

**AGENDA ITEM 2.**

**MINUTES OF THE NOVEMBER 18, 2011 MEETING**

**MINUTES OF A MEETING**  
**OF THE**  
**ILLINOIS STUDENT ASSISTANCE COMMISSION**

**November 18, 2011**

**Robert Morris University**  
**401 S. State Street**  
**Chicago, Illinois**

**COMMISSIONERS PRESENT:** Kym Hubbard, Chair  
Miguel del Valle  
Mark Donovan  
Kendall Griffin  
Paul Roberts  
Kim Savage

**COMMISSIONERS ABSENT:** Verett Mims

**STAFF PRESENT:** John Sinsheimer, Interim Executive Director  
Brian Begrowicz, Deputy Chief Financial Officer  
Eduardo Brambila, Managing Director, Outreach  
Debora Calcara, Commission Secretary  
Ramnath Cidambi, Managing Director, Information Services  
Carol Cook, Director, Program Services and Compliance  
Anita Geter, Director, Internal Audit  
Katharine Gricevich, Director, Government Relations  
Jacqueline Moreno, Managing Director, Outreach  
Shoba Nandhan, Chief Financial Officer  
Nicholas O'Keefe, Deputy General Counsel  
Annie Pike, General Counsel  
Karen Salas, Deputy General Counsel  
John Samuels, Chief Communications Officer  
Joanne Tolbert-Wells, Deputy Executive Director

**PUBLIC ATTENDANCE:** John Avendano, Kankakee Community College  
Leigh Brinson, Robert Morris University  
Deb Brodzinski, Robert Morris University  
Mary Patricia Burns, Burke Burns & Pinelli  
Paul Frank, Federation of Independent Colleges and Universities  
Christopher Fryzek, Student, Robert Morris University  
Lashondra Graves, Student, Robert Morris University  
Tyler Kearney, University of Illinois  
Pat Krolak, Marquette Associates  
Sarah Labadie, Women Employed  
Rechard Lightfoot, Student, Robert Morris University  
Louis Paster, Investment Advisory Panel Member  
Eric Radtke, Prairie State College

## **Item 1. Announcements**

Chair Hubbard opened the November 18, 2011 meeting of the Commission noting that a quorum was not yet present. She then welcomed Ms. Mablene Krueger, Provost of Robert Morris University.

Provost Krueger welcomed the ISAC to Robert Morris University on behalf of its Board of Trustees, President Voillt and the 7,000 students across Illinois. Provost Krueger stated that the population at Robert Morris University consists of 40 percent African-American, 32 percent Caucasian and 28 percent Hispanic and that half of the students received a Monteary Award Program (MAP) grant at the undergraduate level last year. She thanked the Commission for their efforts and support and introduced three MAP recipients to address the Commission.

MAP recipients Mr. Christopher Fryzek, Mr. Recharad Lightfoot and Ms. Lashondra Graves shared their personal testimony as Robert Morris University students and MAP recipients. Chair Hubbard thanked the students on behalf of the Commission stating that they appreciate hearing these testimonies.

Chair Hubbard asked that a roll call vote of the Commission members be taken, which established that a quorum was present.

Chair Hubbard then announced that Ms. Marina Faz-Huppert has resigned from the Commission noting that she works with the legislature as a lobbyist and wanted to ensure that there would not be any conflict or strains on her time and therefore felt it best she resign.

Chair Hubbard took the opportunity to introduce a new member of the Investment Advisory Panel, Mr. Louis Paster, who was in attendance at the meeting. Continuing, she noted that members of the Commission received a resume for Jeanna Cullins. She indicated that she would like to recommend Ms. Cullins as an ISAC appointment to the Investment Advisory Panel.

Mr. del Valle **SO MOVED** that the Commission appoint Ms. Jeanna Cullins to the Investment Advisory Panel representing ISAC. Mr. Donovan seconded the motion, which was approved unanimously.

## **Item 2. Minutes of the September 16, 2011 Meeting**

Ms. Savage **SO MOVED** that the minutes of the September 16, 2011 meeting be approved as submitted. Mr. Griffin seconded the motion, which was approved unanimously.

## **Item 3. Executive Director's Report**

Interim Executive Director, John Sinsheimer opened his report by informing the Commission that a grant of \$100,000 has been received from the Lumina Foundation to expand community outreach efforts and the College Changes Everything initiative. He stated that the College Illinois! Corps has been so successful in Illinois, the Managing Directors of the program, Eduardo Brambila and Jacqui Moreno have visited other states about starting outreach programs.

Mr. Sinsheimer stated that ISAC is in the process of developing the FY 2013 budget request for the Governor's Office of Management and Budget. He indicated that ISAC has not received funds for administering its programs since 2003 and has since spent \$50 million of ISAC funds in doing so. He stated that ISAC will request an appropriation increase of \$50 million for MAP, to be awarded to students.

Mr. Sinsheimer stated that the Commission had been informed that enrollment for the College Illinois! Prepaid Tuition Program would open in September, however, it has been decided to delay that in order to address the challenges facing the program. He then provided the Commission with an in-depth overview of prepaid tuition programs throughout the country and how they are structured, the challenges they face and how they compare to Illinois' program.

Mr. Donovan and Mr. del Valle requested that Mr. Sinsheimer's report be provided to them in writing and to be kept informed if there was a need to take the issue to the legislature. Chair Hubbard stated they are in a fact-finding status and once all the information has been accumulated, options for the Prepaid Tuition Program will be brought to the Commission as a whole.

Prior to moving to the next agenda item, Chair Hubbard noted that the Commissioners have received suggested meeting dates and locations for 2012 and asked for a motion to approve them. Ms. Savage **SO MOVED** that the meeting dates and locations for 2012 as presented be approved. Mr. Roberts seconded the motion, which was approved unanimously. The 2012 meeting schedule of the Commission is as follows:

January 27, 2012	DePaul University, Chicago
March 26, 2012	University of Illinois Chicago
June 22, 2012	ISAC Office – Deerfield
September 4, 2012	TBA
November 16, 2012	Harold Washington College, Chicago

Chair Hubbard then announced that the next meeting of the Commission will be held on January 27, 2012 at DePaul University.

#### **Item 4. Selection of Vice Chair of the Illinois Student Assistance Commission**

Chair Hubbard noted that in compliance with statute, she is nominating Mr. del Valle for appointment as Vice Chair of the Commission. Ms. Savage **SO MOVED** that Mr. del Valle be appointed as Vice Chair of the Illinois Student Assistance Commission. Mr. Griffin seconded the motion, which was approved unanimously. Mr. del Valle thanked the Commission for the appointment.

#### **Item 5. Appointment of Investment Committee**

Chair Hubbard stated that the Commission would like to form a sub-committee to be called the Investment Committee. She stated that with the issue facing the 529 program it would be beneficial in assisting not only the Chief Investment Officer but also the Investment Advisory Panel in reviewing the investment policy, rebalancing issues and day-to-day activity within the portfolio. She indicated the Committee will consist of sitting members of the Commission and recommended Mr. Donovan and Ms. Mims for that Committee.

Ms. Savage **SO MOVED** that Mr. Donovan and Ms. Mims be appointed to serve on the Investment Committee of the Illinois Student Assistance Commission. Mr. Griffin seconded the motion, which was approved unanimously.

### **Item 6. Appointment of Audit Committee**

Chair Hubbard stated that it has been recommended during the External Quality Assessment of the Internal Audit Function that the Commission establish a sub-committee of sitting members of the Commission to perform oversight of the internal auditor. Barring any other nominations, she recommended Ms. Savage, Mr. Griffin and Mr. Roberts be appointed to the Audit Committee. Mr. Donovan **SO MOVED** that Ms. Savage, Mr. Griffin and Mr. Roberts be appointed to the Audit Committee of the Illinois Student Assistance Commission. Mr. del Valle seconded the motion, which was approved unanimously.

### **Item 7. Internal Audit Update**

Ms. Geter provided the Commission her report on the status of audit projects to date as listed in the agenda book.

### **Item 8. College Outreach Update**

Ms. Moreno, Managing Director of College Access Initiative, stated that at the previous meeting she reviewed with the Commission the College Illinois! Corps program which is a group of near-peer mentors employed throughout the state to work with potential college students. She indicated at that time that for the first year of the program the 78-member Corps interacted with more than 156,000 student and parents. She stated that in the 2008-09 school year, ISAC attended 340 events in high schools, while in the first year of the Corps program (2009-10), the Corps attended 1,017 events in high schools. During the second year of the program (2010-11) the Corps attended 1,400 events at high schools and this current year is on track to attend over 2,000 events.

Ms. Moreno reported that as a result of a recent survey conducted of high school counselors, it was established that 100 percent were satisfied with the knowledge, reliability and approachableness by students of the Corps, 98 percent expressed satisfaction with the Corps program as developed, 91 percent felt that the Corps helped the schools in their mission to have more students graduate, enroll, and complete college.

Ms. Moreno stated that college knowledge and social capital are very important when working with students from families with no prior college-going experience, and as a result, they have been working with the University of Illinois at Chicago and ISAC's internal Research Policy and Planning Analysis division to measure this knowledge. She stated that a college knowledge and social capital survey was administered to high school counselors and the results show that 90 percent of respondents felt that the family has no idea if their student could afford college and needed more information about the financial aid available to them. More than 80 percent felt that students need more one-on-one mentoring, particularly peer mentoring and that the high schools do not have the resources to provide this kind of service, nor do they know of a resource other than the Corps that could provide this service.

Ms. Moreno stated that they have also been tracking FASFA completion and reporting this information to the U.S. Department of Education, which is a requirement of the grant that is funding the effort. She reported that prior to the Corps starting, for 2007-08, 48 percent of high school seniors filed a FASFA by June 30<sup>th</sup>, in the first year of the Corps program, 2008-09, 54 percent of high school seniors filed and in 2010-11 it has increased to 59.8 percent. She stated that she and Mr. Brambila are working closely with other state programs to establish this type of mentoring program.

Continuing, Ms. Moreno informed the Commission that when the Corps program began it was named the Illinois Student Assistance Corps. However, in August of 2010 because the agency as a whole was establishing an umbrella brand of College Illinois!, the Corps name was changed to the College Illinois! Corps. She indicated that this has since become a distraction for the Corps because the clientele they work with were confused with the name associated with the prepaid tuition program. Therefore, she informed the Commission that the Corps name will return to the Illinois Student Assistance Corps to help alleviate this confusion.

Responding to Mr. del Valle, Ms. Moreno stated that there are 78 full time members of the Corps which is supported by a five-year federal grant and that continued funding will be sought past the five years for this successful program.

Mr. del Valle stated that he has seen the work of the Corps members on local cable and they do an excellent job, and is hopeful that this type of work is being done throughout the state and not just in the Chicago area.

Chair Hubbard stated that while the Open Meetings Act generally requires that public bodies conduct their business at meetings that are open to the public, the Act also provides various exceptions for matters to be discussed in a closed session. For the Executive Session today, there is an applicable exception under subsection 2(c)1 and 2(c)11 of the Open Meetings Act:

- 1) Under exception “1” of subsection 2(c)...the closed session will concern the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body;
- 2) Under exception “11” of subsection 2(c)...Litigation, when an action against, affecting or on behalf of the particular body has been filed and is pending before a court to administrative tribunal, or when the public body finds that an action is probable or imminent.

Mr. Donovan **MOVED THAT** the Commission adjourn into Executive Session. Mr. Griffin seconded the motion. After a roll call vote approving the motion, the Commission adjourned into closed session at 2:08 p.m.

The Commission returned into open session at 3:52 p.m.

Chair Hubbard asked for a motion to accept the recommendation of the Interim Executive Director to write-down approximately 8,732 private student loans that have been overstated by approximately \$1.5 million as of October 31, 2011 to their true value. Mr. Donovan **SO MOVED** and Mr. Griffin seconded the motion, which was approved unanimously.

Chair Hubbard asked for a motion to direct legal counsel to work with the Interim Executive Director to engage in all legal efforts necessary to attempt to recover sums related to private student loans discussed in the executive session and report back to the Chair prior to the next meeting of the Commission. Mr. del Valle **SO MOVED** and Mr. Donovan seconded the motion, which was approved unanimously.

Chair Hubbard asked for a motion to create a sub-committee of the Commission to consider the selection of an Executive Director for the Commission and to appoint Chair Hubbard, Mr. Donovan and Mr. Griffin to serve on that sub-committee. Mr. del Valle **SO MOVED** and Ms. Savage seconded the motion, which was approved unanimously.

Seeing no further business to come before the Commission, Chair Hubbard asked for a motion to adjourn. Mr. Donovan **SO MOVED** that the November 18, 2011 meeting of the Commission adjourn. Mr. Griffin seconded the motion, which was approved unanimously. The meeting adjourned at 3:54 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