

**AGENDA ITEM 2B.**

**APPROVAL OF MINUTES OF THE DECEMBER 5, 2024  
ILLINOIS STUDENT ASSISTANCE COMMISSION  
INVESTMENT COMMITTEE**

**Submitted for:** Action

**Summary:** This report includes the investment portion of minutes of the joint  
Commission meeting held on December 5, 2024

**Action requested:** That the Investment Committee approve the investment portion of minutes  
of the December 5, 2024 joint Commission meeting.

**MINUTES OF THE JOINT MEETING OF THE  
ILLINOIS STUDENT ASSISTANCE COMMISSION AND  
INVESTMENT COMMITTEE**

**Illinois Student Assistance Commission  
3rd Floor, Room 3030  
1755 Lake Cook Road, Deerfield, IL  
and  
Illinois Student Assistance Commission  
3rd Floor Conference  
500 West Monroe, Springfield, IL**

**December 5, 2024  
1:00 p.m.**

**COMMISSIONERS PRESENT:**

Elizabeth Lopez, Commissioner, Vice Chair, Audit Committee Member  
Maureen Amos, Commissioner, Investment Committee Member  
James Hibbert, Commissioner, Investment Committee Member  
Darryl Arrington, Commissioner, Audit Chair and Committee Member  
Caleb Herod, Commissioner  
Jonathon Bullock, Commissioner (*Springfield*)

**COMMISSIONERS ABSENT:**

Kevin Huber, Commissioner, Board Chair, Investment Committee Member  
Thomas Dowling, Commissioner, Audit Committee Member  
Franciene Sabens, Commissioner  
Payton Ade, Student Commissioner

**STAFF PRESENT:**

Eric Zarnikow, Executive Director  
Carol Cook, Senior Advisor  
Shana Rogers, Managing Director, RPPA  
Ellen Greenan, Deputy Director, MAP Forecasting & Analysis  
Katherine Gricevich, Director of Government Relations  
Kishor Desai, Chief Internal Audit Officer  
Roger Rojas, Director of Investments  
Harikumar Pillai, Chief Information Officer  
Rolake Adedara, Director, Finance and Compliance  
Dana Mills, Director, Appropriation & Compliance  
Stephanie Schmitz-Bechteler, Managing Director, Program Services and Compliance  
Natalie Wandall, Secretary to Commission  
Tiara Woods, Interim Human Resources Director  
Michael Wilder, Network Technician/LAN Administrator

Lisa Murphy-Coveny, Interim General Counsel  
Lisa Schlessinger, Deputy General Counsel  
Kathryn Cataldo, Attorney  
Lini Varughese, Deputy Director, Finance & Accounting  
Karisa Ott, Manager, Program Review, Institutional Audits  
Victoria Spivak, Director of Strategy, Research, & Impact  
Jaqueline Moreno, Chief Service Officer

**PUBLIC ATTENDANCE:**

James O'Connor, Callan LLC  
Brienne Weymouth, Callan LLC  
Eric Hiatt, University of Illinois (*Springfield*)  
Rosario Hernandez, Latino Policy Forum  
Jelani Siddiq, Advance Illinois  
Naomi Nagahawatte, Advance Illinois  
Heather Monzingo, ECACE scholarship recipient  
Mercedes Mondragon, Start Early  
Naoma Nayalint, Illinois Action for Children  
Audry Stapleton, Teacher Plus Illinois (*Springfield*)  
Megan Dwyer, Teacher Plus Illinois (*Springfield*)  
Adrienne Pickett, ICCB (*Springfield*)

The joint meeting of the Illinois Student Assistance Commission and Investment Committee was called to order at 1:03 p.m.

Mr. Zarnikow, ISAC's Executive Director, began by explaining that the meeting would take place under the general provisions of the Open Meetings Act, which allow meetings to take place in two locations connected electronically provided both locations are open to the public. The meeting was being held at ISAC's offices in Deerfield and in Springfield, Illinois, which are both open to the public. He reminded that a quorum of Commissioners must be present in-person to be able to continue. Commissioner Bullock requested that everyone speak clearly into their microphones.

He then turned the meeting over to acting Chair Lopez who called for a roll call of the Commission. A roll call of the Commission members was taken, and a quorum was established.

Acting Chair Lopez confirmed her ability to hear the meeting and be heard by those in attendance.

### **Item 1. Announcements**

Acting Chair Lopez announced that the next regularly scheduled joint meeting of the Commission and the Investment Committee is Thursday, April 17, 2025, which will be held at ISAC's Springfield and Deerfield locations. She noted that the Audit Committee meeting is scheduled to start at 11:00 a.m. on the same day, and the joint Commission meeting is scheduled to start at 1:00 pm.

Acting Chair Lopez reminded members to complete the ethics time sheet by recording their hours spent on commission business and returning the completed form at the end of the meeting. She also reminded the members that they can be reimbursed for any expenses incurred travelling to and from the meeting.

### **Item 2A. Approval of the investment portion of the minutes of the September 19, 2024 Commission and Investment Committee Meeting (Action: Investment Committee)**

Commissioner Hibbert **MOVED THAT** the Investment Committee approve the minutes of the September 19, 2024, Investment Committee meeting. Commissioner Amos seconded the motion, which was unanimously approved by a vote of the Committee.

### **Item 2B. Approval of the Full Minutes of the September 19, 2024 Joint Commission and Investment Committee Meeting (Action: Commission)**

Commissioner Arrington **MOVED THAT** the Commission approve the full minutes of the September 19, 2024 joint meeting of the Commission and Investment Committee. Commissioner Hibbert seconded the motion, which was unanimously approved by a vote of the Commission.

### **Item 3. Approval of the Destruction of Open Meeting Verbatim Records**

#### **Item 3A. Approval of the Investment Committee Open Meeting Verbatim Records for Destruction (Action: Investment Committee)**

Commissioner Hibbert **MOVED THAT** the Investment Committee approve the following resolution:

**“BE IT RESOLVED** that the Investment Committee approves the destruction of the verbatim records of the open session of the December 8, 2022 meeting as at least 18 months have transpired since the completion of that meeting and almost 24 months have transpired since the web posting. The destruction will take place after December 8, 2024.”

Commissioner Amos seconded the motion, which was unanimously approved by a vote of the Investment Committee.

**Item 3B. Approval of the Commission Open Meeting Verbatim Records for Destruction (Action: Commission)**

Commissioner Hibbert **MOVED THAT** the Commission approve the following resolution:

**“BE IT RESOLVED** that the Commission approves the destruction of the verbatim records of the open session of the December 8, 2022 meeting as at least 18 months have transpired since the completion of that meeting and almost 24 months have transpired since the web posting. The destruction will take place after December 8, 2024.”

Commissioner Arrington seconded the motion, which was unanimously approved by a vote of the Commission.

**Item 4. Executive Director’s Report (Information)**

Mr. Zarnikow discussed implementation of this year’s FAFSA application, and the agency’s efforts to advance the mission.

He provided an update on the ISAC project to update its website. The procurement process has been completed and the website redesign is also in progress.

Rich Nowell retired at the end of November, after 37 years of service, including most recently as interim General Counsel. Carol Cook is retiring at the end of the calendar year, after 41 years of service, beginning as a data entry clerk after college. He wished the best to Rich and Carol in their retirement and, noted that they will be greatly missed.

The most recent IBHE board meeting was at Lake Land Community College, and Mr. Zarnikow was able to tour the campus and learn more about some of the programs offered at the college, which were impressive. There is a very beneficial program to train students as technicians for John Deere as part of a corporate partnership. There is also a commercial truck driving program. He congratulated Commissioner Bullock, President of Lake Land College for all of his successes as President and students’ successes at the College.

## **Item 5. Public Comment**

The Commission received a letter and testimonials from Advance Illinois via email and several corresponding video messages prior to the meeting. Commissioner Amos requested to hear the letter and watch the videos during the public comment portion of the meeting as correspondence to the Commission. The letter suggested that ISAC request \$20 million for ECACE funding.

Mercedes Mondragon, Policy Manager, Start Early

The speaker spoke in favor of the budget request for ECACE funding, which greatly supports the early childhood education workforce.

Naomi Nagahawatte, Assistant Advocacy Director for Advance Illinois, We the Village

The speaker spoke in favor of funding for the ECACE program scholarship, which is greatly beneficial for childhood education students.

Heather Monzingo, ECACE scholarship recipient, Lake Forest Little Scouts Preschool Director

The speaker spoke in favor of the ECACE program and a \$20 million request for the scholarship.

Jelani Siddiq, Director of Government Relations, Advance Illinois

The speaker spoke in favor of the \$20 million request for the ECACE program, which will go a long way in meeting the demand for early childhood education students around the state. He also had copies of testimonials for the Commission members. The speaker also spoke in favor of the MTI program. He also spoke in favor of MAP and suggested that ISAC request an additional \$50 million in funding.

Rosario Hernandez, Latino Policy Forum

The speaker spoke in favor of ECACE and requesting \$20 million for the program. She also provided a copy of her remarks in written form and a testimonial from an ECACE recipient.

Aubry Stapleton, Early Childhood Education Policy Manager Teach Plus

The speaker spoke in favor of ECACE scholarship and increased funding for the program.

Megan Dwyer, ECACE recipient, head preschool teacher at University of Illinois Child Development Lab

The speaker spoke in favor of increased funding for the ECACE program and the positive impact it had on her career.

Three video messages in support of ECACE were received by the Commission as correspondence.

## **Item 6. Approval of the Fiscal Year 2026 Appropriated Funds Budget Request (Action: Commission)**

Mr. Zarnikow introduced the budget request, which is provided to the Board of Higher Education (IBHE) to review and either approve or amend and include in an omnibus request to the Governor's Office, which will also either approve or amend the request for higher education. Ultimately, the General Assembly will approve a budget, which will likely be different than any prior version of the budget discussed. Need based aid is considered a high priority for the State. The state is projecting a budget shortfall in FY26, but ISAC remains an advocate for programs and students.

Mr. Zarnikow highlighted the budget request for the MTI program and explained that the program is currently being operated as usual pursuant to the law. He also highlighted the budget requests for the MAP and the goal to serve all applicants. He pointed out that the request includes appropriation for the ECACE program, which was created and operated with federal funding during the Coronavirus pandemic and transitioned to a State funding source in FY25. The request also asks for funding for the Prepare for Illinois Future test preparation program where the procurement is in progress.

Commissioner Amos **MOVED THAT** the Commission approve FY2026 budget request totaling approximately \$1.1 billion, as detailed in Table 1. Commissioner Hibbert seconded the motion, which was unanimously approved by a vote of the Commission.

#### **Item 7. Outreach Update (Information)**

Ms. Jacqui Moreno provided an update regarding outreach. At the end of the Fiscal Year, which is typically the end of outreach activities, there had been more than 2,000 outreach events - a dramatic increase over the prior year. There were more than 120 parent outreach events. 170 training sessions were conducted, and more than 500 professionals attended the College Changes Everything conference in July. ISAC was awarded 7-year GearUp grant for \$5 million per year where half of the grant funds are required to be provided as scholarships for students. Mr. Zarnikow indicated that the \$35 million GearUp grant requires a significant amount of staff time and administration but supports and furthers ISAC's mission.

#### **Item 8. College Illinois! Prepaid Tuition Program Investments**

##### **Item 8A. Investment Update (Information)**

Mr. Rojas reviewed the fund risk profile and trailing performance as of September 30, 2024. He presented a detailed performance review of the managers in the public market portfolio, as well as the open-end and the closed-end limited partnerships. Additionally, Mr. Rojas reviewed the Asset Allocation, Status Updates and Search Update sections as shown in the agenda book.

##### **Item 8B. Approval of Changes to the Watch List (Action: Investment Committee)**

Mr. Rojas reviewed the Watch List memorandum as presented in the agenda book. No managers were recommended to be added to the Watch List by investment staff.

There was no motion made from the Investment Committee for changes to the Watch List.

##### **Item 8C: Compliance Review (Information)**

Mr. Rojas reviewed the Compliance Memorandum provided in the agenda book. He noted that no issues or violations were identified. Fund expenses have been decreasing as expected given the fund derisking strategy implemented.

##### **Item 8D: Actuarial Soundness Valuation Report (Information)**

Mr. Rojas reviewed the Actuarial Soundness Valuation Report Summary provided in the agenda book. Mr. Rojas noted that the Actuarial Soundness Valuation Report as of June 30, 2024 has been

completed and was already uploaded to the College Illinois! website. Mr. Rojas highlighted that the program funded ratio improved significantly from 100.9% as of 06/30/23 to 108.9% as of 06/30/24.

Commissioner Hibbert inquired how often ISAC should re-do the soundness report. Mr. Rojas indicated that he does not recommend it be changed from once per year, because this process plays a key role in projecting the future liabilities as well as the overall financial status of the College Illinois! program. Mr. Zarnikow indicated that it is part of the annual audit and statutory requirements as well.

#### **Item 8E. Prepaid Tuition Program Update (Information)**

Mr. Zarnikow reviewed the history of College Illinois! and how it went from underfunded to a surplus. A significant amount of work went into that change, as well as funds from the State of Illinois, which helped to grow it to the level where it is now.

#### **Item 9. Audit Committee Update (Information)**

Commissioner Arrington provided an update from the Audit Committee.

Seeing no further business to come before the Commission, acting Chair Lopez asked for a motion to adjourn. Commissioner Amos **SO MOVED** and Commissioner Hibbert seconded that motion, which was unanimously approved by a vote of the Commission.

The meeting adjourned at approximately 3:00 p.m.

Respectfully submitted,  
Kathryn Cataldo