant                   | 6,300                                   | 6,300                                   | 6,300                                   | 6,300                                   | 6,300                                   | 6,300  | <b>6,300</b>                            |
| <b>Total Consultant Others</b>         | <b>6,300</b>                            | <b>6,300</b>                            | <b>6,300</b>                            | <b>6,300</b>                            | <b>6,300</b>                            | <b>6,300</b>                                 | <b>16,300</b>                           |
| <b>Legal</b>                           | 0                                       | 0                                       | 0                                       | 0                                       | 0                                       | 0  | <b>0</b>                                |
| <b>Independent Auditors</b>            | 31,500                                  | 31,050                                  | 28,350                                  | 27,000                                  | 29,190                                  | 27,810                                       | <b>28,625</b>                           |
| <b>Total Outside Services</b>          | <b>\$ 38,800</b>                        | <b>\$ 37,350</b>                        | <b>\$ 35,150</b>                        | <b>\$ 33,300</b>                        | <b>\$ 35,490</b>                        | <b>\$ 34,110</b>                             | <b>\$ 44,925</b>                        |