

Please be advised that these unofficial minutes have not been approved by the RIHEAA Board of Directors and may contain incorrect and/or misleading information. These minutes are being submitted in accordance with the time requirements as specified in the Open Meetings Act. Official minutes will be submitted promptly after they have been approved and adopted by the Board of Directors at its next official meeting.

**DRAFT/UNOFFICIAL** MINUTES  
RHODE ISLAND HIGHER EDUCATION ASSISTANCE AUTHORITY  
BOARD OF DIRECTORS' MEETING  
MAY 9, 2006

The 266th meeting of the Rhode Island Higher Education Assistance Authority was held on Tuesday, May 9, 2006 in the McKenna Conference Room of the Authority, 560 Jefferson Boulevard, Warwick, Rhode Island. Vice Chairman Santoro called the meeting to order at 9:10 a.m.

The following members were in attendance:

Dr. Robert J. McKenna, Chairman  
Dr. Anthony J. Santoro, Vice Chairman  
Dr. William Croasdale, Treasurer  
Mr. John Howell, Secretary  
Ms. Miriam Curtis Coleman  
Mr. William B. Hall  
Mr. Solomon A. Solomon  
The Honorable Paul J. Tavares, General Treasurer

Members Absent:

None

Also Attending:

Mr. William H. Hurry, Jr., Executive Director, RIHEAA  
Ms. Gail Mance-Rios, Deputy Director, RIHEAA  
Mr. Michael Joyce  
Mr. Steven Mollica  
Ms. Marisol Garcia  
Ms. Rebecca Johnson, Office of the General Treasurer  
Ms. Laurie J. Brayton, Senate Fiscal Advisor  
Ms. Liza Cohen, House Fiscal Advisor  
Ms. Sue Zube

1) Approval of Minutes of Board of Directors Meetings held on April 11, 2006.

Minutes were not available.

2) Chairman's Report: Chairman McKenna updated the Board on his recovery from surgery in January. He is doing well.

He reported that there is a new nomination for appointment to the RIHEAA Board.

Mr. Hurry stated that the Governor has appointed Patricia Doyle to the Board. The nomination will go to the Senate for confirmation. While he has invited her to the next Board meeting and while it is not inappropriate for her to attend, she may not, however, participate until she is confirmed.

Chairman McKenna noted that we have survived the last few months in spite of the fact that there have been several attempts on the Federal level to cut back on aid.

3) Executive Director's Report: Mr. Hurry welcomed Chairman McKenna back and noted that in his absence his colleagues on the Board have stepped up very nicely. Mr. Hurry took this opportunity to express his appreciation.

a. With respect to the state budget situation, there has been no further formal communication since the last meeting. The Board's position has been confirmed both in informal conversations with key people on the respective staffs and in writing to the chairman and others in the House and Senate. At this time Mr. Hurry introduced Laurie Brayton from the Senate Fiscal Office and Liza Cohen from the House Fiscal Advisory Staff. They will be attending the Board meetings on a regular basis as part of the legislature oversight role.

The Revenue Estimating Conference is Wednesday, May 10.

Mr. Hurry informed the Board of Directors that Marc Lacroix sustained injuries resulting from an auto accident last week, which required surgery. He is recuperating at home and will join the Board via telephone to report on agenda items 4.a and 9.b. Therefore, Mr. Hurry asked the Board's permission to move to those items.

4.a) Update on RFP Process for selection of auditors:

At this time Mr. Hurry called Marc Lacroix.

Dr. Croasdale, Mr. Hall and Marc Lacroix reported on the RFP process for selection of auditors for FY 2006-2008. The RFP went out to bid. Seven firms were solicited but only three submitted bids. The three firms were LGC&D (Lefkowitz, Garfinkel, Champi & DiRienzo), O'Connor and Drew, P.C., and Carlin, Charron & Rosen, LLP. The analysis of the audit proposals for state fiscal years ended 2006-2008 was distributed and reviewed. Carlin, Charron & Rosen, LLP was the lowest bidder. The Audit committee conferred yesterday via conference call.

9.b) Action Item:

On Motion duly made by Mr. Howell and seconded by Mr. Solomon, it was unanimously

**VOTED:** That having reviewed the RFP Process and the three proposals submitted to the Authority in response to its RFP, and after consultation with Mr. Lacroix and Mr. Hurry, the Finance and Audit Committee moves that the Board award the audit contract for fiscal years 2006 through 2008 to the apparent low bidder, the firm of Carlin, Charron & Rosen, LLP. The committee further recommends that this award be contingent on the ability of management to clarify and/or secure from the firm two explicit commitments: 1) that the firm commit to completing and submitting all the work and deliverables required for the production and distribution of draft reports to the Board, management, and the Auditor General not later than September 15 and final reports not later than September 29, 2006 and, 2) that the firm commit to a "not to exceed" price/number of hours to complete the Single Audit that is consistent with the Authority's recent historical experience and would not call into question whether or not the firm is, indeed, the overall low bidder. If and only if the staff is unable to obtain satisfactory commitments from Carlin, Charron & Rosen LLP on the above points, the committee further recommends that the Board authorize the staff to approach both of the remaining firms, O'Connor & Drew P.C. and LGC&D (because their original bids were so close) to seek their responses/commitments to the

same two issues, and then to award the contract to the firm which presents the most favorable final bid.

Voting in favor: Chairman McKenna, Dr. Santoro, Dr. Croasdale, Ms. Coleman, General Treasurer Tavares, Mr. Hall, Mr. Howell and Mr. Solomon. Voting against: none.

b. Regarding the RFP for the Web Based Information/Outreach System, Ms. Mance-Rios reported that three nationally known vendors gave an all-day presentation to the committee. The final draft of the RFP is out to the committee, and responses are expected back by Thursday. The RFP should be out on the market by the beginning of next week with a three week deadline/turn-around time.

Mr. Hurry noted that it is hoped that we will have proposals by mid June, a decision made by July and a working relationship with a vendor by August/September with implementation in the 2007-2008 school year.

Mr. Howell asked if there is an estimated cost at this time. Mr. Hurry stated that there is no estimate because we don't know exactly yet what we will ultimately buy.

c. General Treasurer Tavares reported on the Cooperative Agreement meeting. He noted that at this juncture the committee is still fact finding in trying to identify where the conflicts are and working towards bringing them to a resolution.

d. Regarding NEBHE appointment, Mr. Hurry reported that Debora Smith's term expires at the end May. Dr. Croasdale, as Chair of the sub-committee, nominated Ms. Smith for reappointment to the NEBHE Board for three years.

9.a) Action Item

On motion duly made by Dr. Croasdale and seconded by Mr. Solomon it was unanimously

**VOTED:** To reappoint Debora Smith to the NEBHE Board for a three-year term through May 31, 2009.

Voting in favor: Chairman McKenna, Dr. Santoro, Dr. Croasdale, Ms. Coleman, General Treasurer Tavares, Mr. Hall, Mr. Howell and Mr. Solomon. Voting against: none.

As an update Mr. Hurry reported that NEBHE is struggling financially. They have a grant proposal before Nellie Mae to support the College Ready New England initiative. NEBHE hopes to have a positive response from Nellie Mae by June 20.

NEBHE has a planning retreat scheduled for June 22 and 23 in Worcester, MA.

NEBHE is looking at whether or not to keep its current location in Boston. In light of the situation at NEBHE a committee was formed to look at options regarding their location.

There are no significant issues regarding the RSP Interstate Tuition Program. The increase for the RSP tuition rate goes into effect this coming fall on a phased-in basis.

NEBHE is planning a Rhode Island launch for the six state College Ready New England initiative. It is currently planned for Friday, June 16.

Mr. Hurry mentioned that the Mayor of Providence's chief of staff, Mr. Michael Mello, has been chosen as President, of the Rhode Island Independent Higher Education Association. He will assume the presidency of that organization on June 5, 2006.

e. Regarding the RIHEAA Board appointments Mr. Hurry reported that Chairman McKenna's term expires June 30. It was the unanimous sense of the Board that Vice Chairman Santoro send a communication to the Governor requesting Dr. McKenna's reappointment for another term.

5) Investment Report:

a. Dr. Croasdale reported that there is \$16,345,950 in agency operating fund. This includes the checking account, Recall Interest Account and SLMA Escrow and deposits. We are still investing in treasury notes.

6) Grant/Scholarship Update:

Mr. Joyce reported, on behalf of Mary Ann Welch, who is on vacation. Mr. Joyce stated that State Grant Program Activity for the 2005-2006 year will be coming to a close

in approximately 1.5 months. As of May 1 there are 12,074 students with awards for a total of \$13,267,006. This is \$612,978 or 4% under current budgeted funding of \$13,879,984. Anticipated amount under-expended will increase since there are over 400 students who still need to be verified as eligible and enrolled for at least one term during the 05/06 year.

For the 2006/2007 State Grant year award offers for \$18,288,417 have been made to 14,227 students. This year the average award is \$1,285, and we are at 32% over-expended at this time. Mr. Joyce reported that we will be monitoring the expenditures and award recalculations this summer due to changes that will take place in the Federal formula that could increase the need for several students.

Regarding the Academic Promise Scholarship, he reported that for 2005/2006 431 students have received scholarships totaling \$1,041,105. There are six students that need to be verified as enrolled and eligible for at least one term.

For the 2006/2007 year there are 439 students receiving scholarships totaling \$1,097,500. Of those receiving the scholarship, 135 are entering freshmen. The freshmen cohort is 1,450 potentially eligible students with an estimated family contribution of \$4,050 or less. There was a delay notifying entering freshmen of their award offers due to the problems that occurred with the College Board. And the scanning of the SAT scores. Award offers went out on April 26. Of the 8,290 students for whom we did receive SAT scores, 136 were identified who were actually affected by this.

The Scholar Recognition Program designates the Rhode Island scholar students who score in the top 10% on the SAT/ACT tests. Certificates of honor for those students are signed by the Governor and Mr. Hurry and sent to the high schools to be distributed at the high school honors night. There was a delay in printing and sending these certificates to the high schools as a result of the SAT situation. As of yesterday they have all been signed by the Governor and will be picked up today to be distributed.

7) Loan Programs Update: There is no report.

8) CollegeBoundfund Update: Mr. Joyce reported that currently there are 471,429 accounts nationally; of that number 15,742 are native Rhode Island accounts. Total

asset value is just over \$6.8 billion. Total Rhode Island asset value is just over \$169 million. In terms of the 5&10 Matching Grant Program the deadline date was extended to May 2 because April 30 was on a Sunday. Currently there are 183 approved accounts. Seven accounts are in a holding status at this point due to missing information. In comparison to last year the total number was 180. There were 5/6 denials this year.

Mr. Hurry reported that conversations continue with representatives from the Children's Crusade regarding linking the interest of the Children's Crusade and interest in expanding the 5&10 Matching Grant Program. They are concerned as to whether or not they are going to be able to extend their scholarship commitment to new incoming cohorts of children's crusaders.

10) Communications: Chairman McKenna noted that there is a copy of a "Thank You" card included in the materials that was sent to the Board and staff of RIHEAA from his wife during his recovery.

11) The date for the next meeting is June 13, 2006 at 9:00 a.m.

There being no further business to come before the Board, on motion duly made by Dr. Croasdale and seconded by Mr. Solomon it was

**VOTED:** To adjourn the meeting.

Voting in favor: Dr. Santoro, General Treasurer Tavares, Mr. Hall, Mr. Howell and Mr. Solomon. Voting against: none.

The meeting adjourned at 10:10 a.m.

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Mr. John Howell  
Secretary