

**AGENDA ITEM 2A.**

**APPROVAL OF MINUTES OF THE JUNE 26, 2025  
JOINT MEETING OF THE  
ILLINOIS STUDENT ASSISTANCE COMMISSION AND  
THE INVESTMENT COMMITTEE**

**Submitted for:** Action

**Summary:** This report includes the minutes of the investment portion of the joint meeting of the Illinois Student Assistance Commission and the Investment Committee held on June 26, 2025

**Action requested:** That the Investment Committee approve the investment portion of minutes of the June 26, 2025, Joint Meeting.

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

**June 26, 2025  
1:00 p.m.**

**COMMISSIONERS PRESENT IN DEERFIELD:**

Kevin Huber, Commissioner, Board Chair, Investment Committee Member  
Maureen Amos, Commissioner, Investment Committee Member  
Darryl Arrington, Commissioner, Audit Committee Chair and Committee Member  
Elizabeth Lopez, Commissioner, Board Vice Chair, Audit Committee Member  
Thomas Dowling, Commissioner, Audit Committee Member  
James Hibbert, Commissioner, Investment Committee Member  
Jonathon Bullock, Commissioner (*Springfield*)  
Francene Sabens, Commissioner (*Springfield*)

**COMMISSIONERS ABSENT:**

Samaha Syed, Student Commissioner  
Caleb Herod, Commissioner

**INVESTMENT COMMITTEE MEMBERS PRESENT:**

Kevin Huber, Board Chair, Investment Committee Member  
Maureen Amos, Commissioner, Investment Committee Member  
James Hibbert, Commissioner, Investment Committee Member

**STAFF PRESENT:**

Eric Zarnikow, Executive Director  
Shana Rogers, Managing Director, RPPA (*Springfield*)  
Ellen Greenan, Deputy Director, MAP Forecasting and Analysis (*Springfield*)  
Katherine Gricevich, Director of Government Relations (*Springfield*)  
Kishor Desai, Chief Internal Audit Officer  
Roger Rojas, Director of Investments  
Harikumar Pillai, Chief Information Officer  
Rolake Adedara, Chief Financial Officer  
Stephanie Schmitz-Bechteler, Managing Director, Program Services and Compliance  
Natalie Wandall, Secretary to Commission  
Tiara Woods, Director, Human Resources and Development

Michael Wilder, Network Technician/LAN Administrator  
Lisa Schlessinger, Deputy General Counsel  
Lisa Murphy-Coveny, General Counsel  
Kathryn Cataldo, Assistant General Counsel  
Lini Varughese, Deputy Director, Finance & Accounting  
Karisa Ott, Managing Director, Institutional Audits & Compliance  
Victoria Spivak, Director of Strategy, Research, & Impact  
Dana Mills, Director, Appropriation & Compliance  
Jacqueline Benitez, Manager, Finance and Accounting  
Stephanie Luna, Office Specialist  
Lynne Baker, Managing Director of Communications

**OTHERS PRESENT:**

Brianne Weymouth, Callan  
Eric Hiatt University of Illinois (*Springfield*)

The joint meeting of the Illinois Student Assistance Commission and the Investment Committee was called to order at 1:08 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. Both locations are open to the public. He reminded that we always need a quorum of Commissioners in-person to be able to hold a meeting.

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

A roll call of the Investment Committee was taken, and a quorum was established.

Chair Huber confirmed his ability to hear the meeting and be heard by those in attendance.

### **Item 1. Announcements**

Chair Huber congratulated Commissioner Francene Sabens, who was announced as the Ray Piagentini High School Counselor of the Year, as well as an Impact Award winner by the Illinois School Counselors Association for 2025.

Chair Huber announced that the next regularly scheduled joint meeting of the Commission and the Investment Committee is on Thursday, September 18, 2025, at 1:00 p.m. in the Springfield and Deerfield offices. The Audit Committee will next meet at the Deerfield Office on September 18, 2025 at 11:00 a.m.

Chair Huber reminded the Commissioners of the need to record their volunteer hours spent on Commission business and to return the completed forms to Natalie before the end of the meeting. He 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 April 17, 2025 Joint Commission, Investment Committee, and Investment Advisory Panel Meeting (Action: Investment Committee)**

Investment Committee Member Amos **MOVED THAT** the Investment Committee approve the minutes of the April 17, 2025 Investment Committee meeting. Committee Member Huber seconded the motion, which was unanimously approved by a vote of the Committee.

### **Item 2B. Approval of the Full Minutes of the April 17, 2025 Joint Meeting of the Commission, Investment Committee and Investment Advisory Panel (Action: Commission)**

Commissioner Arrington **MOVED THAT** the Commission approve the full minutes of the April 17, 2025 joint meeting of the Commission, Investment Committee and Investment Advisory Panel. Commissioner Lopez seconded the motion, which was unanimously approved by a vote of the Commission.

### **Item 3. Executive Director's Report (Informational)**

Executive Director Eric Zarnikow advised that the outstanding CitiBank debt was paid off in full. He also advised that although the Prepare for Illinois' Future test preparation program was not funded in the budget year, ISAC is taking steps to try to preserve the procurement in the event that it is funded again in a future year.

Executive Director Zarnikow described the extensive preparations being undertaken by the agency for the newly-enacted Direct Admissions program.

There was lengthy discussion about the information tables on page 3-2 and 3-3 of the agenda book. Mr. Zarnikow advised that the agency has been taking steps towards succession planning, and that the agency has taken on a significant number of new programs and statutory responsibilities.

There were additional questions and extended discussions about the various informational tables shown in item 3 of the agenda book, including about the amounts budgeted vs. amounts spent for various programs, and how information about programs is disseminated to students. Information was provided by Ms. Adedara, Ms. Schmitz-Bechteler, Ms. Gricevich, and Mr. Zarnikow about ISAC's varied and extensive outreach efforts throughout the state.

### **Item 4. State Legislative Update (Informational)**

Ms. Katharine Gricevich provided a legislative update. She reviewed the applicable portions of the State's budget including an increase in MAP funding. She noted that although some programs were reduced or eliminated, most programs were kept at current funding levels.

Ms. Gricevich provided information about the Direct Admissions program bill that is expected to be signed into law soon. This current year's junior class, graduating in 2027, will be the first class that can opt-in to the program.

She advised that two ISAC initiatives were passed this year, related to assisting students with completing the FAFSA. The next legislative session begins in October 2025.

### **Item 5. Approval of Fiscal Year 2026 Monetary Award Program (MAP) Recompute Formula (Action: Commission)**

Ms. Shana Rogers provided information about the FY26 MAP recompute formula, shown in table 3 of item 5 in the agenda book.

Commissioner Amos **MOVED THAT** the Commission approve the formula found in Table Three of item 5 in the meeting packet as the FY26 MAP Recompute Formula, which is the same as the revised FY26 MAP Start-Up Formula approved at the April 17, 2025 Commission meeting, which added a 4% reduction factor. Commissioner Arrington seconded the motion, which was unanimously approved by a vote of the Commission.

### **Item 6. Approval of the FY2026 Internal Budget (Action: Commission)**

Mr. Zarnikow introduced the agency's FY26 internal budget. He noted that the agency is making investments related to succession planning and retirements, developing ISAC staff, and cybersecurity. ISAC is continuing to be financially prudent.

Ms. Adedara provided an overview of the agency's proposed FY26 budget. There was discussion regarding the use of GEAR UP grant funds and the uncertain future of the program. There was further discussion regarding ISAC's estimated personnel costs, and the fees for contractual services related to College Illinois!. Mr. Zarnikow pointed out that the administrative costs for the agency are quite small in comparison to the amount delivered to students.

Commissioner Hibbert **MOVED THAT** that Commission approve the Fiscal Year 2026 budgets for the Illinois Student Assistance Commission (ISAC) General Funds, Student Loan Operating Fund (SLOF), Illinois Designated Account Purchase Program (IDAPP), College Illinois! Prepaid Tuition Program, and the GEAR UP Grant as printed in the agenda book and approve the list of contracts included in the budget materials. Commissioner Bullock seconded the motion, which was unanimously approved by a vote of the Commission.

### **Item 7. College Illinois! Prepaid Tuition Program Investments (Informational)**

#### **Item 7A. Prepaid Tuition Program Update (Informational)**

Mr. Zarnikow provided the Commissioners an update on the overall status of College Illinois! plan.

#### **Item 7B. Investment Update (Informational)**

Mr. Rojas reviewed the College Illinois! fund risk profile and performance as of March 31, 2025 as provided in the Callan quarterly report and agenda book. In addition, he presented an update on the College Illinois! Prepaid Tuition Program portfolio managers as provided in the agenda book. Mr. Rojas also reviewed the Asset Allocation, Status Updates, and Search Update sections as shown in the agenda book.

Mr. Rojas highlighted that the fund is outperforming the policy benchmark for most trailing periods ending on 03/31/25, with the exception of the slight underperformance in the 7- and 10-years trailing periods due to the legacy private asset investments that were made by the prior ISAC administration. The plan has continued to significantly improve relative performance over the past few years.

There was a discussion regarding the long-term contracts of our investment consultant and custodian. Chair Huber, Mr. Zarnikow and Mr. Rojas stated that both entities provide vital support to the College Illinois trust fund, and they are also required by statute.

#### **Item 7C. Approval of Changes to the Watch List (Action: Investment Committee)**

Mr. Rojas reviewed the Approval of Changes to the Watch List as provided in the agenda book. He noted that no managers were being recommended for addition to the Watch List. There was also no recommendation from an Investment Committee member to add an investment manager to the Watch List.

#### **Item 7D. Compliance Review (Informational)**

Mr. Rojas presented the Compliance Review as provided in the agenda book. No issues or concerns were identified.

**Item 7E. Asset Allocation Review (Action: Investment Committee, Commission)**

Mr. Rojas reviewed in detail the Asset Allocation and Liability Study presentation prepared by our investment consultant Callan as well as the memorandum on agenda item 7E of the agenda book.

Mr. Rojas reviewed the range of potential asset allocation mixes on page 9 of the Callan presentation and recommends choosing the Potential New Policy asset mix, which is almost identical from a risk/return perspective to the current asset allocation that was approved at the special meeting of the Commission and Investment Committee held on April 22, 2024. After a thorough review, management is proposing very slight changes to the policy targets in the asset allocation as management believes the fund is well very positioned going forward given its strong surplus and the conservative risk profile that is appropriate given the plan's runoff scenario.

Commissioner Hibbert **MOVED THAT** the Investment Committee recommend to the Commission to approve the asset mix shown in the Potential New Policy column on page 9 of the Callan Asset Allocation and Liability Study presentation. Commissioner Amos seconded the motion, which was approved by a unanimous vote of the Investment Committee.

Commissioner Arrington **MOVED THAT** the Commission approve the asset mix shown in the Potential New Policy column on page 9 of the Callan Asset Allocation and Liability Study presentation. Commissioner Dowling seconded the motion, which was approved by a unanimous vote of the Commission.

**Item 7F. Investment Policy Review and Adoption (Action: Investment Committee, Commission)**

Mr. Rojas reviewed the Statement of Investment Policy Revisions memorandum shown in agenda item 7F. He highlighted that management is proposing some conservative language changes to address the fact that the program is in a much stronger financial condition relative to prior years when the plan was underfunded.

Additionally, there are other modest changes being recommended to update the Policy Target and Policy Benchmark weightings to reflect the new asset allocation policy targets that were approved as part of agenda item 7E.

Mr. Rojas also noted that although no changes are recommended, the Commission is requested to review the policy goals established in section II.B (page 1 of the Investment Policy) relating to diversity of fiduciaries and section II.C (page 2 of the Investment Policy) relating to utilization of minority investment managers.

Commissioner Hibbert **MOVED THAT** the Investment Committee recommend to the Commission to approve the proposed revisions to the Statement of Investment Policy. Commissioner Amos seconded the motion, which was approved by a unanimous vote of the Investment Committee.

Commissioner Lopez **MOVED THAT** the Commission approve the proposed revisions to the Statement of Investment Policy. Commissioner Arrington seconded the motion, which was approved by a unanimous vote of the Commission.

## **Item 8. Audit Committee**

### **Item 8A. Approval of FY26 Internal Audit Plan**

Mr. Kishor Desai provided an overview of the FY26 Internal Audit Plan. The Audit Committee approved a motion to recommend approval of the Internal Audit Plan by the full Commission.

Commissioner Arrington **MOVED THAT** the Commission approve the proposed revisions to the Fiscal Year 2026 Internal Audit Plan as recommended by the Audit Committee. Commissioner Lopez seconded the motion, which was approved by a unanimous vote of the Commission.

### **Item 8B. Audit Committee Update**

Audit Committee Chair Arrington provided an update from the Audit Committee's meeting held at 11:00 a.m. earlier today.

## **Item 9. Public Comment**

No requests for public comment were made.

## **Item 10. Closed Session: Closed Minutes (Action: Commission)**

No motion was made to enter closed session.

## **Item 11. Approval of Closed Session Items.**

### **Item 11A. Approval of the Closed Minutes of the April 17, 2025 Meeting & Approval to Open (Action: Commission)**

Commissioner Lopez **MOVED THAT** the Commission approve the closed minutes of the April 17, 2025 closed session of the joint Commission, Investment Committee, and Investment Advisory Panel Meeting and determine that they be made open to the public. Commissioner Amos seconded the motion, which was unanimously approved by a vote of the Committee.

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

The meeting adjourned at approximately 3:47 p.m.

Respectfully submitted,  
Kathryn Cataldo