

MINUTES
RHODE ISLAND HIGHER EDUCATION ASSISTANCE AUTHORITY
BOARD OF DIRECTORS' MEETING
JUNE 29, 2007

A special meeting of the Rhode Island Higher Education Assistance Authority was held on Friday, June 29, 2007 in the McKenna Conference Room of the Authority, 560 Jefferson Boulevard, Warwick, Rhode Island. The meeting was called to order at 9:03 a.m.

The following members were in attendance:

Dr. Robert J. McKenna, Chair
Dr. William Croasdale, Treasurer
Mr. John Howell, Secretary
General Treasurer Frank T. Caprio
Mr. J. Michael Costello
Ms. Patricia Doyle
Mr. Solomon A. Solomon

Members Absent:

Dr. Anthony J. Santoro, Vice Chair
Dr. Brenda Dann-Messier

Also Attending:

Mr. William H. Hurry, Jr., Executive Director, RIHEAA
Ms. Gail Mance-Rios, Deputy Director, RIHEAA
Mr. Marc Lacroix, Chief Financial Officer, RIHEAA
Mr. Joseph Palumbo, Esq., RIHEAA Legal Counsel
Ms. Mary Ann Welch
Ms. Nancy Ann Dooley
Mr. Michael Joyce
Mr. Greg Silva
Mrs. Sue Zubee
Ms. Paula Dominguez, House Educ. Policy Analyst
Mr. Chad Pastourius, NESLA

1) Dr. Croasdale noted a correction to the April 20, 2007 minutes. The motion to adjourn should be changed from, "On motion duly made by Dr. Croasdale and seconded by Mr. Howell ..." to, "On motion duly made by Ms. Doyle and seconded by Mr. Solomon ..."

On motion duly made by Ms. Doyle and seconded by Mr. Howell, it was

VOTED: That the minutes as amended of the Board of Directors meeting held on April 20, 2007 be approved and placed on file.

Voting in Favor: Chairman McKenna, Dr. Croasdale, Mr. Costello, Ms. Doyle, Mr. Howell and Mr. Solomon.
Voting against: none.

2) Chairman's Report:

Regarding the state budget, the Chairman reported that an increase of approximately \$4 million in the general fund appropriation was approved. This had been proposed by the administration. Another appropriation for \$5 million, which was for a new program that the Governor proposed, was removed from the budget by the House Finance Committee. The overall amount of money appropriated was \$5 million less than the Governor had recommended. Revised award notices will be sent out to the students.

3) Executive Director's Report:

With respect to the turn of events with regard to the appropriation, Mr. Hurry commented that the outcome is extraordinary under the circumstances, and he is most appreciative to everyone for their support. He personally thanked Ms. Paula Dominguez from the House Finance Committee and her colleagues for their assistance along with the Senate Finance Committee.

Mr. Hurry referred to a newspaper article by Jennifer Jordan which was written after the Board decided to take a conservative approach to the FY 2008 budgeting and student awarding process. Mr Hurry indicated that he thought the article presented fairly the action previously taken by the Board.

Secondly, there have been some articles written about the use of lobbyists in the state. The reference has been made to the Authority's contract with Licht Tillinghast indicating that the contract calls for a \$280 per hour rate for Mr. Licht.

It is noted for the record that General Treasurer Caprio arrived at 9:14 a.m.

Mr. Hurry explained that the total expenditure for lobbying services through the end of May 31 is approximately \$6,000. The contract was negotiated at an hourly rate for the first year of the arrangement for Mr. Licht and a significantly lower hourly rate for his associate.

Mr. Hurry echoed the Chairman's comments and thanked everyone for their support.

Mr. Hurry asked the General Treasurer if he would give an update on the RFP process for CollegeBoundfund marketing in R I. Mr. Hurry stated that the process is continuing. There is a strong consensus among the Treasurer's staff, RIHEEA staff and Alliance Bernstein staff regarding the presentations and proposals. Alliance Bernstein is in the process of contacting the preferred vendors, and they will be handling the negotiating of the terms and conditions with those agencies.

General Treasurer Caprio concurred with Mr. Hurry's report and also noted that Alliance Bernstein is going back to the firms that have been selected to refine their budgets and to insure that the firms will remain within the budgets authorized by the Authority.

4) Action Item: Approval of Modification(s) to 2007/08 State Grant Awarding Formula.

Mr. Hurry distributed copies of the page from the state budget document that reflects the \$10 million appropriation along with a copy of the summary page of the Authority's final budget for the 08 year which the Board approved at an earlier meeting.

There were brief explanations and discussions.

It is noted for the record that the General Treasurer left the room at 9:35 a.m.

After further discussions, on motion duly made by Ms. Doyle and seconded by Mr. Howell, it was

VOTED: To restore the maximum award amount for the 2007-08 academic year to \$1400 and to make award offers to students on the waiting list as funding allows.

Voting in favor: Chairman McKenna, Dr. Croasdale, Mr. Costello, Mr. Howell, Mr. Solomon and Ms. Doyle.
Voting against: none. One abstention: General Treasurer Caprio was out of the room at the time of the vote.

General Treasurer Caprio returned to the room. The Chairman reported that the vote had been taken, and the General Treasurer stated that he would cast his vote with the majority. Mr. Hurry explained that it had been unanimously voted to go with the \$1400 maximum award and to go deeper into the wait list.

Mr. Hurry and Mr. Lacroix asked if there were any questions regarding the two documents that were distributed.

It is noted for the record that Chairman McKenna left the meeting at 9:45 a.m., at which time he turned the meeting over to Dr. Croasdale, Treasurer in light of the absence of Vice-Chairman Santoro.

Mr. Lacroix noted that the top section of the first page is from the budget act. This is what was enacted for the RI Higher Education Assistance Authority. There are two categories of general revenues and single amounts for federal funds (Loan Division) and the Tuition Savings Program. The second page is the summary document which the Board approved. What was enacted and what the Governor recommended is identical except for the \$5 million academic merit initiative which was not funded by the legislature. These documents confirm that what was enacted agrees precisely with what the Board had authorized previously.

5) Date and Agenda for next meeting.

The next meeting is scheduled for July 20, 2007.

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

VOTED: To adjourn the meeting.

Voting in favor: Mr. Costello, General Treasurer Caprio, Mr. Howell, Mr. Solomon and Ms. Doyle. Voting against: none.

The meeting adjourned at 9:53 a.m.

Mr. John Howell
Secretary