

## **MINUTES**

### **RHODE ISLAND HIGHER EDUCATION ASSISTANCE AUTHORITY BOARD OF DIRECTORS' MEETING**

**April 23, 2010**

**The 297th meeting of the Rhode Island Higher Education Assistance Authority was held Friday, April 23, 2010**

**at 560 Jefferson Blvd, Warwick, Rhode Island. Chairman Santoro called the meeting to order at 11:20 a.m.**

#### **Board Members in Attendance:**

**Dr. Anthony J. Santoro, 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:**

**Dr. Robert McKenna**

**Ms. Patricia Doyle**

#### **Guest:**

**Mr. J. Michael Thompson, President & CEO of XAP Corporation**

**Ms. Trish Connor, Director of Eastern Region, XAP Corporation**

**Also Attending:**

**Mr. William H. Hurry, Jr., Executive Director, RIHEAA**

**Ms. Gail Mance-Rios, Deputy Director, RIHEAA**

**Mr. Joseph Palumbo, Esq., Legal Counsel**

**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. Christina Faulkner, CPA, RIHEAA**

**Mr. Chad Pastorius, RISLA**

**Ms. Meredith Pickering, Legislative Fiscal Analyst**

**1. Approval of the Minutes of the Board of Directors' meeting held on February 19, 2010 was unanimously approved.**

**2. Chairman's Report: Dr. Santoro welcomed Mr. Michael Solomon of the General Treasurer's Office. Michael will be the permanent designee for the General Treasurer. Dr. Santoro expressed his appreciation for Xay Khamsyvoravong, who attended the RIHEAA**

**Board meetings in the past.**

**Dr. Santoro announced that there will be a joint Board Meeting with the Rhode Island Higher Education Assistance Authority and the Rhode Island Student Loan Authority, in May. Meeting confirmation and location will be arranged.**

**3. Executive Director's Report: Mr. Hurry welcomed three guests; J. Michael Thompson, President & CEO and Trish Connor, Eastern Regional Director of XAP Corporation and Meredith Pickering of the House Finance Committee.**

**Mr. Hurry reported that the FFELP Program will be eliminated as of July 1, 2010, but stated that we will continue to have responsibilities managing the tail-end of the portfolio for the future. In anticipation of the end of the FFEL program, we've held positions vacant so that lay-offs would not occur. Mr. Hurry stated, as the Guarantor, we have a moral obligation to the schools, such as the cohort default rates.**

**Mr. Hurry mentioned that the 2010 Supplemental Budget process is continuing to move along. The 2011 Budget Hearings have begun. RIHEAA's hearing is scheduled on Thursday May 6, 2010; at 1:00 p.m. Mr. Hurry mentioned that all are welcome to come to the hearing. Mr. Hurry will provide specific information to the Board when it becomes available.**

**Mr. Hurry explained that in light of the upcoming House Finance Committee hearing, he asked that the recommendation of the Scholarship & Grant Award formula be postponed until after the hearing.**

**Mr. Hurry stated that Dr. Robert McKenna's term on the New England Board of Higher Education (NEBHE) is scheduled to expire in May. At the request of Mary Jean McKenna, Dr. McKenna's wife, his health is deteriorating, and she would like for Dr. McKenna to stay close to home. Dr. Croasdale stated that the subcommittee will make a recommendation for a nomination of Dr. McKenna's replacement. Mr. Hurry stated that Mr. John Howell's term is due to expire on July 1st, 2010. Dr. Croasdale stated that the subcommittee will respond to that inquiry as well.**

**Mr. Hurry reported that an irate borrower threatened to drive an UHaul truck through the building. Mr. Hurry stated that we have enhanced the lighting around the building, upgraded the alarm system, and installed extra security cameras. We are presently looking at adding audio capability, so that we can record voices in the foyer office. Joseph Palumbo, Esq. was consulted, and he reported that we do not have to include a disclaimer on the doors or walls of the foyer office. In that particular space assumption of privacy should not be given. We have not taken steps to add the audio equipment, but we want to make sure that we are within our**

legal right to do so. Also, a second panic button, which dispatches to the Warwick Police Department is being installed. We do have a restraining and a no-contact order on file against this borrower.

Mr. Hurry stated that we have been working with Alliance Bernstein, manager of the CollegeBoundfund, on the extension of the Contract Agreement. At the next Board Meeting, we are hopeful that the contract will be finalized. Mr. Hurry reported that for the first time, the CollegeBoundfund is actually larger than the State Retirement Fund. There is \$7.5 billion in the CollegeBoundfund and \$ 6.9 billion in the State Retirement Fund. The CollegeBoundfund has .5 million participants, which continues to grow.

Mr. Hurry mentioned that our very own Kathleen Sisson received the 2010 Student Advocate of the Year Award given by the Rhode Island School Counselors' Association. Also, Mr. Hurry distributed a letter from the Commissioner of Higher Education, indicating the importance of the partnerships between the Office of Higher Education and the waytogo portal program. Mr. Hurry reported that Commissioner Gist has personally asked for Kathy Sisson sit on the "Race to the Top" committee.

Mr. Hurry introduced J. Michael Thompson, CEO of XAP Corporation.

Mr. Thompson stated that he as been with XAP Corporation for three

**years. XAP started as a college application business. We processed applications for colleges. California State University was our very first client, and continues to be our client today. In 2009, we processed over 4 million applications for more than 900 colleges and universities across the United States and Canada. We then took on another client in North Carolina, we then became a college access business. Our thought was to provide opportunities much earlier than college aged students.**

**Mr. Thompson stated that when we signed the agreement with Rhode Island three years, we began a new generation of business. Because of the community based model and the idea and vision of the educator's in RI, wherever social control exist, Boy's & Girl's Clubs, etc., we are able to provide college access tools and the leading career tools. It's been a very successful site. All the districts in the state are using it, 80% of high school students, 50% of middle school students have accounts and are using the site. We are the provider of a Gates funded curriculum, called "Roads to Success", which we are launching this year. It will map curriculum, for classrooms directly into using our products, as students learn to manage their life and life problems.**

**Mr. Thompson stated that we began an effort about a year ago called the Education Consortium for 2020, represented by all of the Higher Education organization across the country, and a variety of people from inside and outside of the Beltway, trying to focus on what's**

**the most appropriate way to provide information for students effectively using technology. The Federal government had invested in a site called College.gov. They had a vision that a national site was good enough. Our efforts on behalf of the Education Consortium of 2020 have begun to “pay-off”, and the Department of Education now believes that an idea of federated sites, partially funded by the federal government as the way to go. There will be increasing support that will go to sites such as the waytogori portal, replacing some funding that changes the FFELP program. This is the first program that has combined educational, and an aspirational career arc. The Rhode Island Department of Labor and Training are very excited about this program and data source, as this will help them develop career paths, retrieve data about the economy, and develop ideas about the workforce.**

**In addition, we are hiring a grant writer to assist our clients to pursue grant dollars.**

**In closing, we are thriving, the company is making money. We are moving forward, working together with our clients; we are doing something of enormously importance for the country and our future.**

**Dr. Croasdale asked Chairman Santoro, that in the interest of time to move up action item 9 a). Seconded by Mr. Solomon A. Solomon.**

**Action item: 9a. Approval of revised XAP Agreement. A motion to approve the revised XAP Agreement was made by Chairman Santoro and seconded by Mr. Solomon A. Solomon.**

**Voting in favor: Chairman Santoro, Mr. John Howell, Dr. Croasdale, Mr. Solomon A. Solomon, and Mr. Michael Solomon, designee for the General Treasurer.**

**Voting against: None**

**4. Investment Report: Dr. Croasdale stated that the investments are the same. Dr. Croasdale is having Marc Lacroix look into Webster Bank regarding a higher return of investments.**

**5. Grant/Scholarship Update: Mr. Michael Joyce was available for questions by the Board regarding the Scholarship and Grant program. At this time Mr. Joyce had nothing to report. Mr. Joyce will provide information regarding the Grant Formula at the next Board Meeting.**

**6. Loan Program Update: Ms. Diane Carlin was available for questions by the Board regarding the Loan Program. At this time Ms. Carlin had nothing to report.**

**7. CollegeBoundfund Update: Upon a motion duly made by Dr.**

**Santoro and seconded by Mr. John Howell, it was unanimously**

**VOTED: to go into executive session pursuant to  
RIGL 42-46-5§ (a)(7).**

**The open session was reconvened at 12:55 p.m.**

**Chairman Santoro announced that no votes were taken in the closed session.**

**Upon a motion and seconded by Mr. Solomon A. Solomon, it was unanimously**

**VOTED: to seal the minutes from the executive session.**

**There being no further business to come before the Board of Director's, the meeting adjourned.**

**Adjournment was at 1:00 p.m.**

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**Mr. John Howell  
Secretary**