

**A meeting of the Agency Strategic Plan Subcommittee was held at the Rhode Island Higher Education Assistance Authority on Wednesday, March 27, 2014 in the McKenna Conference Room of 560 Jefferson Boulevard, Warwick, Rhode Island, at 8:40 a.m.**

**Committee Members in attendance:**

**Ms. Faith LaSalle**

**Mr. Christopher Feisthamel, designee for General Treasurer Gina Raimondo**

**Mr. John Howell**

**Committee Members absent:**

**Mr. Daniel Egan**

**1. Ms. LaSalle called the meeting to order at 8:40 a.m.**

**2. Ms. Mance-Rios provided an overview of the PowerPoint presentation of the Agency Strategic Plan. Ms. Mance-Rios thanked (add) ventures who created the PowerPoint presentation.**

**The first slide is the establishment of the agency, then the 2005 Deficit Reduction Act, the legislative changes and then the drivers.**

**Mr. Feisthamel stated the income for FY15 is estimated to be \$6 mil, reduced from \$13 mil in FY14.**

**Mr. Howell stated that we should mention that in order for the State to understand that RIHEAA is administering this program, and if RIHEAA goes away, the State will have to pick that up. It will cost the State \$300k, and \$60,000 in maintenance fees in order for DCYF to recreate this platform stated Mr. Miller. They will also have to hire IT staff (Network Manager and Program Manager). The cost is a significant savings to the State.**

**Mr. Feisthamel stated that we should include a third line item to indicate the number of participants to help tell the story. Mr. Howell stated that the head count is a powerful piece, which will show the number of students receiving the grants.**

**Ms. Mance-Rios stated that the WaytogoRI slide illustrates the number of visits to the site.**

**Ms. Mance-Rios stated the next slide is the CollegeBoundfund. Mr. Howell stated he would also add “the second largest advisor sold program in the United States”.**

**The next slide is regarding the FFELP program stated Ms. Mance-Rios. She stated we are gathering more information about default aversion attempts and the number of claims paid, in order for us to quantify the number of people served.**

**Mr. Feisthamel stated that rehabs should be included; it is a story of success.**

**Ms. Mance-Rios stated that the next slide is the timeline.**

**Ms. Mance-Rios stated that according to the regulations the policy is to put investments in low risk funds, and there are federal regulations that must be considered if we change our policy. Ms. Mance-Rios stated that Mr. Palumbo is looking into this issue. Mr. Feisthamel stated we should say, we are modifying the investment objective while maintaining federal compliance. The last bullet will be pursuing endowment model of the agency reserves.**

**Mr. Feisthamel stated we need to include the number of FTE's**

**Income projections under the strategic plan on slide 16 only gives us 2015-2018, we do have the net income (slide 17) figures, so (add)ventures can expand slide 16 to show 2011-2018. Mr. Feisthamel stated the table should come first.**

**Mr. Feisthamel stated the first thing we want to explain to anyone is:**

- The projection of the overall agency 2015- 2018**
- Then the resulting income**
- Then the historic perspective**
- Then the personnel**

**The detail stuff goes into an appendix. The overall agency on slide 19 is the most important one, and should come after the timeline.**

**Ms. Mance-Rios asked, slide 14, and then slide 19 in chart format. Mr. Feisthamel stated bracket the losses. They know the four programs, here are the four years out and lose the shading.**

**Ms. Mance-Rios stated that one of the things that is important is the agency projected net income 2015- 2018 on page 10, we need an asterisk that states – “net income will be equally divided between supplement to RI Grant and agency reserves”. On slide 16, we state – net income can be used to continue supplementing RI Grant and increase agency reserves perhaps that should be on slide 19.**

**Mr. Feisthamel stated that we should supplement any annual loss from Scholarship & Grant fund with profit from the CollegeBoundfund. Ms. Mance-Rios stated it is, when the discussion was to move the programs, S&G cost money to run, and we wanted to show that it is clear that there is a cost to running these programs.**

**Mr. Feisthamel stated he is interested to see FY14, if we did the accounting the exact same way as presented here, would S&G show a loss of \$400k, Ms. Mance-Rios replied yes. Mr. Feisthamel asked are we projecting net income for FY14, Ms. Mance-Rios stated yes-approx. \$2.0 mil.**

**Mr. Feisthamel stated that it is business as usual for the CollegeBoundfund, S&G, WaytogoRI programs, and a full service for the guaranty agency, those are the major assumptions. Estimates based on current operating model, and the full service contact. The real change is the full service model with a reduction in staff.**

**Mr. Howell left the meeting at 9:45 a.m.**

**Mr. Feisthamel stated we should go through the financial numbers, the projected head count, and say – “just to give you a historic perspective this is where we’ve been, this is the changing face of the agency, we are adopting full service model, renegotiating the CollegeBoundfund contract such that we stabilize a different sized organization.**

**Mr. Feisthamel suggested moving the graph to one of the last ones, what you are concluding is; here is where we are, here’s where we are going, and I want to take a moment to show you, the organization use to earn a lot more money the result of that income we were able to build up our reserves, we recognize the change in business, we are going to renegotiate the contract with Sallie Mae to change the model.**

**The legislation is causing our revenue to change radically, our reaction is this new model, and we feel we will come out of this as a stable, albeit a smaller organization.**

**With no further business to come before the committee, the meeting adjourned at 9:55 a.m.**