



The 231<sup>st</sup> meeting of the Rhode Island Student Loan Authority was held on Wednesday, July 13, 2005 in the 2<sup>nd</sup> floor Conference Room, 560 Jefferson Boulevard, Warwick Rhode Island. The Honorable Robert J. McKenna called the meeting to order at 11:10 A.M.

The following Board members were in attendance:

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

Members absent:

Ms. Laura Disano

Others in attendance:

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

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

**VOTED:** To approve minutes from the board meeting held on June 17, 2005.

## **Chairman's Report**

Dr. McKenna spoke briefly about the budget being passed.

## **Executive Director's Report**

Mr. Simpson spoke about the Paul Sherlock scholarship awards ceremony which was held on June 22, 2005. Mr. Simpson noted that members of the Sherlock family were in attendance at the ceremony in addition to President Nazarian and Scott Avedisian. Mr. Simpson indicated that RISLA plans to hold the ceremony at Rhode Island College again next year.

Mr. Simpson announced that the Attorney General will hold an Open Government Summit on August 5, 2005 hosted by Roger Williams University School of Law regarding the open meeting and open records laws. Mr. Simpson indicated that there is a copy of the agenda regarding this forum in the board packet.

## **Separation of Powers**

Mr. Simpson spoke about separation of powers. Mr. Simpson indicated that H6170Aaa passed without the Governor's signature. Mr. Simpson indicated that Mr. Palumbo prepared a synopsis of that bill (and some other bills) that would impact the RISLA board. Mr. Simpson indicated that RISLA is pleased that the bill would add the state Treasurer to the RISLA board. Mr. Simpson noted that both he and Mr. Palumbo noticed that H6170 states that 6 members of the 8 members appointed by the Governor to the RIHEAA board would become members of the RISLA board but it does not specify how the 6 RISLA board members are to be chosen out of the 8. Mr. Simpson indicated that under the current law 5 members of the RIHEAA board appointed by the Governor would become members of the RISLA board. Mr. Simpson also indicated that the RIHEAA bill requires that board members be residents of the State of Rhode Island.

Mr. Palumbo expressed his concern that none of the bills as to how the RIHEAA boards gets established has been passed. Mr. Palumbo indicated that all of the bills, more or less, have the Governor appointing 5 members to the RIHEAA board from the public at large, three public members based on recommendations of various state officials, and the General Treasurer. The RISLA legislation that has passed indicated that the RISLA Board shall comprise of 6 of the 8 members appointed by the Governor to the RIHEAA Board but does not explain how the 6 of the 8 are chosen.

Mr. Palumbo indicated that assuming that the RIHEAA bill calls for 5 members from the public at large, 3 members based on input from officials, and the General Treasurer, we might suggest that the RISLA Board be comprised of the 5 members from the public at large appointed by the Governor plus the General Treasurer.

Mr. Howell suggested that Mr. Palumbo and Mr. Simpson need to get started with seeking help from the Legislature on this issue.

Mr. Simpson indicated that he and Mr. Palumbo will work on a letter to send to Senator Lenihan and also seek to discuss this with Senator Paiva-Weed.

Ms. Mance-Rios indicated that there is something in the RIHEAA bill that has been miswritten and when it was brought to the attention of Senator Lenihan he advised RIHEAA that this section of the bill will be amended.

#### EFC Meeting in Washington, D.C. (July 20-22)

Mr. Simpson indicated that there is an Education Finance Council Meeting in Washington, D.C. on July 20-22 on reauthorization. Mr. Simpson indicated that RISLA sent a letter to the Dept. of Education a few weeks ago addressing its inquiry on RISLA's floor bonds. Mr. Simpson discussed the press release which was handed out at the meeting this morning which says that the New Mexico audit has been resolved and the Dept. of Ed. has found that New Mexico did not do anything wrong and followed the guidance that the Department had issued over the last ten years. Mr. Simpson indicated that the Secretary of Ed in the press release supports the idea of ending of recycling of 9.5% loans. Mr. Simpson indicated that he will discuss this further while he is in Washington at the EFC conference.

Mr. Simpson indicated that there was a law passed by the R.I. General Assembly regarding data breaches. Mr. Simpson indicated that he and Mr. Palumbo will be reviewing to see how it will impact RISLA and NESLA.

#### Financial Report

Mr. McAleer did not have a financial report for this meeting. He reported that RISLA gathering necessary information and preparing for its year end audit.

## NESLA Report

Mr. Kelley was not able to attend the meeting today. At the request of Mr. Kelley, Mr. Simpson reported that the consolidation department was very active up until 9:00 PM on June 30<sup>th</sup> and Mr. Kelley feels that NESLA has held its own and the consolidation group has been very active. The final numbers on the consolidations will be available within a couple of weeks.

Mr. Simpson reported that the annual Nelnet meeting will be held on August 23<sup>rd</sup> and 24<sup>th</sup> in Newport, RI.

## College Planning Center

Mr. Simpson did not have a report for the College Planning Center.

## **Action Item #7**

Mr. Simpson indicated that he would like to defer discussion on this item and move to item numbers 8 and 9.

## **Action Item #8**

No old business

## **Action Item #9**

Mr. Palumbo noted that a personnel matter which was on the agenda should be discussed in closed session. Mr. Palumbo indicated that the Board has the right to move to go into closed session pursuant to RIGL § 42-46-5 (a)(1) to discuss personnel matters.

Upon a motion by Dr. Croasdale at 11:37 A.M. and seconded by Mr. Howell is was

**VOTED:** by Dr. McKenna, Dr. Croasdale, Dr. Santoro, and Mr. Howell to enter into executive session pursuant to RIGL §42-46-5(a)(1).

Members entered into executive session at 11:38 A.M.

Open session reconvened at 12:03 P.M.

Dr. McKenna announced that during the executive session it was voted to create a compensation committee, comprised of Dr. Santoro, Dr. Croasdale, and Mr. Howell. All

members of the compensation committee agreed to hold a meeting on July 15, 2005 at 9:30 A.M. at 560 Jefferson Boulevard.

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

**VOTED:** To adjourn.

Dr. McKenna adjourned the meeting at 12:04 P.M.

Adjournment was at 12:04 P.M.

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Dr. William Croasdale  
Secretary/Treasurer