

**MINUTES OF A MEETING OF THE
ILLINOIS STUDENT ASSISTANCE COMMISSION
February 2, 2004
1755 Lake Cook Road
Deerfield, Illinois**

COMMISSIONERS PRESENT: J. Robert Barr, Chairman
Pauline Betts
C. Richard Neumiller
Hugh Van Voorst

**COMMISSIONERS PRESENT
VIA TELEPHONE:** Robert Casey
Christopher Kurczaba
Mary Ann Louderback
Gretchen Winter

COMMISSIONERS ABSENT: George Lesica

STAFF PRESENT: Larry E. Matejka, Executive Director
John Jennetten, Chief Program Officer
Tom Sakos, IDAPP
Tom Breyer, Deputy Program Officer
Nancy Stephens, *College Illinois!*
Chris Peterson, Program Services
Susan Kleemann, RPPA
Kris Smith, RPPA
Lori Reimers, State Relations
Mark Holysz, Client Relations
Sam Nelson, Client Relations
Karen Salas, General Counsel
Debora Calcara, Commission Secretary

PUBLIC ATTENDANCE: Cynthia Armster, City Colleges of Chicago
Deborah Brodzinski, Robert Morris College
Jane Brumitt, School of the Art Institute
Jerry Cebrzynski, Lake Forest College
Gary Davis, ICCTA
Janeen Decharinte, Lewis University
Kathy Edmunds, North Central College
Kathy Facenda, DeVry University
Paul Frank, FIICU
Patrick James, School of the Art Institute
Sue Kwan, Northwestern University
Abby Lentner, University of Chicago
Carolyn Lindley, Northwestern University
Jennifer McClure, DeVry University
Mary Shaw, University of St. Francis
Judith Thompson, Oakton Community College
Cheryl Warmann, Oakton Community College
Jerry Weber, Kankakee Community College

Agenda Item 1. Announcements

Chairman Barr called the special February 2, 2004 meeting of the Illinois Student Assistance Commission to order at 10:00 a.m. A roll call was taken for purposes of establishing a quorum. It was acknowledged that Commissioners present at the Deerfield site included the Chairman, Ms. Betts, Mr. Neumiller, and Mr. Van Voorst. Those participating via teleconference included Mr. Casey and Ms. Winter. It was noted that a quorum existed.

Chairman Barr apologized for the necessity of the special meeting but emphasized the importance of adopting a MAP start-up formula for fiscal year 2005. Continuing, he observed that the next regularly scheduled meeting of the Commission is due to be held on Friday, April 2, 2004 at Springfield College in Illinois. Due to the short notice given to the public in connection with this special meeting, the Chairman announced his intention to waive the rules requiring advance notice to the Commission by those who wished to present testimony. He asked that anyone who wished to address the Commission today let the secretary know right away. In concluding his introductory remarks, he noted that Mr. Paul Frank, representing the Federation of Independent Illinois Colleges and Universities (FIICU), had requested to address the Commission, and would be recognized during the discussion regarding the FY2005 MAP start-up formula.

Agenda Item 2. Minutes of the January 16, 2004 Meeting

Ms. Winter **MOVED THAT** the minutes of the January 16, 2004 Commission meeting be approved as submitted. Ms. Betts seconded the motion, which was approved without dissent.

Agenda Item 3. IDAPP Demand Note/Liquidity Facilities

It was noted that no action was required on this item.

Agenda Item 4. FY2005 MAP Start-Up

It was observed that Mr. Kurczaba and Ms. Louderback had joined the meeting via telephone.

Chairman Barr introduced the MAP start-up item by acknowledging that while the start-up formula to be adopted at this meeting is essentially only tentative, the Commission needs to take action in order to provide students with some understanding of what they can count on next year in terms of need-based gift aid. It was noted that final action on the formula would not be taken until summer, after both the General Assembly and Governor had taken action on the FY2005 budget.

Referring to the FY2005 Commission budget, the Chairman explained that he and senior members of the staff had been involved in high-level discussions with the Governor's Office of Management and Budget and the Illinois Board of Higher Education (IBHE). Continuing, he noted that a proposed budget for the Commission and the rest of higher education would be on the IBHE agenda at their meeting tomorrow. He expressed satisfaction with the discussions that have occurred with the Governor's office, observing that they had given ISAC staff the opportunity to explain the MAP program and the Commission's priorities.

For FY2005, the Chairman explained, the FY2005 budget recommendations to be presented to IBHE provided for level funding for MAP. With this in mind, he noted, staff has worked diligently to present the Commission with a formula which results in awards being given to more students, with some of those students enjoying increased awards. He commented on the degree to which the formula recommended by staff is consistent with the adopted recommendations of the Affordability Commission.

At the request of the Chairman, Mr. Matejka commented on the item, reminding the Commission that one of its priorities has been to reduce or eliminate the reduction factor in the MAP formula. He observed that this has been a priority of the ILASFAA Formula Committee as well. Continuing, he noted that while the start-up formula recommended by staff in this item does not eliminate the 10 percent reduction factor, it does reduce it to 7 percent. It was noted that all meetings and conversations that have occurred to date in connection with this topic suggest that both the Governor's Office and the General Assembly will be able to support the proposed FY2005 MAP start-up formula. With regard to the specifics of the formula recommended, he emphasized the fact that the EFC cut-off was being eliminated in favor of a tuition equalization factor aimed at ensuring that available dollars were directed to the neediest of students.

Ms. Louderback **MOVED THAT** the Commission approve the formula summarized in Table 3 as the FY2005 MAP start-up formula. Mr. Neumiller seconded the motion.

Chairman Barr then recognized Mr. Paul Frank who was representing the Federation of Independent Illinois Colleges and Universities (FIICU).

Mr. Frank commended Mr. Matejka and his staff for continuing to fight for Illinois' students, particularly in light of the State's fiscal problems and the challenges that came along with those problems. He indicated that the leadership in financial aid offices of Illinois private institutions does not necessarily believe in the effectiveness or fairness of the start-up formula recommended by ISAC staff.

Continuing, he observed that many within his organization "do not believe that this MAP formula will achieve its desired effects of helping our State's neediest students. What is most disturbing is the dramatic policy reversal of the MAP program, away from its historical balance, fairness, and even-handedness in distributing awards to needy students at all institutions, to one that penalizes students at higher cost institutions. The policy implication of this shift away from a doctrine of equity is much larger and more serious than just a one year adjustment. MAP must not be a program that discriminates based on geography, station in life or field of study. Yet, by punishing students at higher-cost institutions, we are sending a message of inequality and one that hurts students and their ability to choose the best educational options available to them. This major policy reversal is bad for the entire higher education system and it is one that will hurt Illinois students this year and in the future."

Chairman Barr thanked Mr. Frank for his comments. In addition to the statement by Mr. Frank, the Chairman also acknowledged receipt of letters from Teresa Jackson, Director of Financial Aid at Knox College, and from Sharon Thomas Parrott and Thomas Babel of DeVry University expressing concerns about the proposed formula changes.

Mr. Neumiller voiced his concern regarding some of the varying interpretations being given to the term "choice." That said, he complimented staff on its work, acknowledging how much time and effort they had devoted to dealing with a very difficult issue in a year in which fiscal constraints necessitated tough decisions. He expressed his support for the staff recommendation, adding only that he feels that in the future, the Commission needs to remain mindful of the concerns articulated by FIICU and other clients.

Chairman Barr then requested the secretary to call the roll on the motion that had been presented. A roll call vote was then taken, and seven of the Commission members present voted affirmatively. Mr. Kurczaba was unavailable during the roll call vote. Chairman Barr noted that the motion carried and the formula was adopted. He echoed the concerns articulated by Mr. Neumiller and then deferred to Mr. Matejka, who provided a brief overview of the FY2005 budget recommendations to be considered by IBHE the following day. In concluding his remarks, Mr. Matejka thanked Mr. Frank and expressed his

appreciation for the feedback that various institutions had provided on the FY2005 MAP start-up formula proposed by staff.

Mr. Neumiller **MOVED THAT** the February 2, 2004 meeting of the Commission be adjourned. Ms. Betts seconded the motion, which was approved unanimously. The meeting adjourned at 10:37 a.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Debora A. Calcara".

Debora A. Calcara
Secretary to the Commission