

MINUTES
RHODE ISLAND HIGHER EDUCATION ASSISTANCE AUTHORITY
BOARD OF DIRECTORS' MEETING
SEPTEMBER 21, 2007

The 278th meeting of the Rhode Island Higher Education Assistance Authority was held on Friday, September 21, 2007 in the McKenna Conference Room of the Authority, 560 Jefferson Boulevard, Warwick, Rhode Island. Chairman McKenna called the meeting to order at 9:08 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
The Honorable Frank T. Caprio, General Treasurer
Ms. Patricia A. Doyle
Mr. Solomon A. Solomon

Members Absent:

Mr. J. Michael Costello
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 R. Palumbo, Esq., Legal Counsel, RIHEAA
Ms. Nancy Ann Dooley
Mr. Michael Joyce
Ms. Mary Ann Welch
Ms. Marisol Garcia
Mr. Greg Silva
Ms. Sue Zube
Ms. Paula Dominguez, House Education Policy Advisor
Ms. Liza Pinto, House Fiscal Advisory Staff
Ms. Laurie Brayton, Senate Fiscal Office
Mr. Peter Kerwin, Office of the General Treasurer
Mr. Chad Pastorius, NESLA

Dr. Croasdale suggested the meeting move to Agenda Item number 4.

On motion duly made by Dr. Croasdale and seconded by Ms. Doyle it was

VOTED: That the order of the agenda be changed and the meeting move to Agenda Item 4.

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

4.c) Dr. Croasdale reported that the RIHEAA Finance Committee met with the audit firm, Carlin, Charron & Rosen. The committee recommends that the Board accept the RIHEAA Audit.

Regarding the draft single audit, Mr. Howell noted the reference on page 2 to disclose no instances of non-compliance. He asked if the audit firm did, in fact, find the Authority in non-compliance in any instances. Mr. Lacroix stated that there were no issues in non-compliance and there were no material weaknesses. This is reported on page 7 of the report.

Dr. Santoro asked if there is a management letter. Dr. Croasdale noted that we should receive the management letter by Tuesday.

9.b) Action Item: Approval of RIHEAA Financial Statement Audit and Single Audit Report for year ended 6/30/07.

On motion duly made by Dr. Croasdale and seconded by Ms. Doyle, it was

VOTED: To approve the RIHEAA draft audit report.

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

Dr. Croasdale indicated that if there are any questions or issues regarding the Financial Statement Audit and Single Audit Report, the Board should contact Mr. Lacroix no later than 12:00 noon on Monday, September 22.

Chairman McKenna took this opportunity to thank everyone for their efforts and hard work.

4.b) Dr. Croasdale noted that the Board received copies of the FY 2008 Revised Budgets and FY 2009 Initial Budgets with their Board materials. He reported that the Finance Committee reviewed the materials and made some suggestions on revisions. The revisions that the Finance Committee recommended are in the revised budget. Mr. Lacroix briefly reviewed the 2008 and 2009 budget materials.

Regarding the Tuition Savings Program, Mr. Lacroix noted that for funds funded with other sources and federal sources the target budget is not required. The revised request in 2008 for the Tuition Savings Program is substantively the same except for the addition of the adult education initiative.

Mr. Hurry reported that the "5&10" Matching Grant Program amount is back in the 2009 budget request. The program has not generated the participation as was expected. At the next Board Meeting there will be a proposal for revised rules of eligibility for the program.

Lastly, Mr. Hurry noted that an extra \$100,000 has been added in each year for marketing and promotion. No final decisions have been made for overall marketing for next year. A report should be available for the next meeting as to where the marketing committees are and what the approach will be.

The General Treasurer echoed what Mr. Hurry reported. He stated that the committee will be reporting to the Board with the results of a lot of hard work. The committee has developed a strong plan that will be a big win for Rhode Island families.

With respect to the Loan Division section of the budget submittals, Mr. Hurry pointed out that as Mr. Lacroix suggested these budgets reflect the world of guarantee functions as we have known it. We are aware of the action of Congress and the Budget Reconciliation Act. Revisions may need to be made on the Loan side through the course of the year.

9.a) Action Item: Approval of FY 2008 and 2009 Budgets Prior to Submittal to the Budget Office.

On motion duly made by Dr. Croasdale and seconded by Mr. Howell, it was

VOTED: To approve the Revised FY 2008 and the FY 2009 Initial Budgets.

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

4.a) Mr. Lacroix stated that in the interest of time, Dr. Croasdale asked that the first item under the Financial Reports, Budget vs. Actual Reports for year ended 6/30/07 be deferred until the next meeting.

Also, the RIHEST audit is being prepared. The Finance Committee will review it soon. The Board will be asked to approve this audit at the next meeting.

3) Executive Directors Report:

d. Regarding 2007 Legislative Relations Activities, Mr. Hurry reported that RIHEAA has done an analysis of cost benefit on the arrangement with Mr. Licht for the 2007 legislative session. In total the Authority has paid less than \$7500 for those services. We were well served by Mr. Licht and his colleagues and therefore we received a very favorable reception in the legislature. The committee which was involved in the RFP process for the lobbyist has been polled. All the members of the committee are comfortable with extending the Authority's relationship with Mr. Licht for 2008. We will be moving to extend this to 2008 unless there is an objection. There was none.

Chairman McKenna congratulated Mr. Licht and his colleagues.

Dr. Croasdale noted that we just received the "Management's Discussion and Analysis" of which he distributed copies to the Board for review.

6) Scholarship and Grant Update: Ms. Welch reported that as of September 14, 2007, for the 07-08 academic year, the current year, total funding is \$14.4 million. Award offers are out for \$21 million which is 45% over budget. There are 17,422 students with award offers. With the \$10 million that the state appropriated for 07-08 it kept the program slightly over level funded. The average award at

this time is \$1,236 with the maximum being \$1400. We went out farther into the waiting list this year compared to last year.

Regarding the Academic Promise Scholarship, there are 442 students with scholarships with cohorts totaling \$1.102 million. Last year at this time there were 443 students with \$1.102 million.

Mr. Hurry asked the General Treasurer to take a moment to comment on the CollegeBoundfunds status. The General Treasurer stated that the CollegeBoundfund program has been identified as the number one program and the success continues. There has been good news and good press.

Chairman McKenna took this opportunity to thank Senator Theresa Paiva Weed and Representative Paul Crowley who were principally involved in making sure the Authority received the appropriation that it did this year.

The Chairman informed the Board that Representative Paul Crowley is very ill.

10) There were no communications.

11) The next meeting is scheduled for October 19.

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

VOTED: To adjourn the meeting.

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

The meeting adjourned at 9:58 a.m.

Mr. John Howell
Secretary