

**NEW MEXICO EDUCATIONAL ASSISTANCE FOUNDATION (NMEAF)
BOARD OF DIRECTORS MEETING
NMEAF BOARD ROOM
October 30, 2023
ALBUQUERQUE, NEW MEXICO**

BOARD OF DIRECTORS

Gavin Gillette, Chair
Alex Heubeck, Vice Chair
Andrew Jacobson, Secretary/Treasurer
Kevin Powers, Board Member
John Kreienkamp Representing:
Laura M. Montoya, Board Member

OFFICERS AND STAFF

Brad Allpass, President & CEO
Grace Tackman, VP of Administrative Service
Tracy Rowe, Asst. VP of Finance
Estevan Martinez, Asst. VP of IT
Reginald Storment, General Counsel
Lois Fort, Director of Operations
Melissa Dale, Director of GC
Anna Smith, Executive Assistant

Charles J. Piechota, Board Counsel

Chair Mr. Gillette called the meeting to order at 1:31pm.

I. Roll Call

Anna Smith called roll. Kevin Powers, Alex Heubeck and Andrew Jacobson were present in person. Attending via Zoom were: Gavin Gillette and John Kreienkamp representing Laura M. Montoya.

II. Introduction of Visitors

Mr. Allpass introduced the board counsel, Charles Piechota. Ms. Rowe introduced Chris Garner and Heather Lucero both from Pattillo, Brown and Hill, LLP.

III. Approval of the Agenda

Mr. Heubeck moved to approve the agenda as presented and Mr. Powers seconded the motion. The motion passed 5-0.

IV. Approval of August 1, 2023 Board Meeting Minutes

Mr. Heubeck moved to approve the August 1, 2023 Board Meeting Minutes as presented and Mr. Powers seconded the motion. The motion passed 5-0.

V. Election of Board Officers

Mr. Gillette presented a slate of Board Officers for consideration:

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- a. Alex Heubeck, Chair
- b. Kevin Powers, Vice Chair
- c. Andrew Jacobson, Secretary

Mr. Gillette, stated that he is leaving the board, and that a potential new board member will be introduced at a future board meeting. Mr. Powers moved to approve the slate of board officers as presented and Mr. Heubeck seconded the motion. Approved 5-0

VI. Audit Committee Assignment

Mr. Heubeck as the new board chair assigns board members to the Audit Committee. It was decided that Mr. Powers will stay on the Audit Committee as chair and Mr. Heubeck will retain his roll on the audit committee.

Mr. Heubeck took over the meeting as Chair.

VII. Approval of NMEAF Officers

- a. Brad Allpass- President and CEO
- b. Grace Tackman- Vice President HR and Administrative Services
- c. Estevan Martinez- Assistant Vice President Information Technologies
- d. Tracy Rowe- Assistant Vice President Finance

Mr. Jacobson moved to approve the slate of NMEAF Officers and Mr. Powers seconded the motion. Approved 5-0

VIII. Annual Approval of Board Policies

- a. NMEAF Escheatment Policy
- b. NMEAF Purchasing Policy
- c. NMEAF Travel and Reimbursement Procedures
- d. NMEAF Investment and Cash Management Policy

Mr. Allpass stated there are no changes to the policies this year. Mr. Jacobson moved to approve the policies and Mr. Powers seconded the motion. Approved 5-0

IX. Audit Committee Report

- a. Approval of June 30, 2023 Audited Financial Statements

Mr. Garner explained the Exit Conference with the audit committee that took place on October 11. Mr. Garner stated there were no adjustments needed as there is a good internal control structure and no issues gathering data. There was one

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finding, a low level compliance finding. Mr. Heubeck moved to approve the June 30, 2023 Audited Financial Statements and Mr. Gillette seconded the motion. Approved 5-0.

b. October 11, 2023 Audit Committee Meeting Summary

Mr. Powers stated there were two action items in the committee meeting. The June 30, 2023 audit report was recommended for presentation to the full board and the Whistle Blower Policy was reaffirmed.

X. President's Report

a. Department of Education and Congressional Updates

Mr. Allpass stated there aren't any new developments from the Department of Education at this time. The Loan Forgiveness effort under the HEROES act was stopped by the Supreme Court. The Department of Education, under the Higher Education Act, is working on a different loan forgiveness program. This program under the Higher Education Act could impact FFELP loans which may affect the FFELP portfolio at NMEAF. The other impact on the side of NMSLGC is that throughout the pandemic the Department of Education took the defaulted student loan portfolio from the Guarantee Agency and pulled it into their own servicing. Currently the Guarantee Agency is starting at zero, and will take a long time to build up the revenue to levels required to support guarantor operations. There is also the issue of the litigation waiver, the only one in the country that the guarantee corporation has in place, allowing different servicing from the largest lender for which loans have been guaranteed, NMEAF. Work is being done by NMEAF to reduce these loans so that exiting the guarantee operations in the future can be an option. Mr. Allpass stated that Mr. Stormont has been including in the board packet, updates on the reduction of the pre-litigation loan portfolio.

b. CUBIT Fund Update/Future

Mr. Allpass stated the original shared effort with NMEAF and NMSLGC under the CUBIT Fund was to create a separate entity focused on expanding the revenue streams available to support the organizations' mission. At the time of inception interest rates were very low, not a situation we are presently experiencing. The investments are mainly in CDs and T-bills earning interest along with an amount committed to approved investment GreenStreet Impact Partners. Mr. Allpass stated that NMSLGC and NMEAF can do this type of investing without CUBIT and eliminate the tax burden that will fall upon CUBIT. Mr. Allpass proposed the possibility of taking the funds and setting up an endowment that supports new efforts in the Outreach

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Department and their future missions. Mr. Allpass asked the board members for their thoughts on the idea of setting up an endowment with the CUBIT fund money. The board was interested in hearing more about an endowment in future board meetings.

XI. Financial Report

- a. Approval of 2023/2024 NMEAF/NMSLGC Service Agreement
Ms. Rowe presented the 2023/2024 NMEAF/NMSLGC Service Agreement. The compensation amount to be paid is a little less than last year due to a staff reduction, this is the only change on the Service Agreement. Mr. Jacobson noted that on paragraph 5) a. the number wording (one hundred and eleven thousand and thirty dollars) does not match the correct number listed (\$106,106). With this correction noted Mr. Jacobson moved to approve the Service Agreement and Mr. Gillette seconded the motion. Approved 5-0
- b. September 30, 2023 Financial Statements
Ms. Rowe presented the financials. Ms. Rowe stated there was a big change as far as assets and liabilities due to a large bond principal payment. Ms. Rowe stated the organization is in a healthy position overall.

XII. Community Outreach Report

Ms. Tackman presented the Outreach Report. Ms. Tackman stated that due to changes in the launch of FAFSA, the department held an appreciation celebration for counselors, financial aid officers and other partners instead of a FAFSA launch event at the Balloon Fiesta on October 11th. Both Secretary Arsenio Romero (PED) and Acting Secretary Patricia Trujillo (HED) were in attendance and made remarks.

Ms. Tackman shared that a meeting with Nusenda Credit Union was held and their missions align well with NMSLGC/NMEAF. Nusenda is in the process of setting up a meeting to talk about the needs of NMSLGC/NMEAF missions and what they might be able to help with in their next fiscal year.

Ms. Tackman stated that FAFSA training for high school counselors and financial aid officers will be held November 2nd in partnership with NMAFSA and a second training will be held December 1st as a makeup event and for additional entities such as GEAR UP, AVID, Enlace, etc.

Ms. Tackman stated work is being done through HED with a group of Junior Colleges to create one single system that will include the school application, financial aid application, personnel and more, known as CHESS. (Collaborative for Higher Education Shared Services) There will be one application covering all aspects of entering Junior College, which the Outreach Department is planning to be able to assist students with. The future

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hope is to expand this single system application to all higher education institutions throughout New Mexico.

Ms. Tackman relayed that the outreach team had recently been on a 5-week tour of the state with higher education institutions to edify students and counselors about the FAFSA and the changes being rolled out by the Department of Education. A similar tour hopes to be coordinated with the trades group, Be Pro Be Proud, who is having a launch event in November where NMEAF will be in attendance.

Ms. Tackman reported that FAFSA completions for New Mexico continues to improve as the state is at 54.4% and national completion is at 58.9%, the gap is within 5 percentage points.

Ms. Tackman stated that PED (Public Education Department) of New Mexico is in the process of moving into the NMEAF building sharing most of the space. A lot of work and preparation has been done and is ongoing to get PED settled in.

XIII. Organizational and Department Reports

- a. Administrative Services and Human Resource
- b. NMEAF Operations
- c. 180 Resolutions
- d. Information Technologies
- e. Legal
- f. NMSLGC Operations

There were no questions/discussion on the Department Reports

XIV. Other Matters

- a. Next Board Meeting: January 23, 2024

XV. Executive Session

Mr. Jacobson motioned to go into Executive Session regarding strategies on resolving pending litigation and Mr. Powers seconded the motion. The motion passed 5-0. (3:00pm)

It was noted that both NMEAF General Counsel, Reginald Storment and Board Counsel, Mr. Piechota were present during the Executive Session.

Mr. Jacobson motioned to come out of executive session and Mr. Powers seconded the motion. The motion passed 5-0. (3:35pm)

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XVI. Adjournment

Mr. Powers moved to adjourn and Mr. Gillette seconded the motion.
The motion passed 5-0.

Meeting adjourned 3:37pm.

Date: 01/31/2024

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Alex Heubeck

Alex Heubeck
NMEAF Chair

Andrew Jacobson

Andrew Jacobson
NMEAF Secretary/Treasurer