

AGENDA ITEM 3.

EXECUTIVE DIRECTOR'S REPORT

EXECUTIVE DIRECTOR'S REPORT

Legislative Update

The original scheduled adjournment date for the 2006 Spring Session of the Illinois General Assembly has been extended by one month, from April 7, 2006, to a tentative date of May 7, 2006.

Governor Rod R. Blagojevich presented his Fiscal Year 2007 budget to the Illinois General Assembly on February 15, 2006. Most scholarship and grant programs administered by the Illinois Student Assistance Commission (ISAC) are funded at the current (FY2006) levels in the Governor's FY2007 budget, with the exception of three programs. The Governor has proposed a \$7.6 million increase in the State General Revenue Fund appropriation for the Monetary Award Program (MAP), bringing the total state funding for MAP to \$354.0 million. The Governor also includes a \$1.0 million funding increase for the Silas Purnell Illinois Incentive for Access (IIA) grant program, allowing ISAC's processing of IIA applications to correspond to MAP application processing. Finally, a \$120,000 increase in the Grants for Dependents of Fire, Police, and Correctional Officers will help offset higher tuition and fee costs for eligible students.

Additionally, Governor Blagojevich included funding for two new programs within ISAC's FY07 budget. For academic year 2006-2007, the Governor requests \$1.35 million for a new Nurse Educator Assistance program, to be administered by ISAC, that will provide scholarships to students pursuing graduate degrees in nursing education, with the goal of encouraging nurses to become faculty and thereby help to address the current and projected future nursing shortage in Illinois. The Governor also has proposed that a new Nurse Educator Loan Repayment program to be administered by ISAC, be created and funded beginning in Fiscal Year 2008.

The second new program funded in the Governor's FY2007 state budget would provide scholarships to students pursuing degrees in forensic science who agree to work in the Illinois state police forensic laboratories after graduation. This partnership with the Illinois State Police is designated to promote training and retention of forensic scientists and improve the long-term accuracy, timeliness, and efficiency of DNA analysis activities. An appropriation of \$500,000 in State General Revenue funds is proposed for this program in FY2007.

As announced in the State of the State Address, Governor Blagojevich continues to advocate for a new college tuition tax credit that would provide up to \$1,000 in credit towards Illinois income tax for qualifying families with students who earn at least a B grade average. The estimated cost of this proposal is \$90 million. There is a possibility that some of this proposed funding could be redirected by the General Assembly and Governor to enhance the FY2007 appropriation for MAP.

There is very little substantive legislation approved, or still under consideration, by the state legislature during this second year of the 94th General Assembly. As always, a complete update on bills affecting ISAC will be provided to the Commission at the close of the Spring 2006 legislative session.

FY2007 MAP/IIA Status

As of a U.S. Department of Education application-received date of April 14, 2006, the number of *announced* applications, or completed applications from Illinois residents who plan to attend an institution participating in the Monetary Award Program (MAP), totaled 150,737 compared to 138,575 last year, for an increase of 8.8 percent. The number of applicants determined *eligible* for MAP totaled 92,837 up from 84,095 for a 10.4 percent increase.

Application volume for the Silas Purnell Illinois Incentive for Access (IIA) Program totaled 12,810, an increase of 7.1 percent over the same point in FY2006. To be eligible for IIA, applicants must be in their freshman year and have limited family resources to pay for college. Due to level funding, only applicants with a zero Expected Family Contribution are being considered for IIA.

FY2006 MAP/IIA Status

As of April 14, 146,678 students have been paid \$337.6 million, or 96.8 percent of the FY2006 appropriation. The Commission suspended award announcements for applications received on or after September 1, 2005. Currently, 26,376 eligible applications are in suspension status. Since the appropriation appears to be fully obligated, staff does not plan to release any applicants from suspension status.

To be eligible for IIA, applicants must be in their freshman year and have limited family resources to pay for college. Due to level funding, only applicants with a zero Expected Family Contribution are being considered for IIA and suspension of award announcements occurred on August 2, 2005. To date, 17,936 students have claimed \$7.0 million, or 97.2 percent of the FY2006 appropriation. Staff continues to monitor both MAP and IIA expenditures.

College Access Initiative

Recent legislation passed at the federal level formalizes the role of guaranty agencies in promoting access to postsecondary education and requires that they provide information to the U.S. Department of Education for the development of a comprehensive listing of the postsecondary education opportunities, programs, publications and other services available in their designated states. Entitled the College Access Initiative, it requires guaranty agencies to undertake activities to promote access to postsecondary education for students by providing information on college planning, career planning and paying for college, and to coordinate with other entities committed to similar goals.

To demonstrate the range of early awareness and outreach services and programs currently being offered by guaranty agencies, the National Council of Higher Education Loan Programs (NCHELP) is coordinating this effort and working with the Department of Education. NCHELP asked each agency to submit a short overview of their access efforts. ISAC staff were pleased and proud to provide an overview of the many early awareness and outreach services and programs that are offered to the citizens of Illinois. The following overview is being used by NCHELP in their discussions with the Department of Education.

Illinois Student Assistance Commission (ISAC)



Since its creation in 1957, ISAC's mission has been to benefit society by enabling individuals to develop to their fullest potential through access to quality education. ISAC's priority continues to be making postsecondary education accessible for the students and families of Illinois. ISAC has evolved into a comprehensive one-stop financial aid center. In Illinois, we administer most of the key state and federal grant, scholarship, loan, and prepaid tuition programs available to postsecondary students, annually awarding in excess of \$1 billion to over 250,000 qualified applicants.

1) Listing of Programs and Services:

a. What types of materials on career planning, college planning and financial aid information do you provide and how are they distributed?

Our comprehensive college and career planning web site, collegezone.com, provides services and information about exploring careers, planning, finding, applying, and paying for college. At the core of the web site is a portal-based "zone" approach. Students, Parents, Counselors, Financial Aid Administrators, and Lenders each have a separate "zone" within the site designed to provide the most relevant and up-to-date information about the college admission and financial aid process for each different audience. Detailed information about the different types of financial aid available, online applications, college aid calculators, a subscription email update and reminder service, the ability to download or order publications, and many more tools are available at collegezone.com. Additionally, collegezone.com also houses ISAC's free, interactive, career exploration and college application suite, IllinoisMentor.

The agency produces a variety of informational publications promoting college readiness. Our most popular brochures include: a college selection and financial aid checklist which outlines what students need to do, as early as the freshman year in high school, to prepare for college; an overview of state and federal financial aid programs; a brochure just for non-traditional and returning adult students; and a bookmark, poster and report card stuffer promoting collegezone.com and the toll-free call centers. All publications are available to order or download at collegezone.com, and are distributed at high schools, colleges, community-based organizations, college fairs, and professional events and conferences. In 2005, nearly 850,000 brochures were distributed.

b. What programs and events do you host or support to raise awareness about postsecondary educational and financial aid opportunities?

Outreach staff conducts almost 300 financial aid presentations for students and parents, reaching approximately 120,000 attendees, each year. ISAC is one of

three statewide organizations that comes together to form the College Awareness and Preparation (CAP) committee. Under the umbrella of CAP, more than 60 FAFSA completion workshops are held throughout Illinois during the month of February. ISAC also participates in and supports the national College Goal Sunday initiative in Illinois.

c. Do you operate or support College Access Resource Centers in your state?

In cooperation with the Illinois Community College Board, ISAC established and supports 50 walk-in outreach centers located throughout Illinois, specifically at each community college campus and at the James R. Thompson Center in downtown Chicago. Each center provides computer and Internet access, ISAC informational brochures, and staff to answer questions.

d. What partnerships have you formed in your state with schools, colleges and community agencies to increase outreach efforts?

Since 2002, ISAC has partnered with the Tax Assistance Program (TAP) a Chicago-based non-profit organization that provides free tax preparation assistance to the working poor. TAP operates more than 20 community sites every Saturday during tax season. In 2002, ISAC began providing college planning information and free FAFSA completion assistance to TAP clients. ISAC partners with numerous Federal TRIO programs throughout the state to provide training for program administrators and outreach events for participants. ISAC is an active member of the Illinois College Access Network (IllinoisCAN). IllinoisCAN brings together college access program providers that address academic, social, and financial barriers to postsecondary education.

ISAC collaborated with the City Colleges of Chicago, the Chicago Public Schools, the University of Illinois at Chicago, LULAC, and local media to develop and promote "ParentNET" an access initiative designed to educate parents without previous college-going experience about the college admission and preparation process. The model will be replicated at locations throughout Illinois for the 2006-07 school year.

2) Targeted Outreach

a. What types of materials do you provide for non-traditional, first-generation, Native and low-income students?

First-generation, low-income, and underrepresented high school students, as well as non-traditional adult students, comprise our target audience. All of our outreach presentations, materials, access initiatives, and the majority of our community partnerships, seek to reach this audience.

b. Do you offer materials and services in other languages?

The ISAC web site, collegezone.com, includes a portal in Spanish. This portal provides information about planning, finding, applying, and paying for college. A number of ISAC brochures are also produced in Spanish. Additionally, bilingual

(Spanish/English) representatives staff our toll-free College Zone hotline and are available to answer questions every business day. Outreach staff members are able to conduct all presentations in either Spanish or English.

c. What programs and services do you offer to enhance access to higher education for low-income families?

First-generation, low-income, and underrepresented high school students, as well as non-traditional adult students, comprise our target audience. All of our outreach presentations, materials, access initiatives, and the majority of our community partnerships, seek to reach this audience.

d. Do you provide financial assistance to low-income families?

The Illinois Student Assistance Commission provides financial aid for college education through the many gift assistance programs that it administers. Gift assistance is awarded in the form of scholarships, grants, tuition waivers, and loan repayment for teachers and child care providers.

The Monetary Award Program (MAP) Grant, administered by ISAC is one of the largest need-based grant programs in the country. For the 2005-06 academic year, \$346,699,800 was appropriated for the program.

3) Evidence of Success

a. Describe any feedback from external organizations about how your services help to increase access and awareness.

In April 2005, the CEO of the Tax Assistance Program (TAP) said, "ISAC's dedication to our financial literacy initiative is crucial to our success." TAP volunteers helped over 1100 individuals complete a FAFSA between February and April 2005. The average TAP client is a single mother with an annual income below \$15,000.

ILLINOIS STUDENT ASSISTANCE COMMISSION
FISCAL YEAR 2006 APPROPRIATION SUMMARY REPORT
(July 1, 2005 - March 31, 2006)

	FY2006 Appropriation	Year-to-date Expended	Number of Recipients	Percentage Expended
<u>STATE GENERAL FUNDS</u>				
SCHOLARSHIPS AND GRANTS				
Monetary Award Program	\$346,699,800	\$319,641,861	146,103	92.2%
Illinois Incentive for Access Grants	7,200,000	6,786,500	17,893	94.3%
Teacher Loan Forgiveness Program	500,000	409,029	91	81.8%
Minority Teacher Scholarships	3,100,000	2,117,508	546	68.3%
Illinois Future Teachers Corps Scholarships	4,100,000	2,772,011	529	67.6%
Student to Student Grants	950,000	634,263	N/A	66.8%
Dependents Grants	350,000	220,544	64	63.0%
National Guard Grants	4,480,000	2,330,452	1,442	52.0%
Illinois Veteran Grants	19,250,000	17,799,165	9,322	92.5%
Bonus Incentive Grants	650,000	614,400	1,017	94.5%
Illinois Scholars Program	3,020,000	3,020,000	N/A	100.0%
TOTAL	\$390,299,800	\$356,345,732	177,007	91.3%
 <u>SPECIAL REVENUE FUNDS</u>				
STUDENT LOAN OPERATING FUND				
Administration Expense (see detail on next page)	62,972,700	25,033,087	N/A	39.8%
Federal Loan System Development & Maintenance	5,000,000	942,459	N/A	18.8%
TOTAL	\$67,972,700	\$25,975,546	N/A	38.2%
FEDERAL STUDENT LOAN FUND				
Loan Guarantee Program	190,000,000	103,129,812	N/A	54.3%
TOTAL	\$190,000,000	\$103,129,812	N/A	54.3%
SCHOLARSHIPS AND GRANTS				
Federal LEAP/SLEAP - Monetary Award Program	3,700,000	1,625,089	N/A	43.9%
Transfer to ED -Paul Douglas Funds Collected	400,000	0	N/A	0.0%
Federal Robert C. Byrd Fellowships	1,800,000	1,513,368	1,044	84.1%
TOTAL	\$5,900,000	\$3,138,457	1,044	53.2%
OTHER				
ISAC Accounts Receivables	300,000	46,030	N/A	15.3%
Higher Education License Plate Program	70,000	51,750	N/A	73.9%
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	70,000	4,235	N/A	6.1%
TOTAL, SPECIAL REVENUE FUNDS	\$264,442,700	\$132,395,831	0	50.1%
GRAND TOTAL	\$654,742,500	\$488,741,563	178,061	74.6%

ILLINOIS STUDENT ASSISTANCE COMMISSION

FISCAL YEAR 2006 APPROPRIATION REPORT

ADMINISTRATION

(July 1, 2005 - March 31, 2006)

STUDENT LOAN OPERATING FUND

Line Item	FY2006 Appropriation	Year-to-date Expended	% Expended
Personal Services	\$17,617,700	\$12,273,373	69.7%
Retirement	1,372,600	956,589	69.7%
Social Security	1,348,000	893,326	66.3%
Group Insurance	4,933,000	3,385,515	68.6%
Contractual Services	12,666,900	4,828,746	38.1%
Contractual - Collection Agency Fees	21,334,400	2,164,388	10.1%
Travel	216,400	58,743	27.1%
Commodities	272,800	72,940	26.7%
Printing	727,000	56,706	7.8%
Equipment	539,000	12,591	2.3%
Telecommunications	1,907,000	312,279	16.4%
Operation of Auto Equipment	37,900	17,892	47.2%
TOTAL	\$62,972,700	\$25,033,087	39.8%

ILLINOIS STUDENT ASSISTANCE COMMISSION
Federal Student Loan Reserve Fund (FSLRF)
Comparative Sources and Uses Report
Federal Fiscal Year to Date
(October 2005 - February 2006)

	2006	2005
BEGINNING CASH BALANCE, 10/01/05	\$48,789,493	\$55,953,942
Sources of Funds		
Collections	13,187,959	14,568,756
Repurchases, Rehabs & Consolidations	14,084,422	13,422,621
Reinsurance	46,001,271	51,915,664
Non- Reinsurable Claims	8,006	131,094
IRS Offsets	112,430	166,212
Interest on Investment	688,949	405,302
Miscellaneous Income	3,964	2,520
Refund to Dept. of Education from SLOF	0	257,902
Total Sources	74,087,002	80,870,071
Uses of Funds		
Reimbursements to Lenders	55,070,782	51,275,536
Funds Remitted to Dept. of Education-Default Collections	8,073,213	10,685,143
Funds Remitted to Dept. of Education-Repurch/Rehabs/Consolidation:	7,942,387	9,132,550
SLOF Retention-Default Collections	3,553,795	3,093,534
SLOF Retention-Repurch/Rehabs/Consolidations	3,333,898	3,495,289
Transfer to SLOF - Account Maintenance Fees	2,925,777	2,038,586
Default Aversion Fees	1,139,756	632,408
Collections on Non-Reinsurable Claims	120,074	116,049
Borrower Refund	161,757	224,680
IRS Offsets Refunded	205,598	841,492
Total Uses	82,527,037	81,535,267
ENDING CASH BALANCE, 02/28/06	\$40,349,459	\$55,288,749
ACCRUAL ADJUSTMENTS		
Due From Dept. of Education		
Reinsurance Claims Filed	18,286,595	9,126,060
Total Due from Dept. of Education	18,286,595	9,126,060
Due To Dept. of Education		
Collections Share	(3,915,418)	(2,136,961)
Reinsurance Repayments	(4,552,852)	(2,769,396)
Total Due to Dept. of Education	(8,468,270)	(4,906,357)
Due to SLOF		
SLOF Retention Payables	(1,417,822)	(1,617,279)
Default Aversion Fee Payable	(240,524)	(254,936)
Collections on Non-Reinsurable Claims	(18,424)	(6,285)
Total Due to SLOF	(1,676,770)	(1,878,500)
Due from SLOF		
Collection Agency Commission	43,198	81,403
Default Aversion Fee Deferred Charges	7,327,453	6,567,053
Non-Reinsurable Claims	0	41,593
Total Due from SLOF	7,370,651	6,690,049
Other Adjustments		
Other Receivable	138,682	88,619
Vouchers Payable-Lender Reimbursements	(15,888)	(2,778,346)
Due to Dept of Education Reserve Recall	(6,382,113)	(6,382,113)
Total Other Adjustments	(6,259,319)	(9,071,840)
ADJUSTED FUND BALANCE, 02/28/06	\$49,602,347	\$55,248,161

* SLOF - Student Loan Operating Fund

ILLINOIS STUDENT ASSISTANCE COMMISSION
Student Loan Operating Fund (SLOF)
Comparative Sources and Uses Report
Federal Fiscal Year to Date
(October 2005 - February 2006)

	2006	2005
BEGINNING CASH BALANCE, 10/01/05	\$17,302,060	\$27,139,914
Sources of Funds		
SLOF Retention-Default Collections	3,553,795	3,093,534
SLOF Retention-Repurch/Rehabs/Consolidations	3,333,898	3,495,289
Direct Consolidation Fees	2,325,409	1,909,182
Loan Processing & Issuance Fees	2,439,508	2,187,610
Account Maintenance Fees	4,342,109	4,024,810
Default Aversion Fees	1,139,756	632,408
Interest on Investment	389,266	206,502
Collections on Non- Reinsurable Claims	120,074	116,049
Miscellaneous Income	6,557	1,828
Total Sources	17,650,371	15,667,212
Uses of Funds		
Administrative Expenses	14,712,633	15,590,504
Non- Reinsurable Claims	8,006	131,094
Refund to Dept. of Education	0	257,902
Total Uses	14,720,639	15,979,500
ENDING CASH BALANCE, 02/28/06	\$20,231,792	\$26,827,625
ACCRUAL ADJUSTMENTS		
Due From Dept. of Education		
Loan Processing & Issuance Fees	1,425,102	1,374,033
Account Maintenance Fees	2,035,403	1,130,972
Total Due from Dept. of Education	3,460,505	2,505,005
Due to FSLRF		
Non-Reinsurable Claims	0	(41,593)
Collection Agency Commission	(43,198)	(81,403)
Default Aversion Fee Deferred Revenue	(7,327,453)	(6,567,053)
Total Due to FSLRF	(7,370,651)	(6,690,049)
Due from FSLRF		
SLOF Retention Receivable	1,417,822	1,617,279
Default Aversion Fee Receivable	240,524	254,936
Collection on Non-Reinsurable Claims	18,424	6,285
Total Due from FSLRF	1,676,770	1,878,500
Other Adjustments		
Interest on Investment	85,319	45,320
Fixed Assets	281,365	292,800
Vouchers Payable-Administrative Expenses	(2,617,921)	(2,968,093)
Due to Illinois GRF	(2,420)	(2,512)
Total Other Adjustments	(2,253,657)	(2,632,485)
ADJUSTED FUND BALANCE, 02/28/06	\$15,744,758	\$21,888,595

*FSLRF - Federal Student Loan Reserve Fund

**ILLINOIS STUDENT ASSISTANCE COMMISSION
ILLINOIS DESIGNATED ACCOUNT PURCHASE PROGRAM
January 31, 2006**

	<u>CURRENT MONTH</u>	<u>PREV. MONTH</u>	<u>FY TO DATE</u>	<u>CUMULATIVE</u>
<u>Disbursements:</u>				
Student Loan Originations & Purchases:				
Average Loan Size	\$6,476	\$11,637	\$8,136	\$5,779
Number of Borrowers	22,726	9,548	103,182	1,171,162
Total Originations & Purchases	147,177,952	111,114,435	839,523,441	6,767,718,299
Operating Expenses	4,444,756	4,754,128	37,450,790	353,258,325
 Total Originations,Purchases, & Expenses	 \$151,622,708	 \$115,868,563	 \$876,974,231	 \$7,120,976,624
<u>Collections:</u>				
Principal - Student	\$59,238,923	\$97,919,467	\$582,979,136	\$3,110,425,493
Interest - Student	5,956,471	6,434,478	42,366,869	590,017,262
Principal - Guarantor	4,594,628	4,942,079	33,241,808	771,263,753
Interest - Guarantor	206,518	201,492	1,301,557	48,430,560
Federal Interest Benefits	8,136,521	-	23,438,205	220,355,981
Special Allowance	14,436,996	-	37,392,244	153,431,233
<u>Summary:</u>				
Total Principal	\$63,833,551	\$102,861,546	\$616,220,944	\$3,881,689,246
Total Interest	14,299,510	6,635,970	67,106,631	858,803,802
Total Special Allowance	14,436,996	-	37,392,244	153,431,233
 Total Collections	 \$92,570,058	 \$109,497,516	 \$720,719,819	 \$4,893,924,282

ILLINOIS STUDENT ASSISTANCE COMMISSION

COLLEGE ILLINOIS!

Total Program Performance

March 2006 -- FY 2006

APPROXIMATE INVESTMENT RETURN, 3/31/06

	<u>Ending</u> <u>Market Value</u>	<u>Fiscal</u> <u>Year-to-date</u>	<u>Since</u> <u>Inception***</u>	<u>Inception</u> <u>Date****</u>
Total Program	\$729,273,359	8.3%	4.8%	7/6/99
Policy Benchmark*		8.6%	5.0%	
Actuarial Assumption **		5.8%	7.9%	
Domestic Equity	\$440,275,491	12.1%	2.7%	7/6/99
William Blair	31,973,445	10.0%	-4.8%	7/7/00
<i>Russell 1000 Growth</i>		10.4%	-6.9%	
New Amsterdam	29,113,746	6.0%	11.6%	7/15/04
Holland Capital	29,729,614	6.2%	6.9%	7/15/04
<i>Russell 1000 Growth</i>		10.4%	11.0%	
LSV Asset Management	63,237,632	14.7%	17.3%	2/13/04
<i>Russell 1000 Value</i>		11.4%	12.2%	
State Street Global Advisors	63,934,984	13.9%	16.1%	4/21/04
<i>Russell 1000 Value</i>		11.4%	15.3%	
Kenwood Capital Management	20,954,405	19.0%	24.8%	7/15/04
Nicholas-Applegate	21,470,700	17.9%	27.4%	7/15/04
<i>Russell 2000 Value</i>		17.8%	23.0%	
SSgA S&P 500 Index Fund	106,875,799	10.2%	1.3%	7/6/99
<i>S&P 500 Index</i>		10.2%	1.2%	
Nicholas-Applegate	46,333,895		14.4%	11/14/05
Denver Investment Advisors	26,651,270		11.5%	11/14/05
<i>Russell 2000</i>		20.6%	13.9%	
International Equity	\$41,726,530	24.8%	20.3%	
LSV Asset Management	41,726,530		10.0%	10/6/05
<i>MSCI EAFE</i>		25.9%	9.5%	
Domestic Fixed Income	\$238,950,706	-0.4%	6.1%	7/6/99
JP Morgan Chase Investment Advisors	90,640,087	-0.7%	2.6%	7/1/03
<i>Lehman Aggregate Index</i>		-0.7%	2.3%	
SSgA LB Aggregate Index	35,772,199	-0.8%	-0.8%	6/10/05
<i>Lehman Aggregate Index</i>		-0.7%	-0.7%	
Richmond Capital Management	112,538,420	0.0%	3.1%	10/7/02
<i>Lehman Intermediate Government/Credit</i>		-0.4%	3.1%	
Cash Account	\$8,320,631	3.0%	3.2%	
T-Bills		3.1%	3.0%	

Note: Returns are preliminary and subject to revision pending the March 31, 2006 report.

* Policy Benchmark is 45% S&P500, 10% Russell 2000, 5% MSCI EAFE, 25% Lehman Aggregate, 13% Lehman Intermediate Government/Credit, and 2% T-bills. Previously, the benchmark was 50% S&P500, 10% Russell 2000, 38% Lehman Aggregate and 2% T-bills (from October, 2001 through October, 2002) and 50% S&P500, 47% Lehman Aggregate and 3% T-bills (prior to October, 2001).

** Actuarial assumption was revised to 7.75% effective 7/01/02. Prior to 7/01/02 the assumption was 8%.

***Annualized if over one year

****Benchmark returns are as of the beginning of the month.

ILLINOIS STUDENT ASSISTANCE COMMISSION

COLLEGE ILLINOIS!
Sources and Uses Report
March 2006 -- FY 2006

BEGINNING MARKET VALUE TOTAL FUNDS BALANCE, 7/01/05

Cash at Custodians and ISAC	\$ 6,928,256	
SSgA S&P 500 Index Fund	96,971,048	
JP Morgan Chase Investment Advisors	87,244,965	
William Blair & Co.	28,034,839	
Wasatch Advisors	57,100,631	
JFL International Equity Fund LLC	28,388,115	
Richmond Capital Management	100,487,902	
LSV Asset Management Large Cap Value	55,122,671	
State Street Global Advisors Large Cap Value	56,131,306	
Kenwood Capital	17,608,685	
New Amsterdam Partners	27,479,466	
Holland Capital	27,947,942	
Nicholas-Applegate Small Cap Value	18,220,843	
Temp SSgA Russell 2000 Index Fund	5,144,247	
Temp SSgA MSCI EAFE Index Fund	5,065,812	
Temp SSgA LB Aggregate Index Fund	30,024,536	
Total Beginning Balance		\$647,901,264

SOURCES OF FUNDS

Contributions received	\$45,663,740	
Application and other fees	1,571,933	
Interest from Treasury and Banks	234,114	
Unrealized Interest on Investments	10,564,369	
Unrealized Gain on Investments	12,174,635	
Realized Gain on Investments	32,240,716	
Total Sources		\$102,449,507

USES OF FUNDS

Administrative Expenses	3,177,906	
Refunds to Purchasers	3,818,738	
Tuition Payments	12,749,896	
Investment Expense	1,330,872	
Unrealized Loss on Investments	0	
Total Uses		\$21,077,412

ENDING MARKET VALUE TOTAL FUNDS BALANCE, 3/31/06

Cash at Custodians and ISAC	\$ 8,320,631	
SSgA S&P 500 Index Fund	106,875,799	
JP Morgan Chase Investment Advisors	90,640,088	
William Blair & Co.	31,973,445	
Nicholas Applegate Small Cap Core	46,333,896	
LSV Asset Management International Equity	41,726,530	
Richmond Capital Management	112,538,420	
LSV Asset Management Large Cap Value	63,237,632	
State Street Global Advisors Large Cap Value	63,934,984	
Kenwood Capital	20,954,405	
New Amsterdam Partners	29,113,746	
Holland Capital	29,729,614	
Nicholas-Applegate Small Cap Value	21,470,700	
Denver Investment Advisors	26,651,270	
Temp. SSgA LB Aggregate Index Fund	35,772,199	
Total Ending Balance		\$729,273,359

NUMBER AND DOLLAR VALUE OF PLANS, 3/31/06

Number of Plans:

Plans Paid in Full	29,554
Active Plans	16,148
Cancelled Plans	5,515
Suspended Plans	101
Total Number of Plans	51,318
Purchased Value of all Plans	\$998,827,300

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.