



#### BOARD OF DIRECTORS

Mr. Robert J. Delaney, *Chairperson*  
Ms. Sandra Mack, Esq., *Vice-Chairperson*  
Mr. Daniel Egan, *Secretary/Treasurer*  
Ms. Kelly A. Morrissey, *Assistant Secretary*  
Mr. Seth Magaziner, *General Treasurer, State of RI*  
Ms. Bonnie Saccucci  
Charles P. Kelley, *Executive Director*

To: RISLA Board of Directors

From: CP Kelley

Date: 10/18/22

Re: Annual review for Kelley & Simpson

The standard practice has been that the Compensation Subcommittee will review the performance of the Director and Deputy Director after the audited financials and any management letter comments have been presented to the Board. RISLA also engages a third party to conduct a salary survey of the Executive and Deputy Director at other Rhode Island Quasi Public authorities and comparable non-profit student groups around the country. A copy of this year's survey is attached.

### RESULTS 2021/22

#### Financing

1. RISLA issued \$105,000,000 in AA rated bonds for the 2022/23 academic year. Allowing RISLA to again have some of the lowest interest rates in the country.

#### Education Loan Refinancing

1. Established an in-school refinancing program to allow students and families to lock in today's low interest rates even if the student is still in school. Fortunately, RISLA launched this before interest rates started increasing dramatically and borrowers who took advantage of this have been very happy that they did.

#### College Planning Center

1. The CPC adapted well to the pandemic and continues to perform most of its one-on-one counseling services over the phone. The CPC must, like RISLA, also provide more virtual and online services in addition to its in-person services.
2. For the academic year ended June 30, 2022 the CPC advised over 11,000 students and families and help complete approx. 3,300 FAFSAs.
3. Post Covid the CPC was again able provide a live College Fair, this time at the Roger Williams Park Zoo.

## Employer Student Loan Repayment Assistance

1. RISLA's internal "startup" now has three large customers, Blue Cross Blue Shield of RI, RI Foundation/Providence School Dept and South County Hospital as well as numerous smaller employers.

## Public Awareness

1. Forbes Magazine ranked both RISLA's in-school and refinancing loans as the best in the country
2. New logo design, to freshen up RISLA's image as more inclusive
3. *Knowledge for College* financial literacy and scholarship program has been a great success

## RISLA Goals for 2022/23

### Public Awareness

1. Continue with Senator Reed and College Planning Center Financial Aid Nights
2. RI print and TV stations regularly contact RISLA on topics such as, avoiding student loan scams, refinancing education loans, Public Service Loan Forgiveness (PSLF) and how to obtain loan forgiveness from the US Dept of Education. We will be glad to share that information when the process is finalized.
3. Expand *Knowledge for College* financial literacy and scholarship program to all New England, New York, and NJ. As we believe that those geographic regions are where most of Rhode Island's out of state students come from.

### Marketing

1. Historically RISLA's success has been closely linked to its good relationships with colleges and universities. This was very important when parents and students met with the financial aid offices, as they recommended that the families consider RISLA. As result of the pandemic and the continuing trend to do everything online there is a significant drop in the number of families that come into the financial aid office to meet with counselors. Consequently, most out of state families coming to RI's institutions do not even know that RISLA exists.

### Financial

1. Maximize investment returns in accordance with bond covenants and RISLA's Investment Policy Statement. Now that US Treasuries and high-quality fixed income investments are finally providing a real return RISLA needs to closely monitor all bond proceeds balances and future cash flows to ensure that bond proceeds are yielding the appropriate return for the Authority.

2. Staff development – many of RISLA's long time staff are nearing retirement age, which necessitates succession and recruiting plans. Noel Simpson and I have prioritized developing and training existing personnel to take on greater responsibility in the areas of loan origination, servicing, and finance.



## **Compensation Review for the Rhode Island Student Loan Authority (RISLA)**

November 23, 2022

### **Background:**

RISLA requested a review and market pricing update for two positions (Executive Director/CEO and Senior Director of Finance & Operations). The organization wants to determine fair and equitable compensation for these employees so as to be able to attract and retain staff. As a “Quasi-public” agency, RISLA operates in the dynamic postsecondary student loan marketplace. The Millennium Group International, LLC (TMGI) collected information including surveys of comparable organizations to study and report on competitive market practices facing RISLA.

### **Survey Organizations**

The Millennium Group International collected data concerning the following organizations considered by RISLA to be representative of comparable organizations:

- Iowa Educational Lending
- Connecticut Health & Educational Facilities Authority (CHEFA)
- Vermont Student Assistance Corporation
- Rhode Island Housing
- Rhode Island Health & Educational Building Corporation
- Rhode Island Infrastructure Bank
- Massachusetts Educational Financing Authority
- New Hampshire Higher Education Loan Corporation

### **Data Sources:**

The following organizations directly provided their current compensation information through a survey questionnaire:

- Rhode Island Housing

- Rhode Island Health & Educational Building Corporation
- Rhode Island Infrastructure Bank
- Massachusetts Educational Financing Authority
- Vermont Student Assistance Corporation

Compensation data for the following organizations was obtained through an analysis of their most recent IRS Form 990. Their reported data was “aged” to the current date:

- Iowa Educational Lending
- New Hampshire Higher Education Loan Corporation

Compensation information for CHEFA was obtained through the Connecticut Office of the State Comptroller. The data on this report was also “aged” to current date.

### Survey findings

The following tables compare RISLA’s compensation practices to those of the survey participants. Shown on the tables are the participants’ base and total cash compensation (base salary and bonus) the dollar difference between RISLA’s compensation and each participants’, and the percentage relationship difference between RISLA’s and the participants’. The survey data for Executive Director is the equivalent position at the surveyed organizations and Senior Director is normally the next highest position in each of the organizations.

**Table 1 Top Executive: Base Salary**

Survey Organization	Base Salary	Difference to RISLA	Lag or Lead
Rhode Island Student Loan Authority	\$218,629		
Iowa Educational Lending	\$456,764	\$238,135	-52%
CHEFA	\$266,438	\$47,809	-18%
Vermont Student Loan Assistance Corporation	\$293,000	\$74,371	-25%
Rhode Island Housing	\$205,725	-\$12,904	6%
RI Health & Educational Building Corporation	\$241,000	\$22,371	-9%
Rhode Island Infrastructure Bank	\$281,139	\$62,510	-22%
Massachusetts Educational Finance Authority	\$303,859	\$85,230	-28%
New Hampshire H.E. Loan Corp	\$329,516	\$110,887	-34%



**Table 2 Top Executive Pay: Total Cash Compensation (Base Salary Plus Bonus)**

Survey Organizations	Total Cash	Difference to RISLA	Lag or Lead
Rhode Island Student Loan Authority	\$218,629		
Iowa Educational Lending	\$456,764	\$238,135	-52%
CHEFA	\$266,438	\$47,809	-18%
Vermont Student Loan Assistance Corporation	\$304,500	\$85,871	-28%
Rhode Island Housing	\$205,725	-\$12,904	6%
R H Health & Educational Building Corporation	\$241,000	\$22,371	-9%
Rhode Island Infrastructure Bank	\$281,139	\$62,510	-22%
Massachusetts Educational Finance Authority	\$303,859	\$85,230	-28%
New Hampshire H.E. Loan Corp	\$427,616	\$208,987	-49%

**Table 3 Second in Command Pay: Base Salary**

Survey Organization	Base	Difference to RISLA	Lag or Lead
Rhode Island Student Loan Authority	\$175,698		
Iowa Educational Lending	\$277,596	\$101,898	-37%
CHEFA	\$208,383	\$32,685	-16%
Vermont Student Loan Assistance Corporation	\$221,000	\$45,302	-21%
Rhode Island Housing	\$190,444	\$14,746	-8%
Rhode Island Infrastructure Bank	\$205,000	\$29,302	-14%
R H Health & Educational Building Corporation	\$159,700	-\$15,998	10%
Massachusetts Educational Finance Authority	\$306,701	\$131,003	-42%
New Hampshire H.E. Loan Corp	\$191,346	\$15,648	-8%

**Table 4 Second in Command Pay: Total Cash Compensation (Base Salary Plus Bonus)**

Survey Organization	Total Cash	Difference	Lag or Lead
Rhode Island Student Loan Authority	\$175,698		
Iowa Educational Lending	\$277,596	\$101,898	-37%
CHESLA	\$208,383	\$32,685	-16%
Vermont Student Loan Assistance Corporation	\$229,600	\$53,902	-23%
Rhode Island Housing	\$190,444	\$14,746	-8%
R H Health & Educational Building Corporation	\$205,000	\$29,302	-14%
Rhode Island Infrastructure Bank	\$159,700	-\$15,998	10%
Massachusetts Educational Finance Authority	\$306,701	\$131,003	-42%
New Hampshire H.E. Loan Corp	\$191,346	\$15,648	-8%

## Education Finance Council Survey

As additional comparative information, RISLA provided the 2022 Compensation Survey (effective date of data: December 2021) conducted by the Education Finance Corporation for a) state agencies and b) private nonprofits and foundations “aged to December, 2022, as show below:

### State Agencies

Position	Number of Participants	Average Base
CEO	10	\$287,663
Deputy Director	10	\$194,374

### Private Nonprofits and Foundations

Position	Number of Participants	Average Base
CEO	8	\$332,005
Deputy Director	7	\$219,776

### Discussion:

TMG found that both base and total cash compensation for RISLA’s Executive Director and Deputy Director generally lags those of the comparator organizations as shown on the tables above.

### Retiree Health Benefits

Additionally, RISLA requested TMG to examine the prevalence of programs providing health insurance benefits for retirees.

### Findings:

Only one of the organizations directly surveyed, Rhode Island Housing, reported as providing this benefit. Their program details are:

*Full-time employees who retire from RI Housing are eligible for the medical and dental coverage plans that are offered to active employees. Medical and dental retirement benefits are available to the employee only. Eligibility and cost share percentages are established at the time of retirement and will remain in place until a retiree turns 65. Eligibility is based on the following formula:*

<u>Years of Service</u>	<u>Age</u>	<u>Corporation Share</u>	<u>Retiree Share</u>
10-15	59 ½ +	50%	50%
16-27	59 ½ +	80%	20%
28+	<59 ½	90%	10%
28+	59 ½ +	100%	0%
35+	Any	100%	0%

*When retirees turn 65, they will be placed on a Medicare Supplement Plan, secondary coverage for medical, a plan chosen by RI Housing (as of 01/2022 BlueChip). Cost share is as shown below.*

<u>Years of Service</u>	<u>Age</u>	<u>Corporation Share</u>	<u>Retiree Share</u>
10-15	65+	50%	50%
16-19	65+	70%	30%
20-27	65+	90%	10%
28+	65+	100%	0%

Our experience is that plans of this general type are not uncommon among educational and public sector organizations. Both the states of Rhode Island and Connecticut, for example, provide retiree health benefits of various types.

If RISLA considers health benefits for retirees to be a useful addition to the overall benefits program we suggest the organization work with their benefits consultant/broker to design an appropriate plan.