

AGENDA ITEM 2B.

APPROVAL OF MINUTES OF THE APRIL 8, 2016 MEETING

Submitted for: Action

Summary: This report includes the minutes of the meeting held on April 8, 2016.

Action requested: That the Commission approve the minutes of the meeting on April 8, 2016.

MINUTES OF A JOINT MEETING
OF THE
ILLINOIS STUDENT ASSISTANCE COMMISSION
AND THE
INVESTMENT ADVISORY PANEL

Michael A. Bilandic Building
Room N-505
160 N. LaSalle St.
Chicago, IL

April 8, 2016

1:30 p.m.

COMMISSIONERS PRESENT: Miguel del Valle, Vice Chair
Selamawi Asgedom
Kendall Griffin, Audit Committee Member
Kevin Huber, Investment Committee Member
Verett Mims, Investment Committee Member
Paul Roberts, Audit Committee Member
Kim Savage, Audit Committee Member

COMMISSIONERS ABSENT: Mark Donovan, Investment Committee Member

**INVESTMENT ADVISORY
PANEL MEMBERS PRESENT:** Jeanna Cullins
Karen Kissel
Louis Paster
Patrick Rea
Janice Reedus

**INVESTMENT ADVISORY
PANEL MEMBERS ABSENT:** James Hibbert
Joy Winterfield

STAFF PRESENT: Eric Zarnikow, Executive Director
Lynne Baker, Managing Director, Communications
Kent Custer, Chief Investment Officer
Kishor Desai, Director, Internal Audit
Katharine Gricevich, Director, Government Relations
Susan Kleemann, Managing Director, RPPA
Shoba Nandhan, Chief Financial Officer
Roger Rojas, Investment Analyst
Debora Calcara, Commission Secretary

PUBLIC ATTENDANCE: Ryan Ball, Callan Associates
Brianne Weymouth, Callan Associates

Item 1. Announcements

Vice Chair del Valle brought the April 8, 2016 meeting of the Commission to order at 1:33 p.m. He announced this was a required joint meeting of the Commission and the Investment Advisory Panel. He then asked that a roll call be taken of the Commission, which established a quorum was present. He stated a quorum was not yet present for the Investment Advisory Panel.

Vice Chair del Valle announced the Commissioner Kevin Huber has been appointed by the Governor as the new Chair of the Commission. He then congratulated Mr. Huber on his appointment. He stated the Mr. Huber had asked if he would continue his roll as Vice Chair and preside over the meeting today.

Item 2. Approval of the Minutes of the January 28, 2016 Meeting

Ms. Savage **MOVED THAT** the Commission approve the minutes of the January 28, 2016 meeting of the Commission. Mr. Roberts seconded the motion, which was approved unanimously.

Item 3. Executive Director's Report

Mr. Zarnikow provided a brief update on the financials provided in the agenda book.

He informed the Commission that the fiscal year 2017 operations budgets will be brought to them for approval at the June meeting.

Referring to the ISAC Balance Sheet in the agenda book, Chair Huber asked that Mr. Zarnikow provide him with a brief overview on the restatement of pension liability that is listed in the Balance Sheet.

Discussion was held on the impact the budget impasse is having on MAP students attending college.

Vice Chair del Valle asked that a roll call be taken of the Investment Advisory Panel, which established a quorum was present.

Item 4. College Illinois! Prepaid Tuition Program Investments

Item 4A. Investment Update

Mr. Custer thanked the Investment Advisory Panel for their attendance today and the counsel they provide. He then gave an overview of the information provided in the agenda book including the portfolio risk profile, recent performance, investment activity, and status updates.

Item 4B. Approval of the Fixed Income Investment Management Procurement

Mr. Custer stated that the new procurement process was used and worked well for the selection of the Fixed Income Investment Manager. He stated that the Investment Committee has met with the two finalist and that we will be bringing this item to the Commission for approval at its June meeting.

Item 4C. Approval of the Minutes of the October 29, 2015 Meeting of the Investment Advisory Panel

Mr. Rea **MOVED THAT** the Investment Advisory Panel approve the minutes of the October 29, 2015 meeting of the Investment Advisory Panel. Ms. Kissel seconded the motion, which was approved unanimously with Ms. Cullins abstaining due to not being present at the meeting.

Item 4D. Investment Advisory Panel Advice to the Commission

Mr. Custer summarized interaction with and advice provided by the Investment Advisory Panel. The Panel was invited to provide any additional advice to the Commission at this meeting.

Ms. Cullins questioned where internal controls fit in the overall risk management program and encouraged a review of the risk management program and a comprehensive risk review and what controls are in place to mitigate those risks.

Vice Chair del Valle thanked them for their attendance at the meeting prior to the Panel's departure from the meeting.

Item 5. Approval of Proposed Administrative Program Rules Amendments

Mr. Zarnikow stated the rules being brought to the Commission is for the new grant program for Medical Assistants in Training, which was created by the General Assembly, but has yet to be funded. He stated that ISAC must have rules in place should there be funding in the future.

Ms. Mims **MOVED THAT** the Commission approve the following Resolution:

“BE IT RESOLVED that the Commission accepts the proposed administrative program rules as modified thus far during the rulemaking process, for submission to the Joint Committee on Administrative Rules (JCAR).

Mr. Roberts seconded the motion, which was approved unanimously.

Item 6. State Legislative Update

Ms. Gricevich provided the Commission with an overview of the current proposed legislation affecting ISAC as presented in the agenda book, including a number of bills that are attempts to address the continuing delay in FY 16 MAP grant funding as well as and funding for public postsecondary institutions.

Item 7. Audit Committee Update

Ms. Savage reviewed the agenda for the Audit Committee, which was held prior to the Commission meeting today.

Item 8. Public Comments

Vice Chair del Valle asked if anyone from the public wished to address the Commission. There were no comments from the public.

Mr. Zarnikow took the opportunity to thank staff for their continued hard work even in light of the state budget crisis. He also thanked Vice Chair del Valle for stepping in as acting Chair during the transition period and is looking forward to working with Chair Huber.

Ms. Savage **MOVED THAT** that the April 8, 2016 meeting be adjourn, Mr. Griffin seconded the motion, which was approved unanimously. The meeting adjourned at 2:42 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Debora A. Calcara". The signature is written in black ink on a light-colored background.

Debora A. Calcara
Secretary to the Commission