

The 227th meeting of the Rhode Island Student Loan Authority was held on Friday, February 18, 2005 in the 2nd floor Conference Room, 560 Jefferson Boulevard, Warwick Rhode Island. The Honorable Robert J. McKenna called the meeting to order at 11:30 A.M.

The following Board members were in attendance:

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

Others in attendance:

Mr. Noel Simpson, Executive Director, RISLA
Mr. Kevan McAleer, CFO, RISLA
Mr. David DeBlois
Mr. David Souto
Mr. Joseph R. Palumbo, Jr., General Counsel
Ms. Jennifer Dutch, RISLA

Upon a motion by Dr. Santoro and seconded by Mr. Howell it was unanimously

VOTED: To approve minutes from the board meeting held on January 21, 2005.

Chairman's Report

Dr. McKenna did not have a report for the Board.

Executive Director's Report

Mr. Simpson provided a report on the SAT program. He indicated that an additional school was added to the program (Westerly) and there are now seven schools involved in the program. Mr. Simpson indicated that there were issues with regard to finding teachers and facilities.

Dr. Croasdale explained how he got Westerly back into the program.

Mr. DeBlois provided further detail about the Westerly school system getting back into the program.

Mr. Simpson indicated that adding Westerly back into the program will still keep RISLA within the \$40,000 budget.

Mr. Simpson reported that RISLA will be giving \$5 million to the State in mid-March for scholarship/grant programs.

Mr. Simpson spoke about developments in the direct loan program and the FEL program.

Mr. Simpson discussed the Nursing Rewards Program and about interest and principal forgiveness. Mr. Simpson indicated that the Legislature appropriated \$250,000 to pay for the program and he does not believe this will be nearly sufficient.

Mr. Simpson gave an update on separation of powers.

Mr. Simpson noted the materials in the Board packets concerning lay-offs currently being experienced at Sallie Mae.

Sherlock Scholarship

Mr. Simpson spoke about the Sherlock Scholarship. He indicated that there is a March 1, 2005 deadline for applications. Mr. Simpson indicated that Mr. DeBlois has sent out applications to all schools in the state and feels the deadline should be extended to April 1st.

Mr. Howell asked about the requirements of the Sherlock Scholarship.

Mr. DeBlois explained that the applications have to be submitted by March 1, 2005, but that additional paperwork will be allowed to be submitted after that date.

Mr. Howell inquired about the selection of awardees.

Dr. Croasdale asked how many students were given an award last year, and, expressed his concerns about weighted average.

Dr. Santoro indicated that he feels schools need better counselors who will inform students that this scholarship is available and encourage students to apply for this scholarship.

Mr. Howell suggested limiting the number of applications per school.

Dr. Santoro spoke about the diversity of economic conditions throughout the State.

Dr. Croasdale asked if Mr. DeBlois and Mr. Simpson could come back to the Board with alternative recommendations on how to select recipients for the Sherlock Scholarship.

Mr. Palumbo recommends extending the application deadline and letting the schools know about the deadline extension.

Mr. Simpson announced that the Central Rhode Island Chamber is doing a mailing for the job fair which is on May 8, 2005. Mr. Simpson indicated that there are 6500 parents who will be receiving the mailing who have children between the ages of 16-21.

Mr. Simpson reported that the media marketing campaign continues. Mr. Simpson indicated that RISLA is going to continue to advertise the College Planning Center through mid March.

Mr. Simpson announced that the tentative dates for the Strategic Planning Session are April 8, 2005 or April 15, 2005, which will begin at 8:00 A.M. and run through lunch. Mr. Simpson indicated that RISLA is looking into using facilities for the Strategic Planning Session at either CCRI or the Radisson. Dr. Croasdale suggested looking into the New England Tech's facilities.

Mr. Howell asked how much money would be necessary to fund the new proposed Nursing Reward Program. Mr. Simpson indicated that with 1900 eligible candidates at an average of \$10,000 in loans, \$19 million would be needed to fund the program.

Financial Report

Mr. McAleer indicated that the loan activity for December 2004 was \$12 million which is \$7 million more than the first six months of the fiscal year.

Mr. McAleer provided an update of net revenue.

Mr. McAleer mentioned that the \$5 million payment to the State should be kept in mind when reviewing the figures.

Mr. McAleer indicated that loan origination fees are \$1.7 million

Action Item – Selection of Bond Counsel

On recommendation of the audit subcommittee, which reviewed the RFP results for bond counsel, on motion made by Dr. Santoro and seconded by Mr. Howell it was unanimously

VOTED: To select Tillinghast Licht, LLP as bond counsel for RISLA for a two year engagement.

Action Item – Selection of Underwriting Firm

On recommendation of the audit subcommittee , which reviewed the RFP results for underwriter, on motion made by Dr. Croasdale and seconded by Dr. Santoro it was unanimously

VOTED: To select the firms RBC Dain Rauscher and Citigroup as co-underwriters.

College Planning Center Report

Mr. DeBlois provided a report to the Board of the number of callers and visitors to the College Planning Center. Mr. DeBlois mentioned that the number of calls and visits to the center continues to rise, and, indicates that there isn't enough time to see everyone.

Mr. Howell asks if the College Planning Center is losing staff and if that is the reason why there isn't enough time to see all customers, and, wonders if there is a need for more staff.

Mr. DeBlois indicated that he feels the College Planning Center needs more space. He indicated that it is not because there isn't enough staff, but not enough space and there is a need to respect the confidentiality of those who come in to speak with staff.

Mr. Simson suggests talking more about this issue at the planning session and during budget time.

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

VOTED: To adjourn.

Dr. McKenna adjourned the meeting at 1:00 P.M.

Adjournment was at 1:00 P.M.

Dr. William Croasdale
Secretary/Treasurer