

**AGENDA ITEM 3.**

**EXECUTIVE DIRECTOR'S REPORT**

**ILLINOIS STUDENT ASSISTANCE COMMISSION  
EXECUTIVE DIRECTOR'S REPORT**

**Media Update**

Since our last ISAC Board meeting, our free media effort focused on the next phase of our credit union partnership, Illinois State Scholars 2009 and Green Government.

- In December, ISAC and eight credit unions signed the second phase of our \$100 million deal to make low-interest loans available to Illinois students. We thanked the Illinois Credit Union League in the statewide media and praised each of the credit unions individually with letters-to-the-editor of their local newspapers using an “It’s a Wonderful Life” holiday theme.
- To celebrate the 50<sup>th</sup> anniversary of the Illinois State Scholars program, we gave each of the 19,331 awardees a free subscription to Encyclopedia Britannica Online. We also listed each Scholar’s name and school on College Zone. We issued releases to ethnic media to salute Hispanic, African-American and Asian American winners, and thus far, more than 25 newspapers have carried the story.
- Our “Go Green Initiative” to reduce paper was so outstanding (we saved the equivalent of 44 miles of paper, or six trees), it earned ISAC an award by the Illinois Green Governments Coordinating Council in the category of innovative office operations. This recognition was touted to environmental media outlets nationwide.
- We offered this New Year’s Resolution to every Illinois family with a high school senior: submit your FAFSA! We also issued a statement paying homage to U.S. Sen. Claiborne Pell, who redefined college affordability. We issued press releases in Polish, Spanish and Korean (a first for ISAC) about a Financial Aid workshop conducted in all three of those languages. Finally, we reported the milestone of 2,000 transcripts having been sent electronically and urged every high school and college to enroll in the Illinois Transcript Exchange program.

**Marketing Update**

After a very aggressive opening to our 2008-2009 enrollment period, *College Illinois!* continues to press on the notion of affordability and security against the whims of the stock market in messaging through what is arguably the worst economic downturn of the program’s 11-year lifespan.

Currently (as of 1/16/09) sales are approximately 24% down over this time last year, with final December sales looking about 4.6 million dollars behind final December sales during enrollment 07-08.

One bright spot is that we know that the overwhelming majority of contract purchasers (90.6%) do so on the collegeillinois.com website. As of 1/20/09, we’ve logged 5,111,824 web hits this enrollment period, with more unique visitors (those who’ve never logged on previously) this year versus last. In fact, our total number of visitors is 1% higher this enrollment period versus last year at this time.

On the competition front, we may be in the running for a bit of a lift from some setbacks the state's 529 savings plan, Bright Start, has had recently. Not only have they greatly dialed back on their paid advertising in the last two months, they've also been forced to contend with the negative publicity surrounding some steep losses in certain participant accounts.

Late December and early January have been spent re-focusing our remaining marketing efforts toward more aggressive media purchases in our highest selling markets to support what we hope will be a pre-close-of-enrollment bump in contract sales. Additionally, plans for sales incentives and a direct mail piece focusing on the "from as low as \$35 a month," message are in the works for early February.

Discussions regarding a year-round strategy have been on-going with no definitive solution yet for the operational issues surrounding such a move. Still, plans for an extended open enrollment that will drive up our contract sales numbers, and possibly spread the peaks out over the course of a full year, continue in the works.

**ILLINOIS STUDENT ASSISTANCE COMMISSION**  
**FISCAL YEAR 2009 APPROPRIATION SUMMARY REPORT**  
**(July 1, 2008 - December 31, 2008)**

	FY2009 Appropriation	Year-to-date Expended	Number of Recipients	Percentage Expended
<b><u>STATE GENERAL FUNDS</u></b>				
<b>SCHOLARSHIPS AND GRANTS</b>				
Monetary Award Program	\$381,099,800	\$192,052,830	128,555	50.4%
Illinois Incentive for Access Grants	8,200,000	\$4,333,250	17,130	52.8%
Teacher Loan Forgiveness Program	500,000	\$404,611	93	80.9%
Minority Teacher Scholarships	3,100,000	\$1,217,730	393	39.3%
Illinois Future Teachers Corps Scholarships	4,100,000	\$1,769,188	333	43.2%
Student to Student Grants	950,000	\$36,251	0	3.8%
Dependents Grants	470,000	\$257,132	63	54.7%
National Guard Grants	4,480,000	\$1,853,615	540	41.4%
Illinois Veteran Grants	19,250,000	\$5,002,698	7,796	26.0%
Bonus Incentive Grants	325,000	\$324,060	367	99.7%
Nurse Educator Scholarships	1,350,000	\$1,311,509	75	97.1%
Nurse Educator Loan Repayment Program	1,000,000	\$85,000	17	8.5%
Veterans' Home Nurse Loan Repayment Program	1,220,000	\$7,500	3	0.6%
Illinois Scholars Program	3,160,000	\$3,160,000	N/A	100.0%
<b>TOTAL</b>	<b>\$429,204,800</b>	<b>\$211,815,374</b>	<b>155,365</b>	<b>49.4%</b>
<b><u>SPECIAL REVENUE FUNDS</u></b>				
<b>STUDENT LOAN OPERATING FUND</b>				
Administration Expense (see detail on next page)	61,275,800	16,396,406	N/A	26.8%
Federal Loan System Development & Maintenance	3,500,000	652,337	N/A	18.6%
Higher Education Shared Service Center Expense	2,128,100	960,691	N/A	45.1%
Default Fees	10,000,000	604,593	N/A	6.0%
<b>TOTAL</b>	<b>\$76,903,900</b>	<b>\$18,614,027</b>	<b>0</b>	<b>24.2%</b>
<b>FEDERAL STUDENT LOAN FUND</b>				
Loan Guarantee Program	260,000,000	89,026,120	N/A	34.2%
<b>TOTAL</b>	<b>\$260,000,000</b>	<b>\$89,026,120</b>	<b>N/A</b>	<b>34.2%</b>
<b>SCHOLARSHIPS AND GRANTS</b>				
Federal College Access Challenge Grant Program	5,000,000	0	N/A	0.0%
Federal LEAP/SLEAP - Monetary Award Program	4,200,000	0	N/A	0.0%
Transfer to ED -Paul Douglas Funds Collected	400,000	0	N/A	0.0%
Federal Robert C. Byrd Fellowships	3,000,000	1,730,000	1,032	57.7%
<b>TOTAL</b>	<b>\$12,600,000</b>	<b>\$1,730,000</b>	<b>\$1,032</b>	<b>13.7%</b>
<b>OTHER</b>				
ISAC Accounts Receivables	300,000	29,281	N/A	9.8%
Higher Education License Plate Program	70,000	53,075	N/A	75.8%
Optometric Education Scholarship Program	50,000	50,000	10	100.0%
IVG- National Guard Grant Fund	20,000	0	0	0.0%
Illinois Future Teachers Corps Scholarship Fund	60,000	0	0	0.0%
Contracts and Grants Fund	1,500,000	27,880	N/A	1.9%
<b>TOTAL, SPECIAL REVENUE FUNDS</b>	<b>\$351,503,900</b>	<b>\$109,530,383</b>	<b>10</b>	<b>31.2%</b>
<b>GRAND TOTAL</b>	<b>\$780,708,700</b>	<b>\$321,345,757</b>	<b>156,407</b>	<b>41.2%</b>

**ILLINOIS STUDENT ASSISTANCE COMMISSION**

**FISCAL YEAR 2009 APPROPRIATION REPORT**

**ADMINISTRATION**

**(July 1, 2008 - December 31, 2008)**

**STUDENT LOAN OPERATING FUND**

Line Item	FY2009 Appropriation	Year-to-date Expended	% Expended
Personal Services	\$15,512,900	\$7,661,510	49.4%
Retirement	2,760,700	1,612,749	58.4%
Social Security	1,186,800	552,506	46.6%
Group Insurance	4,343,700	1,971,104	45.4%
Contractual Services	12,471,800	3,166,782	25.4%
Contractual - Collection Agency Fees	21,334,400	1,060,318	5.0%
Travel	208,300	45,134	21.7%
Commodities	265,200	43,715	16.5%
Printing	724,200	24,811	3.4%
Equipment	535,000	48,408	9.0%
Telecommunications	1,894,900	191,745	10.1%
Operation of Auto Equipment	37,900	17,624	46.5%
<b>TOTAL</b>	<b>\$61,275,800</b>	<b>\$16,396,406</b>	<b>26.8%</b>

STATE OF ILLINOIS  
ILLINOIS STUDENT ASSISTANCE COMMISSION

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FEDERAL STUDENT LOAN FUND (FSLF)

FISCAL YEAR 2009

	FY TO DATE 30-Jun-08 FY 2008	YTD 31-Dec-07 FY 2008	YTD 31-Dec-08 FY 2009
<b>REVENUES</b>			
FEDERAL REINSURANCE	185,002,301	72,385,485	75,623,525
INTEREST AND OTHER INVESTMENT INCOME	1,726,677	965,374	726,972
DEFAULT FEE	12,537,534	6,388,444	2,621,678
COLLECTIONS NET OF PAYMENTS DUE TO ED	26,945,610	12,534,484	10,955,535
<b>TOTAL REVENUES</b>	<b>\$ 226,212,122</b>	<b>92,273,787</b>	<b>89,927,710</b>
<b>EXPENDITURES</b>			
LENDER REIMBURSEMENTS	192,772,135	73,789,397	79,149,578
DEFAULT AVERSION FEE	1,851,453	900,666	1,034,494
RETENTION	22,982,953	10,899,013	9,372,949
<b>TOTAL EXPENDITURES</b>	<b>\$ 217,606,541</b>	<b>85,589,076</b>	<b>89,557,021</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	<b>\$ 8,605,581</b>	<b>6,684,711</b>	<b>370,689</b>
FUND BALANCES AT BEGINNING OF PERIOD	47,961,291	47,961,291	56,566,872
NET INCOME	8,605,581	6,684,711	370,689
<b>FUND BALANCES AT END OF PERIOD</b>	<b>\$ 56,566,872</b>	<b>54,646,002</b>	<b>56,937,560</b>

STATE OF ILLINOIS  
ILLINOIS STUDENT ASSISTANCE COMMISSION

COMPARATIVE BALANCE SHEET

FEDERAL STUDENT LOAN FUND (FSLF)

FISCAL YEAR 2009

	FY TO DATE	YTD	YTD
	30-Jun-08	31-Dec-07	31-Dec-08
	FY 2008	FY 2008	FY 2009
<b>ASSETS</b>			
CASH AND CASH EQUIVALENTS	50,033,691	43,995,653	38,156,829
DUE FROM US DEPARTMENT OF EDUCATION - REINSURANCE	31,911,462	12,939,872	20,525,578
ACCRUED INTEREST ON INVESTMENTS	83,944	150,108	127,174
DUE FROM SLOF - OTHER PROGRAM EXPENDITURES	107,555	139,453	236,209
DEFAULT FEE RECEIVABLE	177,360	613,972	550,349
DEFERRED CHARGES - DEFAULT AVERSION CLAIM FEES	3,771,429	3,914,829	3,774,976
<b>TOTAL ASSETS</b>	<b>\$ 86,085,440</b>	<b>61,753,887</b>	<b>63,371,115</b>
<b>LIABILITIES</b>			
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	21,437,869	287	1,413
DUE TO US DEPARTMENT OF EDUCATION - COLLECTIONS	6,725,670	6,030,211	5,865,562
DUE TO SLOF - RETENTION INCOME AND DEFAULT AVERSION FEE	1,355,029	1,077,386	566,579
<b>TOTAL LIABILITIES</b>	<b>\$ 29,518,568</b>	<b>7,107,885</b>	<b>6,433,555</b>
<b>FUND BALANCES</b>			
BEGINNING FUND BALANCE	47,961,291	47,961,291	56,566,872
NET INCOME	8,605,581	6,684,711	370,688
<b>TOTAL FUND BALANCES</b>	<b>\$ 56,566,872</b>	<b>54,646,002</b>	<b>56,937,560</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 86,085,440</b>	<b>61,753,887</b>	<b>63,371,115</b>

STATE OF ILLINOIS  
ILLINOIS STUDENT ASSISTANCE COMMISSION

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS

STUDENT LOAN OPERATING FUND (SLOF)

FISCAL YEAR 2009

	FY TO DATE	YTD	YTD
	30-Jun-08	31-Dec-07	31-Dec-08
	FY 2008	FY 2008	FY 2009
<b>REVENUES</b>			
COLLECTIONS RETENTION	6,504,782	3,332,754	2,874,413
REPURCHASE / REHABILITATIONS/CONSOLIDATIONS RETENTION	16,478,171	7,566,259	6,498,535
DIRECT CONSOLIDATION FEE	2,513,997	1,276,282	1,975,268
LOAN PROCESSING & ISSUANCE FEES	4,862,382	2,197,630	647,478
ACCOUNT MAINTENANCE FEE	5,771,430	3,398,536	2,344,842
DEFAULT AVERSION FEE (DAF)	1,851,453	900,666	1,034,494
INTEREST AND OTHER INVESTMENT INCOME	867,767	557,327	229,613
OTHER REVENUE	366,309	223,096	1,675
<b>TOTAL REVENUES</b>	<b>\$ 39,216,291</b>	<b>19,452,550</b>	<b>15,606,320</b>
<b>EXPENDITURES</b>			
ADMINISTRATIVE	33,718,881	16,083,138	16,066,414
DEFAULT FEE	11,733,144	6,328,700	732,330
OTHER PROGRAM EXPENDITURES	61,425	48,241	11,558
<b>TOTAL EXPENDITURES</b>	<b>\$ 45,513,449</b>	<b>22,460,078</b>	<b>16,810,303</b>
<b>OPERATING INCOME (LOSS)</b>	<b>\$ (6,297,158)</b>	<b>(3,007,529)</b>	<b>(1,203,983)</b>
OPERATING TRANSFERS IN	2,500,000	2,500,000	2,000,000
OPERATING TRANSFERS (OUT)	(2,623,742)	(949)	(2,361)
<b>CHANGE IN NET ASSETS</b>	<b>\$ (6,420,899)</b>	<b>(508,478)</b>	<b>793,656</b>
NET ASSETS AT BEGINNING OF PERIOD	15,209,840	15,209,840	8,788,941
NET INCOME	(6,420,899)	(508,478)	793,656
<b>NET ASSETS AT END OF PERIOD</b>	<b>\$ 8,788,941</b>	<b>14,701,362</b>	<b>9,582,597</b>

STATE OF ILLINOIS  
ILLINOIS STUDENT ASSISTANCE COMMISSION

COMPARATIVE BALANCE SHEET

STUDENT LOAN OPERATING FUND (SLOF)

FISCAL YEAR 2009

	FY TO DATE	YTD	YTD
	30-Jun-08	31-Dec-07	31-Dec-08
	FY 2008	FY 2008	FY 2009
<b>ASSETS</b>			
CASH AND CASH EQUIVALENTS	13,326,544	19,554,244	13,503,005
LOAN PROCESSING AND ISSUANCE FEE RECEIVABLE	520,811	635,141	216,790
ACCOUNT MAINTENANCE FEE RECEIVABLE	1,190,347	1,182,547	-
ACCRUED INTEREST ON INVESTMENTS	30,393	84,053	39,382
DUE FROM FSLF - RETENTION INCOME AND DEFAULT AVERSION FEE	1,355,029	1,077,386	566,579
DUE FROM IDAPP - SHARED EXPENSES	-	-	2,094,053
DUE FROM IDAPP REHAB	-	-	500,000
FIXED ASSETS NET OF DEPRECIATION	135,715	221,437	135,715
<b>TOTAL ASSETS</b>	<b>\$ 16,558,839</b>	<b>22,754,808</b>	<b>17,055,524</b>
<b>LIABILITIES</b>			
ACCOUNTS PAYABLE	730,759	30,131	12,043
ACCRUED LIABILITIES	2,577,366	3,413,856	3,319,601
DEFAULT FEE PAYABLE	74,022	554,227	127,738
DUE TO FSLF - OTHER PROGRAM EXPENDITURES	107,555	139,453	236,209
DUE TO GENERAL REVENUE FUND	508,767	949	2,361
DAF DEFERRED REVENUE	3,771,429	3,914,829	3,774,976
<b>TOTAL LIABILITIES</b>	<b>\$ 7,769,898</b>	<b>8,053,446</b>	<b>7,472,927</b>
<b>NET ASSETS</b>			
BEGINNING NET ASSETS	15,209,840	15,209,840	8,788,941
YTD NET INCOME	(6,420,899)	(508,478)	793,656
<b>ENDING NET ASSETS</b>	<b>\$ 8,788,941</b>	<b>14,701,362</b>	<b>9,582,597</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 16,558,839</b>	<b>22,754,808</b>	<b>17,055,524</b>

STATE OF ILLINOIS  
ILLINOIS STUDENT ASSISTANCE COMMISSION

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS

COLLEGE ILLINOIS!

FISCAL YEAR 2009

	FISCAL YEAR ENDING JUNE 30, 2008 FY 2008	FISCAL YEAR TO DATE DECEMBER 31, 2007 FY 2008	FISCAL YEAR TO DATE DECEMBER 31, 2008 FY 2009
<b>REVENUES</b>			
INTEREST INCOME FROM TREASURY AND BANKS	354,487	183,397	56,904
GAIN (LOSS) FROM INVESTMENT SECURITIES	(78,490,552)	(6,844,098)	(185,973,439)
FEES	2,396,057	617,812	547,454
<b>TOTAL REVENUES</b>	<b>\$ (75,740,008)</b>	<b>(6,042,889)</b>	<b>(185,369,081)</b>
<b>EXPENDITURES</b>			
ADMINISTRATIVE	4,713,691	2,178,673	1,673,243
ACCRETION EXPENSE	65,872,407	32,377,468	33,675,813
INVESTMENT EXPENSE	2,972,342	1,484,814	1,221,410
<b>TOTAL EXPENDITURES</b>	<b>\$ 73,558,441</b>	<b>36,040,954</b>	<b>36,570,465</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$ (149,298,448)</b>	<b>(42,083,843)</b>	<b>(221,939,546)</b>
NET ASSETS AT BEGINNING OF PERIOD	36,321,452	36,321,452	(112,976,996)
NET INCOME	(149,298,448)	(42,083,843)	(221,939,546)
<b>NET ASSETS AT END OF PERIOD</b>	<b>\$ (112,976,996)</b>	<b>(5,762,391)</b>	<b>(334,916,543)</b>

STATE OF ILLINOIS  
ILLINOIS STUDENT ASSISTANCE COMMISSION

COMPARATIVE BALANCE SHEET

COLLEGE ILLINOIS!

FISCAL YEAR 2009

	AS OF JUNE 30, 2008 FY 2008	AS OF DECEMBER 31, 2007 FY 2008	AS OF DECEMBER 31, 2008 FY 2009
<b>ASSETS</b>			
CASH AND CASH EQUIVALENTS	5,997,576	5,441,735	5,435,546
INVESTMENTS	1,155,119,397	985,989,360	897,220,506
ACCRUED INTEREST - STATE TREASURER	31,281	11,353	2,190
<b>TOTAL ASSETS</b>	<b>\$ 1,161,148,253</b>	<b>991,442,449</b>	<b>902,658,242</b>
<b>LIABILITIES</b>			
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	943,326	830,402	711,789
TUITION PAYABLE	828,099,799	754,224,176	830,601,978
ACCRETION PAYABLE	274,305,635	242,150,262	305,683,992
SECURITIES LENDING COLLATERAL PAYABLE	170,776,490		100,577,025
<b>TOTAL LIABILITIES</b>	<b>\$ 1,274,125,250</b>	<b>997,204,840</b>	<b>1,237,574,784</b>
<b>NET ASSETS</b>			
BEGINNING NET ASSETS	36,321,452	36,321,452	(112,976,996)
YTD NET INCOME	(149,298,448)	(42,083,843)	(221,939,546)
<b>ENDING NET ASSETS</b>	<b>\$ (112,976,996)</b>	<b>(5,762,391)</b>	<b>(334,916,543)</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,161,148,253</b>	<b>991,442,449</b>	<b>902,658,242</b>

**ILLINOIS STUDENT ASSISTANCE COMMISSION  
COLLEGE ILLINOIS! TOTAL PROGRAM PERFORMANCE**

**December 2008 - FY 2009**

**APPROXIMATE INVESTMENT RETURN, 12/31/2008**

	Ending Market		Fiscal Year-to-	Since	Inception
	Value	Total Funding Level	Date	Inception <sup>3</sup>	Date <sup>4</sup>
<b>Total Program</b>	<b>\$802,079,026</b>	<b>\$880,326,385</b>	<b>-18.5%</b>	<b>1.5%</b>	<b>7/6/1999</b>
Policy Benchmark <sup>1</sup>			-18.3%	2.0%	
Actuarial Assumption <sup>2</sup>			3.5%	7.9%	
<b>Domestic Equity</b>	<b>\$314,939,406</b>	<b>\$413,532,331</b>	<b>-30.2%</b>	<b>-2.4%</b>	<b>7/6/1999</b>
RhumbLine Advisors	82,322,695	127,937,035	-32.5%	-32.5%	6/10/2008
<i>Russell 1000 Growth</i>			-32.3%	-32.3%	
Great Lakes	24,622,826	41,693,768	-33.2%	-39.2%	4/14/2008
<i>Russell 1000 Value</i>			-26.9%	-34.0%	
LSV Asset Management	25,402,229	15,702,824	-26.5%	-0.2%	2/13/2004
<i>Russell 1000 Value</i>			-26.9%	-1.6%	
SSgA S&P 500 Index Fund	105,121,649	130,000,000	-28.4%	-2.7%	7/6/1999
<i>S&amp;P 500 Index</i>			-28.5%	-2.7%	
RhumbLine Advisors	36,940,658	34,524,968	-	-	12/29/2008
<i>Russell 2000</i>			-26.9%	-	
RhumbLine Advisors	40,529,349	63,673,736	-21.4%	-21.7%	2/28/2007
<i>Russell 2000 Value</i>			-21.2%	-21.6%	
<b>International Equity</b>	<b>82,036,815</b>	<b>108,890,168</b>	<b>-35.9%</b>	<b>6.4%</b>	<b>10/1/2002</b>
LSV Asset Management International	43,929,003	70,064,167	-29.8%	-2.4%	11/4/2005
<i>MSCI EAFE (Gross Div)</i>			-36.3%	-5.4%	
State Street MSCI EAFE Index Fund	38,107,812	38,826,001	-	-	12/19/2008
<i>MSCI EAFE (Gross Div)</i>			-36.3%	-	
<b>Domestic Fixed Income</b>	<b>\$371,697,080</b>	<b>\$343,792,849</b>	<b>1.8%</b>	<b>5.9%</b>	<b>7/6/1999</b>
SSgA BarCap Aggregate Index	56,847,332	48,500,000	4.4%	4.7%	6/10/2005
<i>BarCap Aggregate Index</i>			4.1%	4.7%	
C.S. Mckee Investment Managers	73,283,003	67,217,462	4.2%	8.9%	7/27/2007
Pugh Capital Management	32,475,465	28,590,505	6.5%	9.7%	7/25/2007
<i>BarCap Aggregate Index</i>			4.1%	7.3%	
Piedmont Investment Advisors	29,986,651	29,249,852	1.0%	4.7%	8/2/2007
<i>BarCap Aggregate Index</i>			4.1%	6.8%	
Galliard Capital Management	76,705,196	72,470,434	0.2%	4.3%	11/1/2006
Income Research & Management	77,507,892	73,305,537	-1.9%	4.0%	11/1/2006
<i>BarCap Intermediate Gov't/Credit</i>			3.6%	6.0%	
TIPS	24,891,541	24,459,060	-	-6.7%	7/29/2008
<i>BarCap TIPS</i>			-6.9%	-6.4%	
<b>Private Equity</b>	<b>12,712,500</b>	<b>12,712,500</b>	<b>-</b>	<b>-</b>	<b>9/30/2008</b>
Shorebank	12,712,500	12,712,500	-	-	9/30/2008
<i>Wilshire 5000</i>			-29.6%	-22.9%	
<b>Interest and Dividends Account</b>	<b>1,400,276</b>	<b>1,398,536</b>	<b>-</b>	<b>0.1%</b>	<b>9/17/2008</b>
<i>T-Bills</i>			0.9%	0.2%	
<b>Cash Account</b>	<b>\$25,446,113</b>		<b>1.6%</b>	<b>3.8%</b>	
<i>T-Bills</i>			0.9%	3.4%	

**Securities Lending Income**

**\$132,148**

**Securities Lending Collateral Loss**

**(\$6,285,312)**

NOTE: Returns are preliminary and subject to revision pending the December 31, 2008 quarterly report.

The total funding level includes initial dollars funded and any monthly contributions as well as withdrawals.

1 The Policy Benchmark is 40% S&P 500 Index, 18% BarCap Aggregate, 16% BarCap Intermediate Government/Credit, 10% Russell 2000, 5% Russell 2000 Value, 10% MSCI EAFE, and 1% T-Bills.

Prior to January 2008, the Policy Benchmark was 45% S&P 500 Index, 18% LB Aggregate, 16% LB Intermediate Government/Credit, 10% Russell 2000, 5% Russell 2000 Value, 5% MSCI EAFE, and 1% T-Bills.

Prior to January 2006, the Policy Benchmark was 45% S&P 500 Index, 18% Lehman Aggregate, 15% LB Intermediate Government/Credit, 10% Russell 2000, 5% Russell 2000 Value, 5% MSCI EAFE, and 2% T-Bills.

Prior to April 2004, the Policy Benchmark was 45% S&P 500, 10% Russell 2000, 5% MSCI EAFE, 25% Lehman Aggregate, 13% Lehman Intermediate Government/Credit, and 2% T-Bills.

Prior to October 2002, the Policy Benchmark was 50% S&P 500, 10% Russell 2000, 38% Lehman Aggregate and 2% T-Bills.

Prior to October 2001, the Policy Benchmark was 50% S&P 500, 47% LB Aggregate, 3% T-Bills.

2 Actuarial assumption was revised to 8.5% effective 7/1/08. Prior to 7/1/08 actuarial assumption was 8.0%. Prior to 6/1/06 actuarial assumption was 7.75%. Prior to 7/01/02 actuarial assumption was 8.0%.

3 Annualized if over one year.

4 All returns are as of the beginning of the first full month of performance.

5 Market value includes cash balance in the US Bank securities lending account as well as the balances in the transition accounts.

**ILLINOIS STUDENT ASSISTANCE COMMISSION**

***COLLEGE ILLINOIS!***

**SOURCES AND USES REPORT**

**December 2008 - FY 2009**

**BEGINNING MARKET VALUE TOTAL FUNDS BALANCE, 07/01/08**

Cash at Custodians	\$5,997,576
ISAC-Securities Lending Income	\$764,547
Securities Lending Collateral Loss	(\$3,247,416)
SSgA S&P 500 Index Fund	146,887,668
LSV Asset Management - International	97,342,509
Denver Investment Advisors	45,504,548
Nicholas-Applegate Small Cap Core	48,658,981
Income Research & Management	81,122,381
LSV Asset Management	36,189,939
SSgA Passive LB Aggregate Index Fund	54,472,113
Galliard Capital	80,793,114
RhumbLine Advisors	52,696,606
Pugh Capital Management	30,938,032
C.S. McKee Investment Manager	76,402,793
Piedmont Advisors	30,960,141
Great Lakes Advisors	39,391,965
Earnest Partners LLC	39,331,329
RhumbLine Advisors Large Cap Growth	126,133,656

**TOTAL BEGINNING BALANCE** **\$990,340,482**

**SOURCES OF FUNDS**

Contributions received	\$30,418,202
Application and other fees	547,454
Interest from Treasury and Banks	104,646

**TOTAL SOURCES** **\$31,070,303**

**USES OF FUNDS**

Administrative Expenses	\$1,853,843
Unrealized Loss on Investment	155,946,360
Realized Loss on Investments	27,007,835
Securities Lending Collateral Loss	3,037,896
Refunds to Purchasers	3,956,695
Tuition Payments	26,256,644
Investment Expense	1,272,486

**TOTAL USES** **\$219,331,759**

**ENDING MARKET VALUE TOTAL FUNDS BALANCE, 12/31/08**

Cash at Custodians	\$5,435,546	
Securities Lending Income	132,148	
Securities Lending Collateral Loss	(6,285,312)	
SSgA S&P 500 Index Fund	105,121,649	
LSV Asset Management - International	43,929,003	
SSgA MSCI EAFE	38,107,812	
LSV Asset Management	25,402,229	
SSgA Passive LB Aggregate Index Fund	56,847,332	
ISAC-TIPS	24,891,541	
Income Research & Management	77,507,892	
Galliard Capital	76,705,196	
RhumbLine Advisors	40,529,349	
C.S. Mckee Investment Managers	73,283,003	
Pugh Capital Management	32,475,465	
Piedmont Investment Advisors	29,986,651	
Great Lakes Advisors	24,622,826	
RhumbLine Advisors Small Cap Russell 2000	36,940,658	
RhumbLine Advisors Large Cap Growth	82,322,695	
Interest and Dividends Account	1,400,276	
Shorebank Corp	12,712,500	
Transition Account I	336	
Transition Account II	20,010,231	
<b>TOTAL ENDING BALANCE</b>	<b>802,079,026</b>	<b>\$802,079,026</b>

**NUMBER AND DOLLAR VALUE OF PLANS, 12/31/2008**

## Number of Plans:

Plans Paid in Full	41,448
Active Plans	14,079
Cancelled Plans	7,486
Suspended Plans	13

Total Number of Plans 63,026

Purchased Value of all Plans \$1,360,513,064

Active Plan : Plan which has been approved and contract payments are being made.

Cancelled Plan : Plan that has been terminated either at the request of the purchaser or involuntarily due to delinquency, fraud, etc.

Suspended Plan : Plan with an incomplete application or other outstanding omissions; a plan with this status is inactive.

**ILLINOIS STUDENT ASSISTANCE COMMISSION  
ILLINOIS DESIGNATED ACCOUNT PURCHASE PROGRAM  
November 30, 2008**

<u>Disbursements:</u>	<u>CURRENT</u>	<u>PREV.</u>	<u>FY TO DATE</u>	<u>CUMULATIVE</u>
	<u>MONTH</u>	<u>MONTH</u>		
<i>Student Loan Originations &amp; Purchases</i>				
Average Borrower Indebtedness	\$ 12,734	\$ 10,460	\$ 14,198	\$ 6,063
Number of Borrowers	222	537	3,431	1,514,200
Total Originations & Purchases	\$ 2,826,986	\$ 5,617,205	\$ 48,712,864	\$ 9,180,277,589
<i>Operating Expenses</i>	\$ 1,189,462	\$ 873,668	\$ 6,376,484	\$ 501,603,494
<u>Collections:</u>				
Principal - Student	\$ 6,586,696	\$ 8,294,097	\$ 37,844,360	\$ 4,523,545,086
Interest - Student	\$ 1,974,033	\$ 2,373,705	\$ 11,235,692	\$ 755,390,698
Principal - Guarantor	\$ 1,449,255	\$ 1,906,886	\$ 8,745,530	\$ 946,966,634
Interest - Guarantor	\$ 80,137	\$ 104,516	\$ 493,207	\$ 60,665,544
Federal Interest Benefits	\$ 347,956	\$ 347,956	\$ 3,167,984	\$ 287,918,801
Special Allowance (Excess Interest)	\$ (300,334)	\$ (300,334)	\$ (1,347,043)	\$ 241,360,171
<u>Summary:</u>				
Total Principal	\$ 8,035,952	\$ 10,200,983	\$ 46,589,891	\$ 5,470,511,719
Total Interest	\$ 2,402,126	\$ 2,826,177	\$ 14,896,883	\$ 1,103,975,043
Total Special Allowance	\$ (300,334)	\$ (300,334)	\$ (1,347,043)	\$ 241,360,171
 <b>TOTAL COLLECTIONS</b>	 <u>\$ 10,137,744</u>	 <u>\$ 12,726,827</u>	 <u>\$ 60,139,731</u>	 <u>\$ 6,815,846,933</u>