

MINUTES

RHODE ISLAND HIGHER EDUCATION ASSISTANCE AUTHORITY BOARD OF DIRECTORS' MEETING

February 26, 2009

The 289th meeting of the Rhode Island Higher Education Assistance Authority was held Thursday, February 26, 2009 in the McKenna Conference Room of the Authority, 560 Jefferson Boulevard, Warwick, Rhode Island. Chairman McKenna called the meeting to order at 11:00 a.m.

Board Members in Attendance:

Dr. Robert J. McKenna, Chairman

Dr. Anthony J. Santoro, Vice Chairman

Dr. William Croasdale, Treasurer

Mr. John Howell, Secretary

**Mr. Xay Khamsyvovong, official designate representative for
General Treasurer Caprio**

Dr. Brenda Dann-Messier

Mr. Solomon A. Solomon

Board Members Absent:

Ms. Patricia Doyle

Mr. J. Michael Costello

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. Peter Kerwin, Chief Program Developer, RIHEAA

Ms. Dana Peterson-Fatuda, Assistant Administrative Officer

Ms. Nancy Ann Dooley, Director

Mr. Michael Joyce, Interim Director

Ms. Marisol Garcia, Chief of Communications

Mr. Charles Miller, IT Director, RIHEAA

Ms. Kathy Sisson, Program Director, WaytogoRI.org

Mr. Greg Silva, Director of Communications

Ms. Christina Faulkner, CPA

Mr. Joseph R. Palumbo, Esq., Legal Counsel, RIHEAA

Mr. Noel Simpson, RISLA

Mr. Chad Pastorius, RISLA

Mr. Charles Kelley, Executive Director, RISLA

1. Approval of Minutes of the Board of Directors' meetings held on January 8, 2009 was deferred.

2. Chairman's Report: Chairman McKenna reported that, regarding both state and federal budget issues, we are operating in a very

critical time. The Chairman expressed that every qualified high school graduate should be able to attend college or trade school and receive their academic degree. The Chairman stated that with the current President of the United States, Barack Obama, we are cautiously optimistic that good things can be accomplished in this regard over the next four years.

3. Executive Director's Report: Mr. Hurry welcomed Dana Peterson-Fatuda to the Board; she has replaced Sue Zube, who retired last September. Dana had worked for Blue Cross & Blue Shield for over twenty years, serving the President & CEO of the Health & Wellness Institute, a wholly owned subsidiary of Blue Cross.

Mr. Hurry acknowledged that we also have students representing Students for a Democratic Society (SDS) in attendance. Mr. Hurry would like to give the students an opportunity to speak at item 7b.

A motion to amend the agenda was duly made by Dr. Croasdale and seconded by Dr. Dann-Messier.

VOTED: to allow the visiting students a chance to voice their concerns to the Board as item 7b on the agenda.

Voting in favor: Chairman McKenna, Dr. Santoro, Mr. Howell, Mr. Solomon, Dr. Dann-Messier, Mr. Khamsyvoravong, proxy for General

Treasurer Frank Caprio, and Dr. Croasdale.

Voting against: none

b.) Mr. Hurry noted that a draft resolution honoring the late Senator Clairborne Pell was prepared for the Board. Dr. McKenna moved and Dr. Dann-Messier and all other members present, seconded that the resolution be adopted, be appropriately displayed on the premises, and copies be presented to Senators Jack Reed, Sheldon Whitehouse and Mrs. Nuala Pell. It was suggested that we call Senator Reed to enter the resolution into the Congressional record. Dr. McKenna commented that we should never forget the accomplishments made by Senator Pell.

Voting in favor: Chairman McKenna, Dr. Santoro, Mr. Howell, Mr. Solomon, Dr. Dann-Messier, Xay Khamsyvovong, proxy for General Treasurer Frank Caprio, and Dr. Croasdale.

Voting against: none

c.) New England Board of Higher Education (NEBHE) has completed the search for a permanent President and CEO. That position was awarded to Dr. Michael K. Thomas. Mr. Hurry expressed that he would like to invite Dr. Thomas to a future board meeting. Mr. Hurry stated that NEBHE is having its Annual Awards Banquet on Friday, March 6, 2009 at the Long Wharf Hotel in Boston. Mr. Howell, Mr. Solomon and

Dr. McKenna are planning to attend, all others were invited to attend but have previous commitments.

d.) RIHEAA is a co-sponsor for the Academic Decathlon of Rhode Island Foundation. Mr. Hurry will be participating as a “judge” in the 2009 Academic Decathlon scheduled on March 15, 2009 at the Knight Campus of Community College of Rhode Island.

e.) Mr. Hurry suggested that at next month’s or the April Board meeting we should have an update from Alliance Bernstein with a presentation regarding proposals to modify funds/options in CollegeBoundfund. Mr. Hurry stated that the contract expires June 30, 2010. Clearly, Alliance Bernstein wants to continue providing us services beyond June 30, 2010. It is probably timely now that RIHEAA and the Treasurer’s Office put together a committee to begin consideration as to how best to move forward on this.

f.) We will put out a request for proposal for audit services once the Auditor General’s office provides us with its requirements, if any.

4. Financial Report: Mr. Marc Lacroix reported on the Budget vs. Actual results for the six month period ended December 31, 2008. He explained that the budgeted amounts from the Student Financial Assistance sections for the Scholarship and Grant Program and the Tuition Savings Program reflect the Governor’s revised budget

amount for the full twelve months and the Personnel, Purchased Services and Operations sections reflect six months of the total budget. As of December 31, \$5.4 million of the \$6.4 million general revenue appropriation for Grant awards had been expended and since that time the rest of the general revenue appropriation had been expended. He also noted that there are no unusual variances in the Personnel, Purchased Services and Operating sections and expenses are comfortably within the budget amounts. He also reported that the funding for the FY 2008 cohort in the Academic Promise Scholarship Program had been completed in the amount of \$675,000 and that the budget amount in the current year is \$1,675,000; whereas, the normal budget amount would be \$1 million. He also pointed out that, as of December 31, 2008, \$500,00 of the \$4.5 million supplemental funding for the state grant program had been expended and that since that date an additional \$2 million had been awarded.

Dr. Croasdale stated that the Board's Finance Committee would like to recommend a Self Study/Self Assessment of RIHEAA. This task has already been agreed upon by the RISLA Board.

Chairman McKenna stated we feel it should be a joint study of our operations; much of our aid comes from the Federal Government and Congress. We want to find the best way possible to continue maintaining the high quality of work that we are doing and any changes in the near future, so that we are prepared to be effective to aid students to get the necessary assistance that they need from the

federal government and state level. This should be a self study of the two agencies, coordinated, with a draft outline from both agencies in mid March, if possible.

Chairman McKenna directed staff to under take such a study.

Rehab Loans: Dr. Croasdale has been pushing to get rehab loans through to assist getting students' credit ratings back up again. Marc stated that we are working with RISLA to analyze the population of loans available for this program. The first funding of these loans should be populated shortly, in the amount of approximately \$2.0 million.

5. Investment Report: There was no report.

6. Grant/Scholarship Update- Mr. Michael Joyce, Director of the Grant Division, provided a brief overview of the State Grant Program expenditures. Michael reported that RIHEAA reluctantly but out of necessity made a 25% reduction to the Spring Grant Awards. At this point we are about 5% over awarded, in comparison to 2007-2008. Michael stated that this time last year we were 20% over awarded. Since the beginning of this year, the number has dropped to 5%. Both CCRI and URI have requested their spring amounts. Michael stated that, if this pattern continues, we should come within the budget. March 1st application deadline is fast approaching. The beginning of February, paper letters as well as email reminders were

sent to all students who received the grant this year. The 2009-2010 FAFSA applications are coming in, but due to problems with the system, we are not yet able to load the information.

At this time, Dr. Brenda Dann-Messier thanked Michael for his leadership of the Adult Education Initiative program.

7. Loan Programs Update- Ms. Nancy Ann Dooley, Director of the Loan Division, provided hand-outs to the Board Members. Nancy reported that in November, December and January we have had one consolidation loan over the past three months. Loan volume is up in other categories.

b. Students for a Democratic Society – Chelsea Miller spokesperson for the SDS Providence Chapter, also a student at Rhode Island College, is concerned with grant cuts and their tuition being raised. Looking for allies on RIHEAA Board to assist them with the process of dealing with State cuts and aid. It was suggested by the Board to contact their local legislators to get support for State grants. The students were thanked and encouraged to attend each meeting, and/or serve on an Advisory Committee.

8. CollegeBoundfund Update- Program summary numbers were distributed by Mr. Peter Kerwin. Mr. Kerwin reported that a joint letter to about 2,400 account holders in the state with beneficiaries between the ages of 15-18 years old highlighting the FAFSA deadline was signed by Mr. Hurry and Treasurer Frank Caprio and mailed out.

The letter was specifically intended to explain the free resources provided by the State, especially services such as the State Grant Program, WaytogoRI program and RISLA's College Planning Center.

a. Media partnership – Mr. Kerwin explained we have partnered with Fox's Channel 64 Rhode Island "Rhode Show". Each Tuesday morning from 8 a.m.-9a.m. we have a segment called "Higher Learning". It is a two minute segment in which we can air any topic related to higher education. Mr. Bill Hurry was featured and talked about the FAFSA forum and the upcoming deadline. Mr. Kerwin stated that if Board Members are interested in a topic in which to air, please notify him, and he will set-up times and dates.

9. WaytogoRI Update – Ms. Kathy Sisson provided a brief overview on the WaytogoRI Program. Ms. Sisson reported that the usage of the WaytogoRI website has increased: about 5 million hits to the site, about 51,000 new accounts created, about 3 million page views; the average length that the students access the web-site is about 13 minutes. A new reporting feature, as well as enhancements is currently being added to the site. The site is helping the guidance counseling departments, having students create an account and do bench mark activities with the college application and financial aid. In some districts, they are going to require every one of the students in middle school and high school to create an account on waytogori.org to help meet the Individualized Learning Plan mandate that the Department of Education has put forth. Detailed report/goals will be provided at the next board meeting. Ms. Sisson stated that a Waytogo Advisory Committee has been established and will include:

Office of Higher Education, The Department of Education, Counselors, and Special Education. Mr. John Howell suggested having a representative of RISLA serve on the Advisory Committee.

10. Communications – Mr. Hurry reported that a member of RIHEAA is leaving. Marisol Garcia (Chief of Communications) will be moving on from RIHEAA and going to Vision Strategies. Mr. Hurry thanked Marisol for her service and commitment to RIHEAA.

There being no further business to come before the Board of Directors the meeting adjourned.

Adjournment was at 12:30 p.m.

Mr. John Howell
Secretary