

UTAH HIGHER EDUCATION ASSISTANCE AUTHORITY  
BOARD OF DIRECTORS MEETING  
MINUTES

Board of Regents Building, The Gateway  
60 South 400 West  
Salt Lake City, UT 84101-1248

June 9, 2016

**Members Present**

Commissioner David Buhler  
Mr. Arnold Combe  
Mr. David Feitz  
Dr. Kimberly Henrie  
Mr. Fred Hunsaker  
Mr. Mark Stoddard  
Dr. Norm Tarbox

Mr. Paul Packard  
Ms. Ashley Reyes  
Mr. Steve Rogers  
Mr. Troy Runnells  
Mr. David Schwanke  
Mr. Paul Smith  
Ms. Lynne Ward  
Mr. Randy Willardsen  
Ms. Audry Wood

**Staff Present**

Ms. Brenda Cox  
Mr. Ronell Crossley  
Mr. Scott Dansie  
Mr. Greg Dyer  
Mr. Richard Ellis  
Mr. Dallin Hunter  
Ms. Brenda Kimber  
Mr. Ryan Nilsen

**Others Present**

Mr. Kevin Olsen  
Assistant Attorney General  
Mr. Spencer Pratt  
Legislative Fiscal Analyst

Chair Stoddard called the meeting to order at 10:05 a.m. and declared the presence of a quorum. Mr. Alter, Ms. Church, Mr. Jensen, Mr. Marquardt, Dr. Nadauld, and Ms. Valdez were excused.

It was moved by Dr. Tarbox and seconded by Mr. Hunsaker to convene in closed session for the purpose of discussing fiduciary or commercial information as authorized in Utah Code Section 52-4-205. The motion carried unanimously.

It was moved by Dr. Tarbox and seconded by Mr. Combe to reconvene the UHEAA Board in open session. The motion carried unanimously.

Chair Stoddard welcomed Kimberly Henrie as a new member of the UHEAA Board of Directors.

The first agenda item discussed was UHEAA Board Report I-A, Minutes of the February 18, 2016 Meeting.

It was moved by Dr. Tarbox and seconded by Mr. Hunsaker to approve the minutes of the February 18, 2016, Board of Directors Meeting. The motion carried unanimously.

The next agenda item discussed was UHEAA Board Report I-B, Investment Reports. Mr. Schwanke summarized investment activity for the months of January through March 2016.

It was moved by Dr. Tarbox and seconded by Mr. Hunsaker to approve the Investment Reports. The motion carried unanimously.

The next agenda item discussed was UHEAA Board Report I-C, Report of the Audit Committee.

It was moved by Dr. Tarbox and seconded by Commissioner Buhler to approve the Report of the Audit Committee. The motion carried unanimously.

The next agenda item discussed was UESP Board Report II-A, UESP Executive Director's Report.

It was moved by Mr. Combe and seconded by Dr. Tarbox to approve the UESP Fiscal Year 2017 budget. The motion carried unanimously.

It was moved by Mr. Combe and seconded by Dr. Tarbox to approve the March 31, 2016 UESP Investment Reports for the Administrative and Endowment Funds. The motion carried unanimously.

The next agenda item discussed was UESP Board Report II-B, UESP Informational Reports. Ms. Ward introduced Paul Smith, the new UESP Senior Director for IT and Operations. She reviewed the FDIC-insured account interest rate comparison under Tab II-B-1 and noted the rate has increased to just over 1% and is paying more than PTIF. Ms. Ward reviewed Tab II-B-2, the Outreach Summary, for February through May 2016. She indicated the list includes many events and benefits fairs, promotions and sponsorships, and good media coverage. She highlighted the Morningstar College-Savings Plan Landscape, a special 529 report published every May, which specifically calls out Utah as one of the best plans. She pointed to Tabs II-B-3 and II-B-4 as additional articles that mention UESP. Ms. Ward noted Tab II-B-5, the Investment Option Performance as of March 31, 2016, and indicated the market has performed well. She turned to Tab II-B-6, a market report by Andrea Feirstein, which has been reviewed by the Investment Advisory Committee. Ms. Ward mentioned Tab II-B-7, was UESP's Quarterly Newsletter.

Ms. Ward indicated a Program Description Supplement was issued in March 2016 that included changes to operating expense ratios of six underlying funds. She remarked an updated Program Description will be issued in August 2016, the first full redo since February 2015. She noted there was a reduction of underlying fund expense ratios that impacts 10 investments options and affects 69% of UESP accounts. Ms. Ward provided a legislative update to HB 216 and SCR 6.

The next agenda item discussed was UHEAA Board Report III-A, UHEAA Executive Director's Report. Mr. Feitz indicated Nathan Swensen has been hired as Director of Loan Servicing and Michelle Riddle has been hired as the Complete Student Loans Product Manager. He reported on the 2016 Financial Aid Directors' Forum hosted by UHEAA in April, which was well received by institutions.

Mr. Feitz remarked UHEAA had an unprecedented three federal reviews in a 90-day period, which all concluded with no reported errors, including a death claims review in February, a review of CornerStone servicing in March, and a review of the Legacy portfolio in April. He commended UHEAA's compliance unit, led by Sasha Van Orman, and all other involved staff for the extraordinary efforts put forth for these reviews.

Mr. Feitz summarized the myriad higher education proposals from the respective presidential candidates, but indicated significant change is not anticipated before the election due to the limited number of days Congress is in session. He noted student loans are the largest federal asset and account for 31% of the federal balance sheet, which has sparked criticism that the federal government is over reliant on student loan revenue.

Mr. Feitz highlighted UHEAA's outreach activity, performed under the StepUp brand. He noted 15,000 people attended its Paying for College Nights, an increase of 25% over the previous year. Mr. Feitz remarked Utah was one of only four states to have an increase in FAFSA completions last year, with an increase of 5.5%.

The next agenda item discussed was UHEAA Board Report III-B, Fiscal 2017 Student Loan Operating Budget.

It was moved by Dr. Tarbox and seconded by Mr. Hunsaker to approve the Fiscal Year 2017 Student Loan Operating Budget. The motion carried unanimously.

The next agenda item discussed was UHEAA Board Report III-C, UHEAA Community Outreach Update. Mr. Schwanke remarked UHEAA's outreach team helped Utah to achieve a 5.5% increase in FAFSA completions this year, which was the second largest increase nationwide. He indicated the FAFSA is the gateway to pay for college at all levels and that increase in completions is a direct result of the hard work put forth by the outreach team.

It was moved by Mr. Hunsaker and seconded by Dr. Tarbox to adjourn the UHEAA Board of Directors Meeting. The motion carried unanimously.

Chair Stoddard adjourned the meeting at 11:59 a.m.

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Executive Director, UHEAA

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Date