

MINUTES

RHODE ISLAND HIGHER EDUCATION ASSISTANCE AUTHORITY BOARD OF DIRECTORS' MEETING

October 30, 2009

The 295th meeting of the Rhode Island Higher Education Assistance Authority was held Friday, October 30, 2009 at 560 Jefferson Blvd, Warwick, Rhode Island. Chairman Santoro called the meeting to order at 11:05 a.m.

Board Members in Attendance:

Dr. Anthony J. Santoro, Chairman

Dr. Robert J. McKenna, Vice Chairman

Dr. William Croasdale, Treasurer

Mr. John Howell, Secretary

**Mr. Michael Solomon, official designate
representative for General Treasurer Caprio**

Mr. Solomon A. Solomon

Board Members Absent:

Ms. Patricia Doyle

Dr. Brenda Dann-Messier

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 Development, RIHEAA

**Mr. Charles Miller, Chief of Information Technology,
RIHEAA**

Ms. Dana Peterson-Fatuda, Assistant Administrative Officer

Ms. Diane Carlin, Director Loan Services

Mr. Michael Joyce, Director Scholarship & Grants

Ms. Kathleen Sisson, Program Director WaytoGori

Ms. Paula Dominguez, Policy Analyst

1. Approval of the Minutes of the Board of Directors' meeting held on September 25, 2009 was unanimously approved.

2. Chairman's Report: Dr. Santoro reported that RIHEAA's Self Study Analysis has been completed. Dr. Santoro suggested that a meeting be scheduled on November 13th for the RIHEAA Board to review the confidential draft document of the Self Study. At that meeting, the Board will enter into Executive Session to discuss the analysis.

Dr. Croasdale asked for a change in the agenda to have the

action items moved up, he needs to leave the meeting a bit earlier.

3. Executive Director's Report: Mr. Hurry distributed two letters from the Federal Department of Education; one dated September 29th, from William Taggart, the new CEO of FSA, and the other dated October 15th, from James Runcie, Senior Advisor of FSA. Mr. Hurry stated that the FSA will conduct interviews with all Guarantee Agencies to discuss each agencies circumstances. Mr. Hurry asked that the FSA delay the meetings and meet with the Guarantor Caucus as a group to clarify certain things with respect to the information that they are seeking, especially in the area of projections. Mr. Runcie agreed to meet with the Caucus as a group, but expressed that the meetings will be scheduled.

Mr. Hurry stated that Johnson & Wales has gone Direct Lending.

Mr. Hurry reported that RIHEAA has submitted the 2011 Budget to the Budget Office within the deadline. Mr. Hurry stated that our Budget Analyst had some questions regarding the continued funding of the Academic Promise and Matching Grant programs. Mr. Hurry replied that the RIHEAA Board created these programs and would like to continue providing funding and support of these programs.

Mr. Hurry distributed the 2010 Board of Director's meeting schedule. Mr. Hurry stated for the 2010 Board Meetings it was recommended that RIHEAA staff not go through each report, but to be on hand to

answer any question that may arise.

4. Financial Report: Mr. Marc Lacroix

a. Mr. Lacroix stated that the Budget vs. Actual Report, twelve month ending 06/30/2009 is the Guaranty Agency Loan Division. The Budget vs. Actual Report for Tuition Savings Program were presented at a previous meeting.

5. Investment Report – Dr. Croasdale/Mr. Marc Lacroix

a) There were no questions asked regarding the Investment Report.

b) Mr. Hurry wanted noted that the Collegeboundfund total asset value has moved up to over seven billion.

6. Action Items (s):

a) Dr. Croasdale moved to approve the RIHEST FY 2009 Financial Statement Audit and RIHEAA FY 2009 Single Audit Report. The motion was seconded by Mr. John Howell.

Voted in favor: Dr. Anthony Santoro, Dr. Robert McKenna, Mr. John Howell, Mr. Michael Solomon – official designate representative for General Treasurer Caprio, Mr. Solomon Solomon and Dr. William Croasdale.

Voted against: None

c) Marc Lacroix stated that the Student Loan Authority (RISLA) had provided all of the funding for Rehabilitation Loans eligible for defaulted borrowers in our portfolio. About a year ago RISLA was not able to continue to provide funding for these loans. December 2008 RIHEAA began to participate in a program with Sallie Mae which created liquidity for Rehabilitation Loans. Recently we were approached by Sallie Mae, to partner with Sun Trust Bank. Sun Trust has provided funding for other Guaranty Agencies. We've received a contract and proposal, the funding is at a discounted rate.

Mr. Hurry stated that we are looking for Board approval to pursue this initiative. The proposal is to accept a discount on the front end, as well as the back end, in terms of collections. Sallie Mae has leverage trying to get rates for these programs. The "net" net is not too far from what we are currently receiving. Mr. Hurry stated that the borrowers will be able to clear their credit and RIHEAA would be able to deliver on our commitment. Mr. Hurry stated that we would continue to explore the market to be sure better arrangements are pursued.

Mr. Lacroix stated that the discounted rate ranges from 95% down to approximately 88%. After a portfolio analysis, four to five million should be settled.

Dr. Santoro stated that RISLA has 1993 trust that could be used to

purchase rehab loans from RIHEAA. The problem is the duration of the loans, they can not exceed four or five years. The minimum term is ten years, with nine consecutive payments.

Dr. Croasdale made a motion to pursue the Rehab Loans, seconded by Mr. Michael Solomon.

Voted in favor: Dr. Anthony Santoro, Dr. Robert McKenna, Mr. John Howell, Mr. Solomon Solomon, Dr. William Croasdale and Mr. Michael Solomon - official designate representative for General Treasurer Caprio.

Voted against: None

7. Communications – Mr, Hurry

Mr. Hurry stated that he provided his communication in the Executive Director's report.

Mr. Howell asked to have a brief update of the Waytogori program. Kathy Sisson stated that the Waytogori data indicates that there are 22,000 new accounts created since September 1st and 11,000 returning users. Trainings are ongoing. Ms. Sisson's stated that this year's training is geared more about integration. Ms. Sisson is setting up trainings with Districts, showing them how to set-up a plan to use Waytogori. She is working with the Rhode Island Department of Education on the longitudinal data system. Mr.

Hurry indicated that we have not yet begun to “scratch the surface” of the potential power of this WaytogoRI portal. Increasingly, schools and the RI Department of Education are seeing it as a tool that can assist them with the initiatives that the RI Board of Regents, the Office of Higher Education and now the Federal Administration are concerned about. We wanted to engage students, and assist them, to reinforce career and college exploration, as well as with teachers and counselors. Mr. Hurry stated that if we can’t keep students in school and if we don’t get them college and career ready, then they will not enter college. If we can’t engage them, inspire them, motivate them and help them in their academic planning, and support the educators that are overburden, then we are not going to get kids to college.

Ms. Sisson stated that we have about sixty to eighty thousand unduplicated accounts generated. Mr. Howell asked that perhaps we can provide information about the H1N1 virus on the waytogo webpage, which could heighten its visibility statewide and its relevance. Mr. Howell’s recommended that RIHEAA have a discussion with Deborah Gist, Rhode Island’s Education Commissioner about ways to use this portal for her grant application “Race to the Top”.

Ms. Sisson reported that RIDE is looking into a collaborated effort with New Hampshire, Maine and Vermont to have a regional portal. Discussions and meetings are on-going.

**There being no further business to come before the Board of
Director's the meeting adjourned. Adjournalment was
at 11:55 a.m.**

**Mr. John Howell
Secretary**