

The 226th meeting of the Rhode Island Student Loan Authority was held on Friday, January 21, 2005 in the 2nd floor Conference Room, 560 Jefferson Boulevard, Warwick Rhode Island. The Honorable Robert J. McKenna called the meeting to order at 12:00 P.M.

The following Board members were in attendance:

Hon. Robert J. McKenna
Dr. William Croasdale
Mr. John Howell
Ms. Laura DiSano
Dr. Anthony Santoro

Others in attendance:

Mr. Noel Simpson, Executive Director, RISLA
Mr. Kevan McAleer, CFO, RISLA
Mr. David DeBlois
Mr. Joseph R. Palumbo, Jr., General Counsel
Ms. Jennifer Dutch, RISLA
Ms. Gail Mance-Rios, RIHEAA

Upon a motion by Dr. McKenna and seconded by Dr. Croasdale it was unanimously

VOTED: To approve minutes from the board meeting held on November 22, 2004.

Chairman's Report

Dr. McKenna welcomed back Dr. Anthony Santoro who had been out sick.

Dr. McKenna announced the 50th Anniversary of the New England Board of Higher Education.

Executive Director's Report

Mr. Simpson discussed the next Board meeting date and time.

Mr. Simpson indicated that this was the first meeting since the separation of powers.

Mr. Simpson announced to the Board some upcoming events including an event on January 27, 2005 at North Providence High School in which Governor Carcieri will announce the results of the SAT pilot program.

Mr. Simpson announced that on January 31, 2005 there will be a RISLA/NESLA Reauthorization Forum and Senator Reed will be the keynote speaker.

Mr. Simpson also discussed the Public Awareness Campaign which kicked off with a press release and press coverage by WHJJ and the Providence Journal including the fact that The College Planning Center is providing free assistance to students and parents applying for financial aid and that the Teacher, Nursing award programs, and Paul Sherlock scholarship will be made known to the public.

Mr. Simpson indicated that the College Planning Center website will become more functional and easy to use to expand access and eliminate barriers to higher education.

Mr. Simpson informed the Board that the Governor announced that his proposed budget will provide for \$20 million to be appropriated for grant and scholarship funds.

Mr. Simpson also indicated that \$10 million will have been given to the State from RISLA over the past two years; \$5 million last year and another \$5 million to be given to the State in March. Mr. Simpson indicated he would like the State to have an event with the Governor to announce this.

Mr. Simpson indicated that the Board of Governors and RISLA issued a white paper which Board members received at the RIHEAA Board meeting. Mr. Simpson indicated that the service provided by the College Planning Center, which was established in 1998, ties in nicely with the white paper.

Mr. Simpson discussed the competition in market, i.e. some lenders are offering commissions and money back to the schools. Mr. Simpson indicated that Mr. Palumbo has been made aware of this issue just recently and he is looking into whether it is a legal practice.

Mr. Palumbo commented on the propriety of this practice and indicated that in his opinion under Rhode Island law, schools would be required to obtain a broker's license in order to receive such commissions.

Mr. Simpson indicated that he does not believe that the schools have completely thought this through. Mr. Kelley indicated that this practice involves non-federal loans.

Mr. Simpson spoke about the RFP's which have been issued for Bond Counsel, Underwriting and Trustee. Mr. Simpson indicated that RISLA got \$100 million in bonding cap from Public Financing Management Board which gives RISLA the authority to issue additional tax exempt debt which RISLA plans on issuing in the spring to fund originations this year and in future years. Mr. Simpson indicated that he, Mr. Kelley, Mr. McAleer, and Mr. Palumbo are currently looking at 15 proposals, but are not in a position to make a recommendation at this time. Mr. Simpson indicated that he thinks the audit committee should review RISLA's recommendations.

Mr. Howell asked where the proposals have come from.

Mr. Simpson indicated that the proposals have come from firm both within the State and outside the State.

Mr. Simpson discussed his desire for a strategic planning session with the Board. Mr. Simpson indicated that he believes it would be prudent that the Board discuss strategic planning. Mr. Simpson indicated that he has looked into different options on where to hold a planning session and would like to have it occur in March in lieu of having a regular Board meeting.

Ms. DiSano mentioned that a half day session would be easier than 2 half days and suggested 3-5 key challenges that each member could provide based on their level of expertise would be helpful.

Mr. Howell suggested having a session in the afternoon with a dinner to follow.

Dr. McKenna asked if there is a need to have outside help to provide expertise at the planning session. Dr. McKenna suggested that Sarah Flanagan be in attendance at the planning session to provide her expertise on congressional matters.

Mr. Howell suggested informally polling Board on important issues to discuss. Mr. Howell indicated that he feels that post separation of powers is an important issue that needs to be discussed and that the Board may want to consider having a neutral party come in to take an impartial look at this topic.

Mr. Simpson indicated he will speak with the Board members individually and come back with a recommendation at the next Board meeting.

Financial Report

Mr. McAleer informed that the Board that the audit committee has reviewed the financials and audit reports. Mr. McAleer provided an overview of the results of the findings of the audit committee.

Mr. McAleer provided a summary of the budget for November, 2004.

Mr. Simpson thanked the audit committee, which is made up of Dr. Croasdale, Mr. Howell, and Dr. McKenna, for their review of the financial reports.

Dr. Croasdale mentioned that there were no recommendations or exceptions to the year end audit reports.

Mr. Simpson thanked Mr. McAleer and Ms. Dutch for all their hard work.

Nelnet Update

Dr. McKenna indicated that he is on Nelnet National Board and that a future Board meeting will take place in Newport, Rhode Island.

Mr. Kelley expressed his satisfaction with the Board's decision in choosing Mr. Simpson as the Executive Director of RISLA and indicated that he has done a tremendous job.

Mr. Kelley spoke about the expansion of Nelnet and their recent purchase of a company in Canada.

Mr. Kelley indicated that because of the competition it is important to promote RISLA and its programs.

Mr. Kelley indicated that NESLA has picked up Bridgeport University due in large part because of RISLA's working relationship with them. Also, Mr. Kelley indicated that RISLA and NELNET will be providing federal loans to Emerson College. Mr. Kelley indicated that both of these schools will be using the Rhode Island guaranty exclusively.

Mr. Kelley indicated that there has been a low turn over rate of employees in Rhode Island. Mr. Kelley indicated that a new school liaison was hired at NESLA.

Dr. Santoro asked if NESLA will continue to stay at its current location. Mr. Kelley indicated that NESLA is assessing whether more office space is necessary.

College Planning Center update

Mr. DeBlois indicated he is seeing more people than ever before, and, it seems to be the best year yet.

Mr. DeBlois indicated that he has been booking appointments well into next month.

Mr. Simpson mentioned that the traffic generated into the College Planning Center is without advertisement, and, indicated that the advertising for the College Planning Center has just started.

Ms. DiSano asked if the CPC should expand into the Providence Place Mall. She indicated this location would see more traffic.

Mr. Howell asked about a proposal for expansion.

Mr. Simpson indicated that the need is there.

Dr. McKenna suggested a tour for the Governor at the mall to see the College Planning Center.

Dr. Croasdale asked about the handout in the CPC handout in the Board packet, and, suggested to some changes he feels should be made to the CPC questionnaire.

Mr. DeBlois indicated that the Sherlock Scholarship announcements have been sent out to schools with a March 1st filing deadline.

Mr. DeBlois indicated that the website maintenance is falling behind because the CPC has been so busy with appointments.

Mr. DeBlois discussed the job fair in conjunction with the Central Rhode Island Chamber of Commerce. Mr. DeBlois indicated that this would be the first job fair for seniors in high school and college students coming back from summer jobs. This job fair would be hosted by the Warwick Mall and the College Planning Center will have a presence and be supportive in making the job fair a success.

Mr. Howell indicated that there are applications on the Chamber's website for the job fair.

Mr. Simpson indicated that Mr. Souto is working on developing a mailing list targeted to families with 16-21 year old students in service area of Central Rhode Island Chamber which would promote the PLUS Loan.

Dr. McKenna asked if there has been any potential to going to any other regions in Rhode Island such as the Newport Chamber of Commerce to expand the job fairs.

Mr. Simpson indicated that the consolidation staff has conducted a session with the Newport County Chamber of Commerce and Mr. Simpson thinks the Authority will be able to continuing to work with them.

Ms. DiSano suggested that the Providence Chamber of Commerce could also assist with this.

Mr. Simpson indicated that the next Board meeting will take place on February 18, 2005 at 12:00 P.M.

Upon a motion duly made it was is was unanimously

VOTED: To adjourn.

Dr. McKenna adjourned the meeting at 1:20 P.M.

Adjournment was at 1:20 P.M.

Dr. William Croasdale
Secretary/Treasurer