

**AGENDA ITEM 2.**

**MINUTES OF THE JANUARY 30, 2009 MEETING**

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

**January 30, 2009**

**Benedictine University**  
**Lisle, Illinois**

**COMMISSIONERS PRESENT:**

Donald J. McNeil, Chair  
Warren Daniels, Jr.  
Sean Dauber  
Dr. Mary Ann Louderback  
Hugh Van Voorst  
Kelvin Wing

**COMMISSIONERS PRESENT  
VIA TELEPHONE:**

David Vaught

**COMMISSIONERS ABSENT:**

Sharon Alpi  
Dr. Lynda Andre

**STAFF PRESENT:**

Andrew Davis, Executive Director  
Frank Bello, *College Illinois!*<sup>SM</sup> Chief Investment Officer  
Tom Breyer, Senior Policy Advisor  
Esther J. Cepeda, Chief Marketing & Communications Officer  
Steve Dorfman, First Deputy General Counsel  
Katharine Gricevich, Director, State Relations  
Susan Kleemann, Director, RPPA  
Kim Lee, General Counsel  
Sam Nelson, Director, Client Relations  
Chris Peterson, Chief Program Officer  
John Sinsheimer, Chief Financial Officer  
Joanne Tolbert-Wells, Chief of Staff & Administration  
Tanesa Zeno, Marketing & Communications  
Debora Calcara, Commission Secretary

**PUBLIC ATTENDANCE:**

Diane Battistella, Benedictine University  
Janeen Decharinte, Lewis University  
Paul Franks, FIICU  
Slyvia Munego, Student, UIC  
Jamie Petersen, Oakton Community College  
Sandy Street, University of Illinois  
Jennifer Timmons, ICCB  
Cheryl Warmann, Oakton Community College  
Johnathan Wilson, Student, UIUC

### **Item 1. Announcements**

Chairman McNeil opened the January 30, 2009 meeting of the Commission, noting that Mr. Vaught and Dr. Andre had requested to participate in the meeting electronically because they were unable to be physically present at the meeting for reasons permitted by the Commission's policy on electronic attendance. A roll call was taken, which established that a quorum was physically present at the meeting site and Chairman McNeil called the meeting to order at 9:46 a.m.

Chairman McNeil asked for a voice vote to permit Mr. Vaught and Dr. Andre to participate in the meeting via electronic means, which was approved unanimously. It was then verified that Mr. Vaught was connected via telephone.

Chairman McNeil noted that last evening he had attended activities marking the inauguration of his long-time friend and college roommate Pat Quinn as the new Governor of Illinois. He stated that while many are saddened by the circumstances that made yesterday's inauguration of a new Governor necessary, it is the start of a new day and as President Obama stated in his inaugural address, we pick ourselves up, dust ourselves off, and begin the work of reinventing government and that is what is going to be done in Illinois also.

Continuing, Chairman McNeil noted that Dr. William Carroll, President of Benedictine University had been present earlier but had to leave and that he had extended his welcome to the Commission. The Chairman stated that the next meeting of the Commission would be held on April 3, 2009 at Harper College in Palatine.

### **Item 2. Minutes of the November 21, 2008 Meeting**

Mr. Dauber **MOVED THAT** the minutes of the November 21, 2008 meeting be approved as submitted. Mr. Daniels seconded the motion, which was approved unanimously.

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

Mr. Davis opened his report by noting that it is an exciting and challenging time in both Washington and Springfield with both a new President and a new Governor. With these changes come challenges that he believes the agency is prepared for and invigorated by. He added that he is confident that Governor Quinn supports our mission and is anxious to learn more about our agency.

Continuing, Mr. Davis stated that he and Mr. Sinsheimer have met with a larger group of credit unions in both Naperville and Springfield that have expressed an interest in working with ISAC to finance loans in the state of Illinois. It is his hope to have more capital available for this coming school year and get the word out to schools and students to let them know we are here to fill their lending needs.

Mr. Davis reported that ISAC was recently given a 2008 Green Government Award by then Lt. Governor Quinn for our leadership role in conservation efforts in office operations. He took the opportunity to introduce Karen Salas, who is the leader of the agency's Green Team. He reported that in its initial focus, reducing paper, through simple initiatives such as printing and copying in double-sided format, reducing the number of mailings and increasing the use of electronic processes, the agency was able to save over 250,000 sheets of paper and 5,000 envelopes. In addition, by converting applications for our scholarship and grant programs to automated electronic processes, we will not only save on paper, but also improve access to our programs for groups such as our veterans while deployed overseas.

Mr. Davis reported that ISAC is continuing to work with the Chicago Public Schools on increasing the FAFSA completion rate among their students by comparing a data file of their students' social security numbers with a federal database of completed FAFSAs. Once this comparison is made, ISAC can then report to the Chicago Public Schools which students have not completed a FAFSA so that they can work with the students to do so, resulting in a dramatic increase in the rate of filing. He is proud of agency staff for implementing the project and carrying it out.

Responding to Mr. Vaught regarding efforts to work with the other school districts within the state of Illinois, Mr. Davis stated that there would be a press release distributed throughout the state, which will encourage other districts to work with us on this initiative.

Chairman McNeil took the opportunity to thank Mr. Davis and his senior staff and the employees of the agency for having gotten the agency through the most difficult year in the history of student financial aid. The agency suffered as did all agencies like ISAC, but the people within the state of Illinois, in particular the students, did not suffer significantly due to the hard work of staff. He stated that the agency has extraordinarily talented senior management staff that is unparalleled in this state or in any state in the country. On behalf of the Commission, the people of the State of Illinois and its new Governor, he thanked everyone for the job they did this past year and expressed his confidence in the agency's ability to do even better in 2009.

Chairman McNeil announced that today's meeting is a required joint meeting of the Commission and the *College Illinois!* Prepaid Tuition Program Investment Advisory Panel. He then introduced Mr. Mike Mann and Mr. George Clam, both members of the panel who were in attendance at the meeting.

#### **Item 4. Appointment of College Illinois! Prepaid Tuition Program Investment Advisory Panel Members**

Mr. Davis opened the agenda item, noting that a revised agenda item had been distributed to Commissioners at the meeting due to a last minute change after the printing of the book. He noted that in accordance with the program's statute, members of the Investment Advisory Panel are nominated by other state constitutional officers, as well as ISAC. The revised item reflects a re-nomination of Mike Mann by the Illinois Board of Higher Education (IBHE).

Ms. Lee indicated that staff is recommending that the Commission approve the appointment of Mr. Edward J. Donnellan to represent ISAC on the Panel for a term to expire on January 31, 2012. She noted that Mr. Donnellan has been with Three Zero Three Capital Partners LLC and TJM Investments LLC since 2002 and has worked in domestic and international enterprises in the financial markets since 1975. He is a current member of the Chicago Board Options Exchange.

Continuing, Ms. Lee stated that staff is also recommending the reappointment of Mr. Mike Mann from the Illinois Board of Higher Education (IBHE) for a term to expire on December 31, 2010 and the reappointment of Ms. Susan Keegan for a new three year term to expire on December 31, 2011.

Responding to Mr. Wing, Ms. Lee stated that the recommendation of a Panel member from the State Comptroller has not yet been received but staff is aggressively pursuing recommendations from both the State Comptroller and the State Treasurer. Mr. Davis stated that in addition to the recommendations from the State Comptroller and Treasurer, there is also a nomination that is to be made by the Governor's Office of Management and Budget. He indicated that it is his hope to have nominations for these positions to bring to the Commission at its next meeting.

Dr. Louderback **MOVED THAT** the Commission approve the appointment of Mr. Edward J. Donnellan as a member of the *College Illinois!* Investment Advisory Panel, to a term that expires on January 31, 2012; the reappointment of Susan Keegan to serve an additional term that expires on December 31, 2011; and the reappointment of Mike Mann to serve an additional term that expires on December 31, 2010.

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

**Item 5. Revisions to *College Illinois!* Prepaid Tuition Program Statement of Investment Policy**

Mr. Bello stated that the agenda item is being brought to the Commission as a result of a meeting with the Investment Advisory Panel on January 9, 2009. He stated that amendments to the investment policy are being proposed to reflect changes in the current financial markets. He noted that one change is being made due to the bankruptcy of Lehman Brothers and the purchase by Barclays Capital of Lehman Brothers' index business, resulting in a change in the name of some of the indexes. Continuing, Mr. Bello stated that revisions are also being recommended to the investment guidelines for the Core and Intermediate Bond fund managers, as well as the addition of a Small-Cap International Equity mandate. He noted that the Investment Advisory Panel has reviewed and recommends these changes.

Clarifying for Mr. Vaught, Mr. Bello stated that the proposed change to the investment guidelines would permit the Core and Intermediate Bond fund managers to hold up to 20% of their portfolio in corporate securities rated below investment grade by two or more rating agencies, although the average quality of their overall portfolio must still be maintained at no less than A-.

Mr. Vaught expressed his concern regarding the composition and duration of the intermediate term bond index. In particular, his concern was that the intermediate term index was too short-term in nature and therefore was a poor match for the program's liabilities, which are much longer-term in nature. He said that he feels this section of the investment policy should be taken back to the Investment Advisory Panel for further study. Mr. Vaught stated that this has been overlooked in the past and he wants it to be sent back to the Panel for further consideration before being approved.

Mr. Bello stated that while the average duration for the intermediate index is 10 years, it needed to be viewed in the context of the larger portfolio, in which you are going to have some securities that are going to mature in three years or five years, and others that will mature in 15 or 20 years. The target is to match the duration of the overall portfolio with the duration of the liabilities, but not necessarily in any one subset of the portfolio.

Mr. Daniels also stated that while it is true that the duration of the intermediate bond fund was shorter than that of the program liabilities, the overall portfolio has baskets of securities some of which have short average life, some medium and some long, and that it was necessary to view the portfolio as a whole.

Mr. Vaught reiterated his concern that under the investment policy, the portfolio is weighted too heavily to the short side and that this needs more study. Mr. Davis noted that Mr. Vaught's concern is well taken but feels that the real concern is not with the composition and duration of assets within the intermediate bond class, but rather the weighting of assets within the overall asset allocation targets contained in the policy.

Chairman McNeil agreed that Mr. Vaught's comments lean more towards the asset allocation table on page 12 of the policy. For clarification, he reiterated that the only major changes to the policy being proposed at this time reflect the change of the index names and the addition of language permitting

up to 20% of the Core and Intermediate Bond portfolios to be allocated to corporate securities rated below investment grade.

Mr. Krolak clarified that the addition to allow up to a 20% allocation in lower- rated securities is due to the change in the financial markets environment, and provides the managers additional flexibility so that when securities are downgraded, the manager is not forced to try to sell securities in a market where there are no buyers in order to remain in compliance with the policy. He also explained that when they do the asset allocation they do consider the projected liabilities in relation to the projected cash flows of the funds, and that the current asset allocation had been perceived as providing the best mix for achieving the program's goals.

Mr. Vaught indicated that he agreed with Mr. Davis' observations and he was satisfied with the comments made today. He also inquired if they are using any leverage in the bond portfolio, and was pleased when Mr. Krolak confirmed that they are not and it is not permitted.

Chairman McNeil suggested that Mr. Vaught raise his concerns with the Investment Advisory Panel at its next meeting and perhaps represent the Commission at that meeting. Mr. Vaught stated that he feels the Investment Advisory Panel and Mr. Bello have done a great job in making improvements to the policy.

Mr. Daniels **MOVED THAT** the Commission approve the following resolution:

**“BE IT RESOLVED** that the Commission adopts the revisions to the *College Illinois!* Statement of Investment Policy in the form attached hereto as “Exhibit A”.

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

#### **Item 6. Report on University of Illinois - Illinois Guides Pilot Program**

Mr. Davis introduced Mr. Cecil Curtwright of the University of Illinois to make a presentation to the Commission.

Mr. Curtwright took the opportunity to thank Mr. Davis and the Commission for both their financial support and advisory support to the efforts of the University of Illinois to increase the number of young people who attend college in Illinois. He stated that the concept for the Illinois Guides program, now renamed the Illinois College Advising Corps (ICAC), started at the University of Virginia in 2005 in an effort to increase the number of individuals attending college within their state that were coming from communities where normally there was a lower rate of college attendance. The plan was to have recent graduates go back into their communities, specifically to those high schools where they had graduated, and serve as “near peer” advisors and work in a complementary fashion with the counseling staff at the high schools and focus specifically on college attendance. The program was so successful after the first year that funds were successfully raised to expand the initiative by replicating it at other universities, including the University of Illinois.

He stated that the University of Illinois joined the program in 2008, and there are now a total of 13 universities throughout the United States participating in the National College Advising Corps (NCAC) program.

Mr. Curtwright stated that the goal of the program is not only to increase the number of young people who will be attending college, but also to ensure that they attend the right institution. He indicated

that when you look at communities where college attendance is not the norm, students may be choosing institutions that do not have the type of programs or support that they need.

Explaining the program, he stated that the Illinois program, ICAC, a partnership between ISAC, the University of Illinois and NCAC, is very similar to the national program. ICAC near peer advisors are placed in high schools throughout Illinois, particularly those with lower college attendance rates, and that serve students who are typically low-income, underserved and first generation. There, the advisors work with the high school counseling staff, many of whom lack the time and resources to fully assist students with the college preparation and application process. The host high school is asked to provide a college resource center with internet access, a room for the advisor to work in, and an onsite mentor/supervisor. The University of Illinois compensates the advisors in the program by providing a salary, benefits and training. In addition, advisors in the program receive a \$5,000 waiver on their student loans or \$5,000 towards teacher graduate school work. He indicated training is provided by the three U of I campuses and also national training at the University of North Carolina at Chapel Hill. Their training addresses financial aid, admission and career development counseling; how to help students prepare for SAT and ACT exams, write essays for college admission, and enhance presentation and project management skills; and includes continually updated knowledge on literature dealing with college access.

Mr. Curtwright indicated there are currently four high schools in the program, Clemente High School in Chicago, Waukegan High School, Rantoul High School and Southeast High School in Springfield. It is his hope to have eight schools in the program next year.

Mr. Curtwright then introduced Ms. Lindsay Peters, program coordinator. She stated that in addition to the previously-referenced training given to the students, they also receive monthly professional development training and have access to resources and staff from ISAC as part of their training. She then introduced two of the students participating in the program, Mr. Eduardo Alvarez, assigned to Waukegan High School and Jennifer Juarez, assigned to Clemente High School. Mr. Alvarez and Ms. Juarez then shared with the Commission their day-to-day experiences with the students at their assigned high schools.

Ms. Judi Flink, Executive Director, University Student Financial Services and Cashier Operations at the University of Illinois, responded to an inquiry by Mr. Van Voorst, stating that it is hoped to be able to double the size of the program next year to eight schools and then to 16. In order to service all students in the state it would require 186 advisors. She noted that the requirement for a high school to be included in the program is based on at least 50 percent of their students participating in the free or reduced lunch program, low college attendance rates and a high ratio of students to counselors. She indicated that it is their hope to obtain private and federal funding in order to continue the growth of the program. She took the opportunity to thank the Commission for its financial support of the program because without this support the program would not be in existence.

Chairman McNeil thanked the representatives from the University of Illinois for their presentation today, likening the student advisors to foot soldiers in a battle that is starting to be won. He stated that the Illinois Board of Higher Education recently adopted its blueprint for the future of Illinois education, with a major point being to address college attendance by better supporting underrepresented students that are capable of doing college work, but are lacking adequate education and support on how to achieve that goal. This program shows that having a peer show them that it can be done and how to do it is a step in the right direction. He again thanked them for their extraordinary work.

#### **Item 7. FY 2010 Monetary Award Program (MAP) Start-up Formula**

Prior to beginning the discussion of the FY2010 MAP start-up formula, Ms. Kleemann informed the Commission that ISAC is releasing MAP grants from suspended status for approximately 6,200 eligible students whose *Free Application for Federal Student Aid* (FAFSA) receipt dates were July 26, 2008 through (and including) August 1, 2008. Currently, she is forecasting about \$377 million of the \$385 million appropriation being awarded to students. She indicated that claim rates have fallen somewhat from last year, and that helps account for funds being available to release awards to students whose applications had been in suspended status.

Continuing, she stated that the FY2010 MAP formula being brought before the Commission for consideration is the same formula that was used for FY2009. She further stated that there is no indication that the program will receive increased funding, but should that happen it would be used for the anticipated increase in application volume and to cover increases in eligibility due to federal needs analysis changes. She stated that the ILASFSA committee has recommended using the existing formula with a \$4,968 maximum award and using the 2003-2004 tuition and fees in the model. Unfortunately, she stated this would likely result in awards being suspended in June.

Mr. Dauber inquired if it might be better, rather than to give a small minimum award, to move the minimum award of \$300 to higher need students already receiving funds at a higher level, in order to make their award more meaningful. Ms. Kleemann indicated she would be happy to research this.

Mr. Dauber also inquired if there is a plan to target students with better ACT scores. Mr. Davis expressed that the MAP is a need-based program rather than merit-based, but with the limited resources available for the MAP, it is important to make the most out of those limited resources. Mr. Davis asked Ms. Kleemann to explain a possible pilot program, MAP 2+2, which is being considered to help address not only the limited resources, but also student retention.

Ms. Kleemann explained that under the current procedure, a student filing a FAFSA to attend a four-year institution receives a total amount of MAP funds for those four years of roughly \$20,000, or approximately \$5,000 per year. The proposed new MAP 2+2 would have the student apply and be accepted into a four-year institution, which requires having a certain grade point to be accepted and also an appropriate college prep curriculum, but they would attend a community college for the first two years instead. Student eligibility for MAP would be based on the cost of the four-year institution. The total dollars of aid awarded would remain the same, but the distribution would be different. The student would incur fewer costs, more of the cost would be covered, and the student should have less debt upon graduating.

Under this scenario, the student would receive approximately \$6,000 in MAP funds to attend a community college during their first two years rather than the \$10,000 they would have received at a four-year institution. The difference of \$4,000 between the award at a four-year institution and a community college would then be deferred for the student's use later in their education, as they complete their degree at a four-year institution. This would allow them to receive up to \$7,000 for each of their junior and senior years, helping to improve retention and completion rates.

Chairman McNeil stated that the overall idea of the MAP 2+2 is to have the greatest impact of the limited funds provided for the MAP should there be no increase in funding. He also hopes this will help to reduce the level of student debt upon graduation. Responding to Mr. Wing, Ms. Kleemann stated that the MAP 2+2 is based on credit hours so if a student should take more than four years to complete their education, they have the funds. She indicated that a pilot of the MAP 2+2 would be done in order to measure its success.

Dr. Louderback **MOVED THAT** the Commission approve the formula summarized in Table 3 on page 7-5 of the agenda book as the FY2010 MAP start-up formula.

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

Chairman McNeil then recognized Mr. Paul Frank, with the Federation of Independent Illinois College and Universities (FIICU), to address the Commission.

Mr. Frank commended the Commission on their work and wished them the best in their work with the new Governor. Continuing, he stated that at the Commission's January 25, 2008 meeting FIICU encouraged the Commission to take a bold stance on behalf of all Illinois students to seek an increase in funding for MAP, but the Commission did not at that time endorse a change in the maximum award level nor a significant change in the appropriation level. He implored the Commission to remind the members of the legislature and to educate Governor Quinn that college students and their families are feeling the stress of the economic crisis, too. He stated that increased funding for student aid had become an afterthought in many of the IBHE Public Agenda documents, and that in IBHE's budget request it was disheartening to see that there is not a significant increase requested for ISAC or MAP. FIICU believes that if ISAC were to more aggressively seek a larger increase, it would find significant support for MAP in the General Assembly.

#### **Item 8. Monetary Award Program (MAP) Recipients Study**

Ms. Kleemann noted that the General Assembly requires that the Commission give a report on MAP every other year. This year the information reported to the General Assembly was from a five-year longitudinal study of MAP recipients. She then gave a brief overview of that study which has been provided to the Commission.

Chairman McNeil thanked staff for translating the data they receive into helpful information. He stated that this study shows that every MAP recipient that does not receive a degree is wasting valuable funds and continued work is needed on retention programs to help students to complete their education and receive a degree so the limited funds for this program are not wasted.

#### **Item 9. Institutional Application to Participate in ISAC Gift Assistance Programs – American Academy of Art**

Ms. Peterson opened the agenda item, noting that the American Academy of Art is a for-profit institution located in Chicago. She indicated they have applied for participation in ISAC's gift assistance programs for which they are eligible. She stated that the school has been evaluated and determined to meet all criteria and requirements necessary to participate. She noted that if the institution were approved today, it would be possible to include students attending this school in the MAP start-up for the 2009-2010 academic year.

Dr. Louderback **MOVED THAT** the Commission approve the following resolution:

**"BE IT RESOLVED** that the Commission approves the application of American Academy of Art to participate, on a provisional basis, in ISAC-administered gift assistance programs for which it is eligible, effective for the fall term of the 2009-2010 academic year, with payment of awards to be subject to available funding."

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

### **Item 10. Adopting Certain Rules Amendments**

Chairman McNeil stated that this agenda item has been withdrawn.

Mr. Davis explained that after this item had been printed and distributed to the Commission, staff received word from the Joint Committee on Administrative Rules (JCAR) that they required some minor changes to the rules amendments submitted to them. Therefore, in order to comply, the item has been withdrawn and will be resubmitted at a later date.

Mr. Vaught expressed that he had more substantial changes he would like to see made to the rules and felt he could not support the item as written. Chairman McNeil suggested he contact the agency's General Counsel, Kim Lee, to review those suggested changes.

### **Item 11. Proposed Rules Amendments**

Ms. Peterson noted that this is the beginning of the omnibus rulemaking cycle for this year. She stated that amendments were being proposed to five different parts of the rules, two of them due to statutory changes enacted during the legislative session last year. She indicated those two parts include the State Scholar Program, which now provides for Scholars to receive a one-time grant of \$1,000. Although no funding was approved for this year, the rules must still be amended to permit the payment of awards under this program when and if funding is provided. She also noted that legislation had been passed requiring an allocation of 200 awards annually under the Illinois Future Teacher Corps (IFTC) Program to participants in the Golden Apple Scholars of Illinois program, so the rules for IFTC must be amended to reflect that change.

Continuing, Ms. Peterson stated that the publication of the proposed amendments on February 6, 2009 will begin the 45-day public comment period, and then the rules will be brought back to the Commission for action at its April 2009 meeting.

### **Item 12. IDAPP Bank Account At ShoreBank**

Chairman McNeil noted that this agenda item was added to the agenda after the book was printed and distributed to the Commission, and that all members of the Commission have received copies of this item today.

Mr. Sinsheimer stated that in connection with the loan facility at ShoreBank for the Capstone loan program previously approved by the Commission, it would be necessary to open checking accounts at the bank. He indicated that the accounts will be set up to require any two of the following individuals to sign checks and approve the necessary withdrawals from the account: the Chief Financial Officer, Chief Investment Officer, Director of IDAPP, Director of Accounting and Finance for IDAPP and any other individual designated by the Executive Director.

Mr. Van Voorst indicated that while he had not been in favor of the investment in ShoreBank, he would vote in favor of this item, since it was necessary to implement a decision that had already been approved. Mr. Davis clarified that the bank accounts being set up at ShoreBank are a result of the liquidity facility approved with ShoreBank to fund the Capstone loan program and are not connected with the *College Illinois!* Prepaid Tuition Program investment. He stated that with the credit crisis throughout the country, ShoreBank was the only organization willing to lend money for the Capstone program.

Responding to Dr. Louderbank, Mr. Sinsheimer stated that Mr. Davis is not listed as a signatory on the account due to logistical issues, primarily the need to have individuals onsite at the Deerfield

facility in order to execute transactions. Mr. Sinsheimer stated that ShoreBank has committed \$7 million for the Capstone loan program, of which \$3.5 million is anticipated to be loaned this year and \$3.5 million next year, helping approximately 1,000 students each year.

Mr. Dauber **MOVED THAT** the Commission approve the following resolution:

**“BE IT RESOLVED** that the Illinois Student Assistance Commission approves and adopts the resolutions set forth in the attached sheet entitled *ShoreBank - Resolutions of the Illinois Student Assistance Commission.*”

**“BE IT FURTHER RESOLVED** that the Illinois Student Assistance Commission approves the designation of agents, as listed below, and subject to the conditions specified below, to exercise on behalf of the Illinois Student Assistance Commission all powers related to the opening of a bank account at ShoreBank, the making of deposits therein, and the making of withdrawals therefrom by check or wire transfer:

Any 2 of the following persons shall be necessary:

- John Sinsheimer, Chief Financial Officer
- Frank Bello, Chief Investment Officer
- Steve Di Benedetto, Director of IDAPP
- Frank Berauer, Director of Accounting & Finance for IDAPP
- Such other persons employed by the Illinois Student Assistance Commission as are designated in writing from time to time by the Executive Director of the Illinois Student Assistance Commission.”

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

Mr. Wing took the opportunity to introduce two students from the IBHE Student Advisory Committee who may be considered for his position as student Commissioner when his term expires in June.

Prior to adjourning into Executive Session, Chairman McNeil read from the speech given by Governor Quinn at his inauguration, stating that he has known the Quinn family for quite some time. He noted that Governor Quinn’s father passed away last year at the age of 93, and in his memory, Governor Quinn had received a letter from his father’s commanding officer in WWII who wrote: “Patrick J. Quinn is one of the finest men with whom I ever worked. Extremely capable in his work, he was at all times cheerful, earnest, cooperative, frank and honest.” Governor Quinn stated that if all of us, the people of Illinois, are cheerful, earnest, cooperative, frank and honest, we can achieve great things for the Land of Lincoln. Chairman McNeil stated that it is a good model for the Commission to follow also.

Continuing, Chairman McNeil stated that while the Open Meetings Act of Illinois 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 such as the Executive Session today. For the Executive Session today, there are three applicable exception(s) under subsection 2(c) 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 “6” of subsection 2(c)...the closed session will concern the sale or lease of property;
3. Under exception “7” of subsection 2(c)...the closed session will concern the sale or purchase of securities, investments or investment contracts.

Mr. Dauber **MOVED THAT** the Commission adjourn into closed session. Mr. Daniels seconded the motion, which was approved unanimously. The Commission then adjourned into closed session at 11:56 a.m.

The Commission returned into open session at 12:41 p.m. Chairman McNeil stated that in accordance with ISAC’s internal rules, 2 Illinois Administrative Code 5375.220, the Commissioners hereby amend and restate the Signature Authority Resolution set forth as follows:

<b><u>Contract Amount*</u></b>	<b><u>Authorized Signatory(ies)</u></b>
Up to \$100,000	Chief Financial Officer or Executive Director.
\$100,001 to \$5,000,000	Chairman or Executive Director. <u>Provided, however, for contracts with investment managers, the signature of the Chief Investment Officer shall also be required. Provided, further, the Commissioners shall receive notice of the execution and delivery of any contract between the amounts \$1,000,000 and \$5,000,000 at the Illinois Student Assistance Commission (“Commission”) meeting immediately succeeding the execution and delivery of any such contract.</u>
\$5,000,001 and above	Chairman or Executive Director with the express approval of the Commission as evidenced by the adoption of a resolution authorizing the execution and delivery of said contract.
Agreements Related to the Sale of Loans	<p>The Commission hereby delegates authority to the Chairman or the Executive Director to execute and deliver any and all agreements, instruments, certificates and other documents and do all things necessary to effectuate loan purchases and sales without prior approval by the Commission <i>only if</i> the principal amount of the loans sold or purchased in any single transaction does not exceed 10% of the value of the outstanding principal amount of the Commission’s entire loan portfolio on the transaction date, not to exceed 15% of the value of the outstanding principal amount of the Commission’s entire loan portfolio in any given twelve-month period.</p> <p>The Commissioners shall receive notice of the execution and delivery of any agreements providing for the purchase or sale of loans exceeding \$25,000,000 in principal amount (exclusive of premium and fees) at the Commission meeting immediately succeeding any such transaction.</p>
* Includes any and all amounts payable by ISAC for the term of the contract, not including renewals, including without limitation, fees, interest expense, principal, administration expenses and early termination fees.	

Mr. Wing **MOVED THAT** the Commission approve the resolution as presented by the Chairman. Mr. Dauber seconded the motion, which was approved unanimously.

Dr. Louderback **MOVED THAT** the January 30, 2009 meeting be adjourned. Mr. Daniels seconded the motion, which was approved unanimously. The meeting adjourned at 12:42 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