

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.

MINUTES
RHODE ISLAND HIGHER EDUCATION ASSISTANCE AUTHORITY
BOARD OF DIRECTORS' MEETING
APRIL 20, 2007

The 275th meeting of the Rhode Island Higher Education Assistance Authority was held on Friday, April 20, 2007 in the McKenna Conference Room of the Authority, 560 Jefferson Boulevard, Warwick, Rhode Island. Chairman McKenna called the meeting to order at 9:05 a.m.

The following members were in attendance:

Dr. Robert J. McKenna, Chairman
 Dr. Anthony J. Santoro, Vice-Chair
 Mr. John Howell, Secretary
 General Treasurer Frank T. Caprio
 Ms. Patricia A. Doyle
 Mr. William B. Hall
 Mr. Solomon A. Solomon

Members Absent:

Ms. Miriam Curtis Coleman
 Dr. William Croasdale

Also Attending:

Mr. William H. Hurry, Jr., Executive Director, RIHEAA
 Ms. Gail Mance-Rios, Deputy Director, RIHEAA
 Mr. Marc Lacroix, Chief Financial Officer, RIHEAA
 Ms. Nancy Ann Dooley
 Mr. Michael Joyce
 Ms. Marisol Garcia
 Mr. Greg Silva
 Ms. Sue Zube
 Mr. Richard Licht, Tillinghast & Licht
 Ms. Elizabeth Strout, Office of the General Treasurer
 Mr. Xay Khamsyvoravong, office of the General Treasurer
 Ms. Meredith Holderbaum, Senate Fiscal Office
 Mr. Noel Simpson, Executive Director, RISLA
 Mr. David Souto, NESLA

- 1) No minutes were available.
- 2) Chairman's Report: Chairman McKenna introduced Mr. Richard Licht of Tillinghast & Licht.

As lobbyist for RIHEAA, Mr. Licht gave an update on legislative relations. There is a sense that there is a desire in the legislative community to restore the state appropriation for which the balance of CollegeBoundfund reserves had been substituted in the FY 07 budget. This would require an appropriation for FY 08 of \$10.0 million (\$4.3 million of "new money" to the state, but not to the program. The \$10.0 million of state appropriation plus the \$4.0 million which RIHEAA has pledged from Cbf revenues in FY08 would sustain the State Grant Program at the FY 2006/2007 level of \$14.0 million.

Mr. Licht noted that it would be helpful and urged everyone to speak to key legislative people to advocate for restoring the money for higher education.

A meeting is scheduled for the first week in May between Senator Alves and the lobbying committee.

He asked the Board and staff to put together some "talking points" for him and also to distribute them to the Board as well.

- 3) Executive Directors Report:

- a. With respect to the federal situation, Mr. Hurry referred to the growing representations in the public press about the expansion of New York Attorney General Cuomo's investigations. RIHEAA staff participated in an NCHELP sponsored teleconference earlier this week to discuss related issues with legal representation. The teleconference was very informative.

Mr. Hurry reported also that access to the NSLDS (National Student Loan Data System) has been shut down for all users with the exception of schools and students. This will have a significant impact on processing of student loans. There is some reassurance that guarantors might be readmitted to the system early next week.

- 3.b. Ms. Mance-Rios reported that she has been working with partners at XAP and Bridges working on the first phase of the portal which is the landing page. She explained

that this is the landing page is what students will see when they enter the web site and will go from this page to the particular products/services in which they are interested. The second phase will be released next year.

3.b.1. The proposed portal name is "Way to Go RI".

9.a. Action Item:

After further discussion on motion duly made by Dr. Santoro and seconded by Mr. Howell, it was

VOTED: To approve the name of the web portal "Way to Go RI".

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

3.c With respect to the RFP for Guarantor System and Related Services, Ms. Mance-Rios reported that we have received six proposals. The deadline for receiving/accepting the proposals is noon today. A meeting is scheduled for next week to begin the review process. We hope to include FAO's at some point in the review process to get their feedback on how they feel about the comprehensive system and what is being offered.

3.d Mr. Hurry reported that the Authority has been advised that the Governor has made three nominations to the RIHEAA Board. The status of those nominations is that Mr. Sol Solomon has been nominated to be reappointed to a five year term, Ms. Brenda Dan-Messier who is director of Dorcas Place has been nominated for appointment. Both nominations have been heard by Senator Issa's committee, and they have been recommended to the full Senate for confirmation and floor vote which is scheduled for April 25. The third nomination is J. Michael Costello from Baldwin Brothers Investment Advisors. Mr. Hall, who has been enormously active, supportive and made a great contribution to this Board will be leaving. While Mr. Costello's nomination has not yet been heard at the committee level it is possible that the confirmation process will have been completed before the next Board meeting. Therefore, Mr. Hurry took this opportunity to express his gratitude to Mr. Hall for all the good work he has done on behalf of the Board.

4) Mr. Lacroix noted that there is nothing to report. Budget versus Actual for the next quarter will be available at the next Board Meeting.

4.a. The Finance Committee will be meeting immediately following the Board meeting to review and discuss the proposals that have been received for the preparation of the accounting policy and procedures manual.

Mr. Lacroix also expressed his gratitude to Mr. Hall.

Chairman McKenna suggested that a report be drafted in the form of a letter which we would inform the chairman of the Independent Higher Education Association of the great value of Mr. Hall's presence on this Board with a copy sent to all eight college/university presidents.

5) There is nothing unusual to report in the Schedule of Cash and Investments for month ended February 28, 2007. We have purchased a few short-term treasuries. The gap between Sovereign and short-term treasuries has narrowed, and Dr. Croasdale has been advocating a few more treasuries to balance everything out.

6) Mr. Joyce reported that we are coming to the close of 2006/2007 year. In comparison to this point last year we are at the same level, 96% expenditures representing verified awards. Total funding for 06-07 year is \$13,786,000, and current award offers are at \$13,719,000.

6.b. Mr. Hurry noted that the uncertainty of the funding of the state appropriation for the program has led to the delay of the approval of the 2008 award formula. Two scenarios are included in the packet, and the issue at hand is whether to award or not to award at this time.

9.b. Action Item:

After further discussion, on motion duly made by Dr. Santoro and seconded by Ms. Doyle, it was

VOTED: To go forward with State Grant awards based on a conservative projection of \$5.9 million in funding from the State and \$4 million from CollegeBoundfund revenues. Based on funding available in these amounts, the maximum RI State Grant award for 2007-2008 is estimated to be \$1,200.

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

7) Regarding the Loans Program, Ms. Dooley reported that, in comparison to this time last year, more loans are guaranteed. Consolidations are dragging due to the issue with NSLDS. While a private equity group has an offer pending to buy Sallie Mae, RIHEAA staff have experienced no changes in operations/interactions with our usual contact persons.

8) Mr. Hurry noted that the report for *CollegeBoundfund* is included in the materials. The program is at approximately \$8.3 billion.

b. General Treasurer Caprio reported that he joined the *CollegeBoundfund* Marketing Committee in January, and either he or his representative(s) have been meeting with that group comprised of representatives of AllianceBernstein, RIHEAA, and the Treasurer's Office. With the strong level of commitment that the RIHEAA Board is making to the in-state marketing effort, one issue that stood out was that we had an out-of-state firm buying the local media. The committee thought it would be good to go out to bid for local firms, and also look at how we could leverage that with what is done in Treasury and other affiliated entities. . Also group together the buying under one roof. Another component is to expose *CollegeBoundfund* in front of as many people as possible who would be target customers. The committee is recommending that Alliance, which bears the contractual responsibility to carry out the R I marketing effort, go out with an RFP / RFP's in both the creative and buying side of the media and also with the grassroots marketing efforts. Alliance is drafting the RFPs for review. This is Alliance's process. The RFP(s) should be out next month.

As a footnote, Mr. Hurry stated that, with regard to the 5&10 Matching Grant Program, a meeting will be scheduled with another work group consisting of the General Treasurer's staff and RIHEAA staff to look at possible modifications to the eligibility criteria for the 5&10 matching grant program. It is hoped that we will have a proposal for the Board at the next meeting.

11) Due to unavoidable commitments it was agreed that the May 18 meeting be moved to May 25, 2007.

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

VOTED: To adjourn the meeting.

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

The meeting adjourned at 10:32 a.m.

Mr. John Howell
Secretary