

AGENDA ITEM 2A.

**APPROVAL OF MINUTES OF THE JUNE 25, 2026
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 25, 2026

Action requested: That the Investment Committee approve the investment portion of minutes of the June 25, 2026, 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 25, 2026
1:00 p.m.**

COMMISSIONERS PRESENT:

Kevin Huber, Commissioner, Board Chair, Investment Committee Member
Darryl Arrington, Commissioner, Audit Chair, Audit Committee Member
Elizabeth Lopez, Commissioner, Board Vice Chair, Audit Committee Member
Thomas Dowling, Commissioner, Audit Committee Member
Maureen Amos, Commissioner, Investment Committee Member
Frankie Velasco, Commissioner
Caleb Herod, Commissioner
Jonathon Bullock, Commissioner (*Springfield location*)
Francene Sabens, Commissioner (*Springfield location*)

COMMISSIONERS ABSENT:

Samiha Syed, Student Commissioner

INVESTMENT COMMITTEE MEMBERS PRESENT in DEERFIELD:

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

STAFF PRESENT:

Eric Zarnikow, Executive Director
Shana Rogers, Managing Director, RPPA (*Springfield*)
Katharine Gricevich, Legislative Liaison (*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
Michael Wilder, Network Technician/LAN Administrator

Lisa Schlessinger, Deputy General Counsel
Lucienne Pardy, Assistant General Counsel
Lisa Murphy-Coveny, General Counsel
Victoria Spivak, Director of Strategy, Research, & Impact
Tiara Woods, Director, Human Resources and Development
Jacqueline Benitez, Manager, Finance and Accounting
Karisa Ott, Manager, Institutional Audits
Illya Kochylo, Help Desk

PUBLIC MEMBERS PRESENT:

Jim O'Connor, Callan
Christina Torres, Crowe
Eyob Villa-Moges, Advance Illinois

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

Mr. Zarnikow, ISAC's Executive Director, opened the meeting and 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.

Item 1. Announcements

Chair Huber announced that the next regularly scheduled joint meeting of the Commission and the Investment Committee will be on Thursday, September 17, 2026, at 1:00 p.m. in both Springfield and Deerfield. The Audit Committee meeting will be held in-person in ISAC's Deerfield office at 11:00 a.m. on Thursday, September 17, 2026.

Item 2. Approval of the joint Commission Meeting Minutes

Item 2A. Approval of the Investment Portion of the Minutes of April 16, 2026 Joint Commission, Investment Committee, and Investment Advisory Panel Meeting (Action: Investment Committee)

Investment Committee Member Amos **MOVED THAT** the Investment Committee approve the investment portion of the minutes of the April 16, 2026 joint meeting of the Commission, Investment Committee and Investment Advisory Panel. Committee Member Huber seconded the motion, which was unanimously approved by a vote of the Committee.

Item 2B. Approval of the Full Minutes of April 16, 2026, Joint Commission, Investment Committee and Investment Advisory Panel Meeting (Action: Commission)

Commissioner Herod **MOVED THAT** the Commission approve the full minutes of the April 16, 2026 joint meeting of the Commission, Investment Committee and Investment Advisory Panel. Commissioner Arrington seconded the motion, which was unanimously approved by a vote of the Commission.

Item 3. Executive Director's Report (Informational)

Mr. Zarnikow provided updates on the agency's efforts pertaining to the federal expansion of Workforce Pell Grant Program, the multi-agency initiative to establish a new higher education state attainment goal, the direct admissions program, and a mid-period review of the 10-year strategic plan for Higher Education, A Thriving Illinois that is led by the Illinois Board of Higher Education.

Item 4. State Legislative Update (Informational)

Ms. Gricevich provided a legislative update. She reported on the FY2027 budget and the appropriated funding for ISAC programs, including MAP.

Additionally, Ms. Gricevich provided an overview of the legislative initiatives that passed both houses and highlighted a few that failed to move forward this year but likely would be seen in upcoming sessions.

Item 5. Approval of Fiscal Year 2027 Monetary Award Program (MAP) Recompute Formula (Action: Commission)

Ms. Rogers provided information about the proposed MAP recompute formula, shown in table 3 of item 5 in the agenda book. There was a discussion of the origination of the 4% reduction factor.

Commissioner Sabens **MOVED THAT** the Commission approve the formula found in Table Three of item 5 in the meeting packet as the FY27 MAP Recompute Formula This formula is the same as the FY27 MAP Startup Formula approved in September 2025, which includes the 4% reduction factor. Commissioner Arrington seconded the motion, which was unanimously approved by a vote of the Commission.

Item 6. Approval of the Proposed Administrative Program Rules and Amendments (Action: Commission)

Dr. Schmitz-Bechteler provided information and answered questions on proposed changes to administrative program rules and amendments as stated on pages 6-1 through 6-140 of the Agenda Book.

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

“BE IT RESOLVED” that the Commission accepts the proposed administrative program rules and amendments for submission to the Joint Committee on Administrative Rules (JCAR) and, barring any unresolved objection by JCAR or material modification, including material modification resulting from public comment received by the agency during the public comment period (unless the material modification is made to ensure compliance with any prospective amendment(s) to the statute(s) governing these rules), the Commission authorizes the Executive Director to proceed with adopting the program rules as written and amended.”

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

Item 7. Approval of the FY2027 Internal Budget (Action: Commission)

Mr. Zarnikow introduced the agency’s FY2027 internal operating budget. ISAC is continuing to be financially prudent in the operation of the agency. The agency is making investments related to succession planning and to prepare for upcoming retirements, developing ISAC staff, technology and cybersecurity. Mr. Zarnikow indicated the agency would like to expand education on loan repayment literacy and expand awareness of existing loan repayment assistance programs.

Ms. Adedara provided an overview of the agency’s proposed FY27 budget. There was a discussion on expenditures related to artificial intelligence (AI) as well as the addition of new programs added to the agency’s portfolio. Additional discussion focused on qualitative metrics and measures and how to show the impacts of agency efforts.

Commissioner Amos **MOVED THAT** that Commission approve the Fiscal Year 2027 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 agenda book. Commissioner Herod seconded the motion, which was unanimously approved by a vote of the Commission.

Item 8. IDAPP Investment Policy Review and Adoption (Action: Commission)

Mr. Rojas reviewed the proposed changes to the IDAPP Statement of Investment Policy as presented in the agenda book.

Commissioner Amos **MOVED THAT** the Commission approve the proposed revisions to the Statement of Investment Policy for the Illinois Designated Account Purchase Program (IDAPP). Commissioner Lopez seconded the motion, which was unanimously approved by a vote of the Commission.

Item 9. College Illinois! Prepaid Tuition Program Investments (Informational)

Item 9A. Prepaid Tuition Program Update (Informational)

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

Item 9B. Investment Update (Informational)

Mr. Rojas reviewed the College Illinois! fund risk profile and performance as of March 31, 2026 provided in the Callan quarterly report. In addition, he presented an update on the College Illinois! Prepaid Tuition Program portfolio managers. Mr. Rojas also reviewed the Asset Allocation, Status Updates, and Search Update sections as shown in the agenda book.

Item 9C. Approval of Changes to the Watch List (Action: Investment Committee)

Mr. Rojas reviewed the Approval of Changes to the Watch List. 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 9D. Compliance Review (Informational)

Mr. Rojas presented the Compliance Review as provided in the agenda book and noted that no issues or concerns were identified.

Commissioner Lopez left the meeting prior to the vote on agenda item 9E.

Item 9E. Asset Allocation Review (Action: Investment Committee, Commission)

Mr. Rojas reviewed in detail the Asset Allocation and Liability Study presentation prepared by the investment consultant, Callan, as well as the supporting memorandum on agenda item 9E of the agenda book.

Mr. Rojas reviewed the range of potential asset allocation mixes on page 9 of the Callan presentation and explained the basis for the recommended asset allocation under Potential New FY27 Policy Targets shown on Page 9E-5 of the agenda book. There was significant discussion about asset allocation modeling, the monetization of specific investments, and the recommendation to maintain the current portfolio asset allocation and rebalancing ranges unchanged.

Commissioner Amos **MOVED THAT** the Investment Committee recommend to the Commission to approve the asset mix as recommended by management and Callan that maintains the current portfolio asset allocation and rebalancing ranges. Commissioner Huber seconded the motion, which was unanimously approved by a vote of the Investment Committee.

Commissioner Bullock **MOVED THAT** the Commission approve the asset mix as recommended by management and Callan that maintains the current portfolio asset allocation and rebalancing ranges. Commissioner Dowling seconded the motion, which was unanimously approved by a vote of the Commission.

Item 9F. Investment Policy Review and Adoption (Action: Investment Committee, Commission)

Mr. Rojas reviewed the Statement of Investment Policy Revisions memorandum shown in agenda item 9F. He highlighted and explained the proposed language changes.

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

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

Item 10. Audit Committee

Item 10A. Approval of FY27 Internal Audit Plan (Action)

Mr. Desai provided an overview of the FY27 Internal Audit Plan. The Audit Committee recommended the Internal Audit Plan to the Commission for approval.

Commissioner Arrington **MOVED THAT** the Commission approve the proposed revisions to the Fiscal Year 2027 Internal Audit Plan as recommended by the Audit Committee. Commissioner Dowling seconded the motion, which was unanimously approved by a vote of the Commission.

Item 10B. Audit Committee Update

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

Item 11. Public Comment

No requests for public comment were made.

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

The meeting adjourned at approximately 3:34 p.m.

Respectfully submitted,
Lucienne Pardy