

MINUTES OF A MEETING
OF THE
ILLINOIS STUDENT ASSISTANCE COMMISSION

January 27, 2006

DePaul University
DePaul Center - Room 8002
1 E. Jackson Boulevard
Chicago, Illinois

COMMISSIONERS PRESENT:

Donald J. McNeil, Chair
Sharon Alpi
Warren Daniels, Jr.
Andrew Davis
Ashley Dearborn
Hugh Van Voorst
David Vaught

**COMMISSIONERS PRESENT
VIA TELEPHONE:**

Dr. Mary Ann Louderback

COMMISSIONERS ABSENT:

Dr. Lynda Andre
Robert Casey

STAFF PRESENT:

Larry E. Matejka, Executive Director
Tom Breyer, Director, IDAPP
Marcia Thompson, Chief Operating & Administrative Officer
Randy Erford, *College Illinois!*
Sue Kleemann, RPPA
Theresa Morgan, Chief Financial Officer
Sam Nelson, Public Services
Chris Peterson, Chief Program Officer
Lori Reimers, State Relations
Karen Salas, General Counsel
Joanne Tolbert, Human Resources & Development
William Coleman, Business & Financial Services
Tom Hood, IDAPP
Rhonda Jachino, P-16 Education Liaison
Robert McCarthy, IDAPP
Jacqui McMahan, Public Service
Shoba Nandhan, Comptroller
Kris Smith, RPPA
Nancy Stephens, *College Illinois!*
Scott Taylor, Budget & Finance
Barbara Newman, Budget & Finance
Debora Calcara, Commission Secretary

PUBLIC ATTENDANCE:

Meegan Bassett, Women Employed
Deb Brody, Robert Morris College
Raquel Brown, Roosevelt University
William Bushaw, Western Illinois University
Sandie Gilbert, Highland Park High School and IACAC
Patrick James, School of the Art Institute, Chicago
John Jenetten, Finan-Sure Student Loans
Rick Kaye, Richard M. Kaye & Associates
Brett Lief, NCHELP
Paul McCarthy, Prairie State College
Amy Monblatt, UBS PaineWebber
Tom Sakos, Finan-Sure Student Loans
Vicki Shipley, Finan-Sure Student Loans
Donna Sobie, Loyola University, Chicago and ILASFAA, Inc.
Joseph Starshak, Starshak, Welnhofer & Company

Chairman McNeil brought the January 27, 2006 meeting to order at 9:20 a.m. noting that a quorum was present. He then announced that staff would be conducting a workshop for members of the Commission. The regularly scheduled meeting would begin immediately following the workshop.

Agenda Item 1. Announcements

Chairman McNeil began the regularly scheduled meeting at 4:20 p.m. requesting that a roll call be taken, which established that a quorum was present. On behalf of the members of the Commission he thanked staff for the informative presentations given at the workshop.

Chairman McNeil noted that members of the Commission had received a copy of the tentative meeting dates and locations for 2006.

Mr. Vaught **MOVED THAT** the Commission adopt the proposed list of Commission meeting dates and locations for calendar year 2006. Ms. Alpi seconded the motion, which was approved unanimously. The proposed list approved by the Commission included the following dates and locations:

| | |
|----------------------------|-----------------------------------|
| Friday, April 28, 2006 | Parkland College, Champaign |
| Friday, June 23, 2006 | TBA |
| Friday, July 28, 2006 | ISAC Office, Deerfield |
| Friday, September 22, 2006 | Lake Forest College, Lake Forest |
| Friday, November 17, 2006 | Northwestern University, Evanston |

He indicated that unless otherwise notified, the next meeting of the Commission will be on April 28, 2006 at Parkland College in Champaign.

Item 2. Minutes of the November 28, 2005 Meeting

Dr. Louderback requested that the minutes be corrected as follows:

Page 2-2 Dr. Louderback is President of the McHenry County Board.

Chairman McNeil also requested the minutes be corrected as follows:

Page 2-2 Donald McNeil was head of the Wage Claims Division of the Illinois Department of Labor.

Dr. Louderback **MOVED THAT** the minutes be approved as amended. Ms. Dearborn seconded the motion, which was approved unanimously.

Item 3. Executive Director's Report

Mr. Matejka noted that the current financials are available in the agenda book and Theresa Morgan, CFO, is available should there be any questions.

Chairman McNeil stated that a Resolution has been prepared honoring the former members of the Commission. He asked that the complete Resolution be included in the minutes.

Mr. Van Voorst **MOVED THAT** the Commission approve the following resolution:

WHEREAS Mr. J. Robert Barr served as Chairman of the Illinois Student Assistance Commission from July, 1985 through October, 2005, serving concurrently as a member of the Illinois Board of Higher Education, being a partner in the law firm of Sidley Austin Brown & Wood in Chicago, Illinois, and formerly serving as Illinois State Representative and a member of the Illinois Board of Regents, the Taxpayers' Federation of Illinois, the Evanston Historical Society, the Steppenwolf Theatre Company, and Grinnell College in Grinnell, Iowa; and

WHEREAS Ms. Pauline Betts served as a member of the Illinois Student Assistance Commission from May, 1999 through November, 2005, representing public high schools, given her experience as a Counselor and Dean of Guidance at Springfield High School for thirty years; and

WHEREAS Mr. Christopher Kurczaba served as a member of the Illinois Student Assistance Commission from June, 1999 through November, 2005, while being a partner in the law firm of Horn, Whitcup & Kurczaba in Chicago, Illinois, and serving as President of the Polish National Alliance Lodge 127 and President of the Polish American Congress, Illinois Division; and

WHEREAS Mr. C. Richard Neumiller served as a member of the Illinois Student Assistance Commission from July, 1993 through November, 2005 after working with Central Illinois Light Company (CILCO) for twenty-nine years and serving as CILCO's Director of Legislative and Public Affairs and also formerly serving as mayor of Peoria, Illinois and a member of the Peoria City Council; and

WHEREAS Ms. Gretchen A. Winter served as a member of the Illinois Student Assistance Commission from April, 1998 through October, 2005, while serving as Vice President and Counsel, Business Practices for Baxter International and as Vice-Chair of the Ethics Officer Association Board of Directors, and formerly serving on ethics committees for the American Bar Association and DePaul University, as member and chair of the Western Illinois University Board of Trustees, as student member of the University of Illinois Board of Trustees, and as student member of the Illinois Student Assistance Commission; and

WHEREAS Mr. Barr, Ms. Betts, Mr. Kurczaba, Mr. Neumiller, and Ms. Winter consistently and strongly advocated for the support of student aid programs, especially need-based aid, on behalf of the diverse population of Illinois students; therefore

BE IT RESOLVED that the Commission members and staff recognize and honor each of these former commissioners for their service to the families and students of Illinois through their unwavering commitment to the Illinois Student Assistance Commission.

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

Item 4. FY 2007 Monetary Award Program (MAP) Start-Up

Mr. Matejka indicated that the current formula used to award MAP this year is being modified slightly in the recommended formula for FY 2007. He said staff is assuming base level funding, which has been a consistent pattern over the years. In the event that more money is appropriated for the MAP, staff will revisit the formula during recomputed in July.

Mr. Vaught stressed his opposition to communicating to schools and students a formula that is very conservative. He believes the Commission should communicate a formula that is realistic and optimistic considering the economy is improving and the Governor wants to do more to help students.

Chairman McNeil stated that he has been in communication with the Governor's office and does not anticipate a significant increase in the FY 2007 state budget. He agreed that the Commission is an advocate for increasing the funding for MAP, which is significantly under funded and causes hardship to students. The Chairman feels the Commission should be more realistic and approve a start-up formula that is not overly conservative. He further stated that it should not be aggressive, optimistic or pessimistic, but simply a starting point for formulating awards.

Mr. Daniels understands Mr. Vaught's position, but feels the Commission should lean towards a more conservative formula as a starting point and revisit the formula during recompute in the event more funds are appropriated for the program.

Speaking from a student's point of view, Ms. Dearborn stated that it is much better to tell a student that they will have less money now than say they are getting more and have it taken away should the funding not be appropriated.

Mr. Vaught believes that the Governor and the Legislature are going to provide more funding for the program and feels the Governor indicated that in his state-of-the-state speech and also during the Governor's recent visit to Loyola University. He feels students need to know they will have the money to make the decision to go to school. He feels that communicating that the situation is improving is realistic.

Each member of the Commission was given comments provided by Ms. Meeghan Bassett of Women Employed. Chairman McNeil asked that the comments be incorporated into the minutes of the meeting due to the fact that Ms. Bassett was unavailable at the time she was recognized.

"Women Employed is a 32-year-old organization with one passion: to make life better for working women. We believe that all women deserve full and fair economic opportunities. That means better career options and higher pay and more opportunities for training and education. A large part of that work is our Campaign to Increase Access to Education and that is why I am speaking to you today. We know that ISAC is committed to making college affordable for students, and we are committed to representing the needs of the neediest adult students. Today, I would like to speak to you about how the FY07 Monetary Award Program Start-Up formula may best meet the needs of the lowest EFC adult students.

"As Agenda Item 4, page 3 states, need-based financial aid has not kept up with tuition and fee costs, which have risen by nearly 48%, greatly outstripping increases in family incomes. No one feels this more than low-income, low skill independent students who will continue to be trapped in jobs that cannot support their families, unless they can increase their skill levels through education and training. Many of these students are one crisis away from having to drop out of college, and they depend on the funding they receive from MAP to keep them in school. Therefore, we would like to support ISAC's recommendation to use the FY2006 recompute formula as the FY2007 start-up formula with one change: we recommend that ISAC again implement a tiered reduction for students with an Expected Family Contribution below \$3,000, as it did in FY2005, to ease the educational burden for these more needy students.

"In the case that additional funds become available for the MAP grants, we would request that ISAC conduct an analysis of start-up formula impact by EFC level and dependency similar to the analysis ISAC did for FY2006; Women Employed would be glad to communicate our request in writing prior to ISAC's recomputed meeting. Since we know that community college generally serve the lowest income students, in the absence of such an analysis, we would favor applying additional funds to tuition and fee catch-up and extending award announcements till the end of the year.

“I also wanted to bring to the Commission’s attention the Silas Purnell Illinois Incentive For Access Grant. In 2003, the legislature passed an increase for the grant that has never been funded. IIA began in 1997 in order to encourage students who might not otherwise enroll in college by providing support for non-tuition expenses not supported by MAP such as books and transportation. In 2001, two-thirds of IIA recipients were living in poverty. Recipients are predominantly women and minorities. IIA is the only financial aid program specifically targeted at Illinois’ poorest residents. Although this year continues to be a difficult fiscal climate, we would urge that if new funds become available, at least some of the funding be considered to begin implementing the legislative intent to support the non-tuition needs of Illinois’ lowest income students.”

Chairman McNeil asked for a motion to approve the formula summarized in Table 4 on page 4-6 of the agenda book as the FY 2007 MAP start-up formula.

Mr. Daniels **MOVED THAT** the formula be approved. Mr. Van Voorst seconded the motion. Chairman McNeil requested the Commission Secretary take a roll call vote.

Ms. Alpi, yea

Mr. Davis, yea

Mr. Daniels, yea

Ms. Dearborn, yea

Ms. Louderback, yea

Mr. Van Voorst, yea

Mr. Vaught, nay, He feels the Commission should be more optimistic in the formula, which will communicate that the economy is getting better.

Chairman McNeil, yea

Motion was approved.

Item 5. Fiscal Year 2005 *College Illinois!* Annual Report

Mr. Erford introduced the agenda item by indicating that State Statute requires that the Commission prepare the annual report for release by March 1 and that is the reason why the Commission typically receives the annual report at its January meeting.

Responding to Mr. Vaught, Mr. Erford indicated that in accordance with State Statute, the Illinois Board of Higher Education, State Comptroller, State Treasurer, and the Governor’s Office of Management and Budget each recommends to the Commission a member of the *College Illinois!* Investment Advisory Panel. He stated that these recommendations are brought before the Commission for approval of a three-year term. In addition, the Commission itself appoints three members to the Panel. He indicated that if any member of the Commission would like to recommend someone as a member of the Investment Advisory Panel they should make their recommendation to the Chairman or the Executive Director.

Item 6. Proposed Rules Amendments

Chairman McNeil opened the item by noting that the rules will be published in the Illinois Register, which will begin a 45-day public comment period.

Mr. Daniels took the opportunity to thank staff for the presentation given to the Commission today, which helped all members of the Commission to better understand and gain an appreciation for the work of the Commission.

Mr. Daniels **MOVED THAT** the meeting be adjourned. Dr. Louderback seconded the motion, which was approved unanimously. The meeting concluded at 5:05 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Debora A. Calcara".

Debora A. Calcara
Secretary to the Commission