

**AGENDA ITEM 12.**

**FISCAL YEAR 2013 INTERNAL BUDGET**

**Submitted for:** Action

**Action requested:** Staff requests that the Commission approve the Fiscal Year 2013 Budgets for the Illinois Student Assistance Commission (ISAC) Student Loan Operating Fund (SLOF), Illinois Designated Account Purchase Program (IDAPP), College Illinois!<sup>®</sup> Prepaid Tuition Program, and the College Access Challenge Grant (CACG) as printed in the agenda book.

**ILLINOIS STUDENT ASSISTANCE COMMISSION  
FISCAL YEAR 2013 INTERNAL BUDGET**

**Appropriation**

ISAC is required by statute to obtain appropriation authority from the Illinois General Assembly for expenditures from all the funds it administers. The only exceptions to this are College Illinois! and IDAPP which are both classified as non-appropriated funds.

- **Appropriation (State Funded)**

This represents funding authority for all the scholarship and grant programs administered by ISAC for the state like the MAP scholarships etc. The funding for these programs come from the state General Revenue Fund or other shared state funds and is allocated for higher education from general state resources. All moneys received from the state are passed on to the students through grants and scholarships. Note that the expenses associated with administrating these programs come from ISAC funds.

- **Appropriation Authority (ISAC Funded)**

ISAC is required to have appropriation authority for all its expenditures even if the funding source is the Federal government or other private grants including the FFELP program. The cash disbursements for all funds administered by ISAC except IDAPP are processed by the Illinois Office of the Comptroller so without the appropriation authority checks cannot be issued from these funds. Note that the appropriation authority authorizes annual spending limits from the funds. It does not represent total annual expenditures from the fund.

- **Internal Budget (ISAC Funded)**

The internal budget reflects the annual projected revenues and expenditures for the agency for all the programs administered by ISAC including the administrative costs associated with administration of the state scholarships and grants.

**Illinois General Assembly Appropriation – Fiscal Year 2013 Budget Update**

The Commission submits a budget request each year to the Illinois Board of Higher Education (IBHE), indicating the amount of funding necessary to support student aid programs for which ISAC has administrative responsibility. IBHE then submits the budget to the General Assembly on behalf of the higher education community.

For FY2013, ISAC recommended a budget almost level with the prior fiscal year request based on its main priority: need-based aid to promote affordability and access.

The Illinois State General Assembly passed SB 2443 approving appropriation expenditures for the agency for FY 2013. The bill will be sent to the Governor for his signature later this month.

The attached Table – Appropriations and Expenditures, FY 2011-FY2013 details the agency appropriation budget passed by the General Assembly.

**The ISAC FY13 budget highlights include:**

- Funding for the Monetary Award Program was approved at \$371.3 million, a cut of about \$15.4m below the initial FY12 level - a 4% decrease. Including the special allocation of \$33.5 million from the Governor, the decrease in the level of funding would amount to approximately 11%.
- Funding for scholarships and grants other than MAP was approved at \$9.3 million. Note that total requested amount for these scholarships was over \$20 million – a 53% decrease
- Funding for Illinois Veterans Grants, Illinois National Grants, Bonus Incentive Grants, and Student-to-Student grants was eliminated.
- For all of the ISAC funded operations and non-general revenue fund requests, recommended amounts were approved.

**Internal Budget Overview**

Following is an analysis of the proposed budget for the Illinois Student Assistance Commission (ISAC) for fiscal year 2013 (July 2012 – June 2013) for all its operating and administrative functions.

The primary objective for FY2013 agency wide internal budget is to use the budgeting process as a critical tool to align the agency's financial operations with ISAC's strategic mission. In doing so, we will ensure the best and most efficient use of scarce state resources.

The administrative expenditures for ISAC are met by the revenues generated from the three major operating funds: The Student Loan Operating Fund, The Illinois Designated Account Purchase Program (IDAPP) and the College Illinois! Prepaid Tuition Program. In addition, ISAC created and runs an innovative college access and outreach program, the ISACorps, using funds appropriated to the College Access Challenge Grant Program funded by the US Department of Education.

Attached are the following spreadsheets for your reference:

- Comparative individual income statement for FY 2011 and FY 2012 recommended and budget for all four administrative funds for the agency.
- Summary spreadsheet reflecting summary budgets for all four administrative funds.

## **Student Loan Operating Fund (SLOF) - FFELP Guarantor**

The Student Loan Operating fund (SLOF) is the primary operating fund which accounts for ISAC's administrative expenditures. The source of funds for SLOF is the revenue generated from the guarantor operations for the Federal Family Education Loan Program (FFELP).

### **Revenues**

FY 2013 income statement projections indicate total revenues of **\$36 million**.

For FY 2012 collection recoveries have improved significantly over the last year. Total revenues in FY 2012 have increased by over \$5 million – a **20%** increase compared to FY 2011. Initial revenue estimates for FY 2013 indicate collection recoveries would be comparable to FY 2012. This increase in collection recoveries over the last two years have been driven primarily by the following factors:

- Improved economic conditions and employment levels in the economy.
- Increase in liquidity with lenders has created an increase in demand for rehabilitated loans that has resulted in better rates for purchase of rehabilitated loans.
- Increase in collections staff.
- Improved collection processes including implementation of enhanced monetary and performance goals for collectors.
- Investment in more sophisticated skip tracing tools has resulted in better outcomes.

ISAC believes that its concerted focus on collections and especially the loan rehabilitation program will result in better outcomes for borrowers, including restoration of credit and eligibility for Title IV assistance, and an efficient turnover of the FFELP portfolio.

It is to be noted that ISAC management has been somewhat conservative in its revenue estimates. However, there are external factors which pose a serious risk and could potentially impact FFELP collection revenues adversely for the agency:

- The Department of Education's budget for FFY 2013 recommends a 50% cut to the retention rate for rehabilitated loans. This could result in a decrease in revenue to the agency of over 22%.
- Another downturn in the economy could result in a significant decrease in FFELP revenues.

### **Expenditures:**

As a part of the budget process for FY 2013 agency directors examined in detail their respective area's current funding levels and its programmatic goals and came back with expenditures estimates as detailed below.

Total budgeted expenditures for FY 2013 have been estimated at \$34.5 million - an increase of 12% estimated expenditures and budget in the prior year. Highlights of FY2013 budget for SLOF include:

**Personnel Services:**

- Increase in base pay for employees due to projected new hires in the budget year and employees hired in the latter part of the prior fiscal year. Additional cost would amount to approximately 2% of personnel services.
- Note that the agency's share of retirement contribution for employees to the State Employees Retirement System has increased from 33% of base pay to 37% in the budget year.
- Included in the personnel services budget is a cost of living adjustment for all employees and merit based estimated promotional raises for some employees. It should be noted that although salary increases have been included in the budget, the decision will be made in the future whether or not to implement the increases as we see how the budget year is shaping up and talking into consideration other factors.

**Contractual Services:**

- Data processing charges from Central Management Services of the State of Illinois primarily for processing and storage of main frame data is estimated to increase by over 25% increase.
- Commissions to be paid to outside collection agencies based on the projected increase in collection recoveries on defaulted loans are estimated to increase by 15%.
- IT consulting expense for upgrading of the loan software system to ensure security and efficiency of the system is also estimated to increase by 15%.

**Other Admin Expenses:**

- The budget includes an increase in printing costs for updating agency brochures.

**Reserve for Contingencies:**

- Given the volatile environment with regard to the student loan market and the budget crisis with both the State and Federal governments the FY 2013 budget also includes a reserve for other contingencies included in the personnel services and contractual services line.

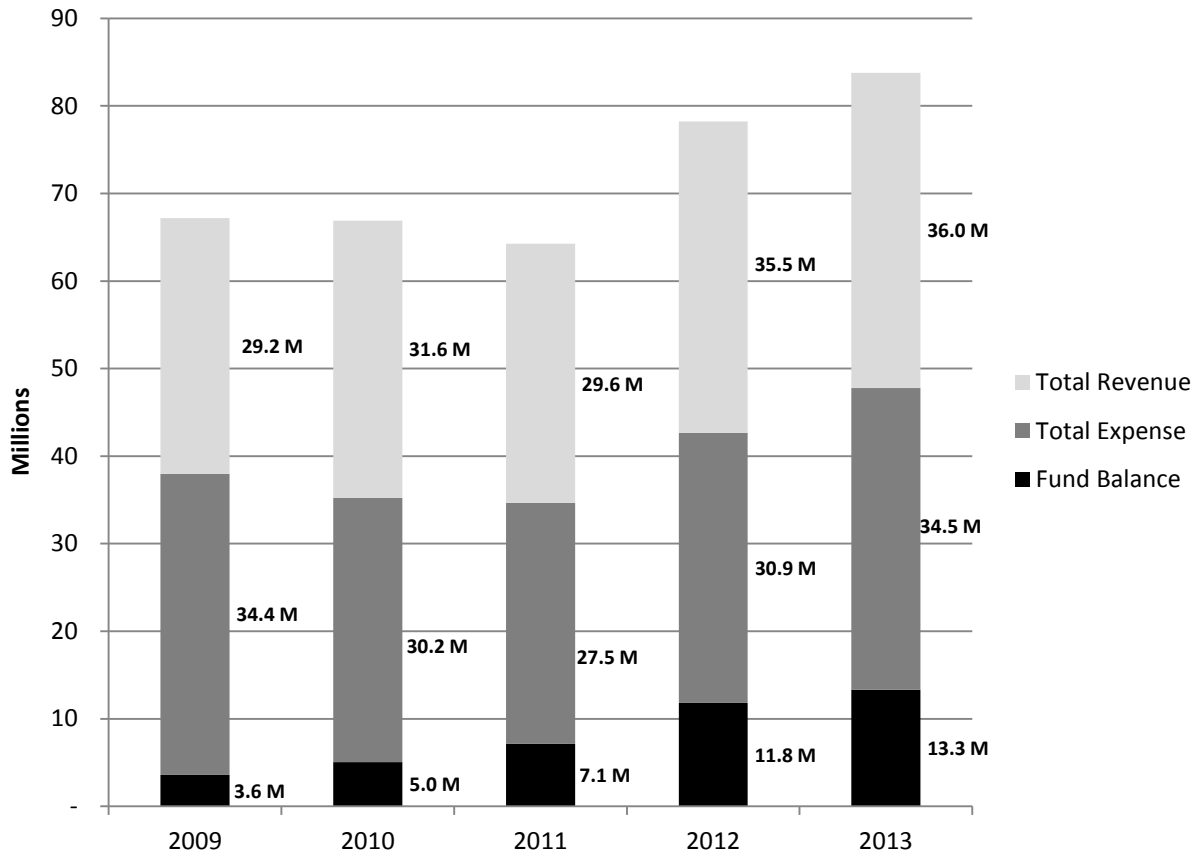
ISAC management believes that at this point in time these recommended budgetary increases are reasonable for continuing operations at current levels.

The unrestricted fund balance at the end of fiscal year 2012 is projected to be over \$11 million and is estimated to be over \$13 million at the end of fiscal year 2013.

It is to be noted that over the last five years, ISAC as an agency has coped effectively with the changes in the FFEL Program through restructuring and reengineering. This has resulted in a more efficient and effective organization with a concerted mission to further the progress of education for the citizens of Illinois.

The below chart reflects the revenues, expenditures and fund balance for the Student Loan Operating Fund for the last five years.

## Student Loan Operating Fund Revenues, Expenses, and Fund Balance Fiscal Year Ending



### **Illinois Designated Account Purchase Program (IDAPP) – Lender of Student Loans**

IDAPP is ISAC's lending arm for student loans. IDAPP was originally created to increase participation of lenders in ISAC's student loan programs by purchasing guaranteed student loans in order to decrease the lender's collection and administrative costs. IDAPP also directly originated and services alternative student loans. The FFELP student loan disbursements and purchases were funded by bonds issued by IDAPP and collateralized with the student loan portfolio.

In addition IDAPP has also entered into a Mid Term Asset Backed Commercial Paper Program to fund its alternative loan program.

IDAPP's administrative costs are met through an administrative cost allowance from the Bond Trusts and the credit facility which funds the alternative loan program.

The total administrative cost allowance and other revenues for administrative expenditures for fiscal year 2013 are estimated at approximately \$3.4 million.

IDAPP's estimated expenditures are projected at comparable levels to the prior year. It is estimated that the fund will break even for FY 2013.

### **College Access Challenge Grant Fund**

ISAC is the designated agency in Illinois to administer the College Access Challenge Grant program (CACG). The award amounts consisted of \$2.4 million for a period of two years in 2008 and 2009 and \$4.6 million for a period of 5 years from 2010 – 2014.

ISAC administers the ISACorps program in Illinois and other college access and outreach activities with grants allocated to this fund.

The projected budget for the College Access Challenge Grant Fund for FY 2013 reflects \$4.6 million of new funding as well as an estimated carryover from the prior year funding of approximately \$1.7 million.

## **Prepaid Tuition Program – College Illinois!**

### **Program Update and Overview**

Each year the Commission is asked to review and approve the planned administrative budget for the College Illinois! 529 Prepaid Tuition Program. The proposed Fiscal Year 2013 administrative budget has been developed to adequately cover administrative costs of the program.

The program's FY2013 administrative budget request excluding shared costs totals \$5.9 million, down from \$6.2 million estimated actual total expenditures in the prior year – a decrease of 5%, and a 32% decrease from actual total expenditures in FY 2011. The budget request for FY 2013 reflects a 28% decrease from the budget request for FY 2012.

Following is a narrative summary of major budgetary objectives for FY2013.

### **Personal Services**

The program's direct Personal Services budget for FY 2013 of \$1.2 million, excluding a reserve for contingencies, is comparable to the prior year expenditure of \$896,267. In addition the personnel services line will include expenses for portions of staff to be paid out of College Illinois! for shared agency costs based on the cost allocation data from the Time Tracker system using actual time spent on College Illinois!

### **Contractual Services**

#### **Marketing**

The initial marketing budget request for FY 2013 totals \$131,000, a modest increase of approximately \$25,000 from the prior year and a significant decrease compared to the amount budgeted in FY 2012 of \$1 million. We believe that the current year's budget for marketing to be a realistic funding level to support the resumption of contract sales while details of future holistic change are developed.

Staff is hesitant to expend more Illinois Prepaid Tuition Trust Fund resources than necessary until it believes there would be a material return on the marketing investment. In all likelihood, staff will revisit the College Illinois! marketing budget as longer-term solutions emerge.

#### **Records Administration and Call Center Services**

The program's records administration vendor handles account servicing including application processing, customer service, financial transaction processing and payment of tuition when a student enrolls in college. These charges are largely volume driven. Call center services are provided by the program's records administration vendor and include handling of incoming program inquiries and phone calls throughout the year. Costs for records administration including additional costs associated with the resumption of contract sales and a 3% annual escalation are projected to increase in FY 2013 by approximately 10%.

#### **Lockbox Services**

Lockbox services include collection and receipt of incoming mail, processing of payments, processing of paper applications and ACH services for originating electronic customer payments. The FY 2013 budget request for Lockbox Services remains at the FY 2012 level.



### **Financial Services**

This includes costs related to:

- Custodial services
- Actuarial services,
- Investment advisory services
- Insurance costs
- Legal services
- Audit costs

These are projected to increase by approximately \$60,000 as compared to the prior year. The investment advisory expenses have increased by \$200,000 offset by a decrease in insurance costs.

Total contractual costs including a contingency reserve for \$250,000 are projected to increase by \$500,000 – a 22% increase over the prior year.

### **Additional Line Items**

There is minimal change in the support lines of Telecommunications, Travel, Commodities and Equipment, Postage and Freight, and Printing.

### **Intra-agency Administrative Services**

The Intra-agency Administrative Services component of the College Illinois! budget represents those ISAC personnel and other agency resources used to support the program. Internal operating units such as the Print Shop; Mail Center; Information Services; Administrative Services; Research, Planning and Policy Analysis (RPPA); Legal Services; Finance and Accounting Division; Program Services and Compliance Division; and Marketing and Communications Division provide ongoing support for College Illinois!.

These indirect costs will be determined through the agency's cost allocation Time Tracker system. The FY2012 budget projects a \$2 million estimate for intra-agency services. The majority of the expenses are in the area of Personal Services to cover portions of salaries of agency personnel, based on the time they spend working on College Illinois!

### **Investment Expenses**

The FY2013 budget for Investment Manager Fees has increased from \$1.5 million for FY 2012 to \$1.8 million. In addition it is estimated that \$6.0 million in management advisory fees will be net out of investment income in FY 2012 and \$7.16 million will be net out of investment income in FY 2013.

### **Reserve for Contingencies**

Similar to the Student Loan Operating Fund budget the budget includes a reserve for other contingencies included in the personnel services and contractual services line for an additional \$500,000 to ensure sufficient funding for the program operations until the details for the future holistic solution are developed.

**ILLINOIS STUDENT ASSISTANCE COMMISSION  
SUMMARY AGENCY FUNDS BUDGETS  
RECOMMENDED BUDGET - FY 2013**

	SLOF	IDAPP	College Illinois!	CACG	
	Final	Final	Final	Recommended	TOTAL
DESCRIPTION	FY 2013	FY 2013	FY 2013	FFY 2013	FY 13
	Budget	Budget	Budget	Budget	Budget
<b>AGENCY REVENUES</b>					
COLLECTIONS	7,000,000	-	-	-	7,000,000
REPURCHASE / REHAB / CONSOL	23,800,000	-	-	-	23,800,000
INTEREST & OTHER INVEST INCOME	90,000	-	-	-	90,000
ACCOUNT MAINTENANCE FEE	3,000,000	-	-	-	3,000,000
DEFAULT AVERSION FEE	1,400,000	-	-	-	1,400,000
LEGAL RECOVERIES & MISC INCOME	210,000	-	-	-	210,000
REIMBUESEMNT (ISBE)	500,000	-	-	-	500,000
IDAPP TRUST ADMIN ALLOWANCE	-	3,566,000	-	-	3,566,000
GRANT INCOME				4,600,000	4,600,000
GRANT INCOME-CARRIED OVER				1,717,719	1,717,719
INVESTMENT ADVISORY FEES NET OUT OF INVESTMENT GAINS*			(7,200,000)		(7,200,000)
<b>TOTAL REVENUES</b>	<b>36,000,000</b>	<b>3,566,000</b>	<b>(7,200,000)</b>	<b>6,317,719</b>	<b>38,683,719</b>
<b>EXPENDITURES</b>					
PERSONAL SERVICES & FRINGE BEN	26,190,800	2,000,000	1,250,000	3,800,000	33,240,800
CONTRACTUAL SERVICES	7,331,600	250,000	2,750,000	1,289,910	11,621,510
RENTAL REAL PROP	2,842,800	-	-	-	2,842,800
OTHER ADMIN EXPENSES	661,800	-	13,400	200,000	875,200
OTHER FEES & EXPENSES		75,000			75,000
FEDERAL SPECIAL ALLOWANCE		23,000			23,000
EXTERNAL LOAN SERVICING		900,000			900,000
CONSOLIDATION REBATE FEE		182,200			182,200
INVESTMENT EXPENSE	-	-	1,860,000		1,860,000
ACCRETION EXPENSE	-	-	80,363,500		80,363,500
SUBGRANTS				500,000	500,000
COLLEGE ILLINOIS ALLOCATED EXPENSES	(2,000,000)	-	2,000,000		-
CACG COST ALLOCATED EXPENSES	(527,809)			527,809	-
<b>TOTAL EXPENDITURES</b>	<b>34,499,191</b>	<b>3,430,200</b>	<b>88,236,900</b>	<b>6,317,719</b>	<b>132,484,010</b>
<b>NET INCOME</b>	<b>1,500,809</b>	<b>135,800</b>		<b>-</b>	
<b>BEGINNING FUND BALANCE</b>	<b>11,795,663</b>	<b>20,074,854</b>			
<b>ENDING FUND BALANCE</b>	<b>13,296,472</b>	<b>20,210,654</b>	<b>-</b>	<b>-</b>	

**NOTE**

\*Alternative investment managers charge advisory fees that are net out of investment gain.  
This is reflected as a net out of investment gain as a part of investment income above.  
This amount is estimated at \$ 6 million in FY 2012 and is projected at \$ 7.2 million in FY 2013.

**ILLINOIS STUDENT ASSISTANCE COMMISSION  
APPROPRIATION AND EXPENDITURES - FY 2011-FY2013**

* Dollars in thousands	FY11	FY11	FY12	FY12	FY13 GA approved	FY13 vs. FY12 GOV	
	Final Approp	EXPENSE	GOV APPRVD	EST EXPENSES	(SB 2443)	DOLLARS	PERCENT
<b><u>Monetary Award Program</u></b>							
MAP Reserve Fund		-	-	-	-	\$ -	0%
MAP- Federal (Supplemental) Leveraging Educational Assistance Partnership (LEAP & SLEAP)	4,000.0	4,000.0	4,000.0	4,000.0	-	\$ (4,000.0)	-100.0%
MAP- Capital Investment Bond Proceeds		-	-	-	-	\$ -	0%
MAP- Educational Assistance Fund( EAF)		-	-	-	-	\$ -	0%
MAP- Student Loan Operating Fund (SLOF)		-	-	-	-	\$ -	0%
MAP- Governor's Discretionary Appropriation	30,000.0	30,000.0				\$ -	0%
MAP- General Revenue Fund (GRF)	403,939.2	403,939.2	386,680.0	386,680.0	371,309.4	\$ (15,370.6)	-4.0%
<b>TOTAL</b>	<b>437,939.2</b>	<b>437,939.2</b>	<b>390,680.0</b>	<b>390,680.0</b>	<b># 371,309.4</b>	<b>(19,370.6)</b>	<b>-5.0%</b>
<b><u>Scholarships &amp; Grants</u></b>							
Illinois Future Teacher Corps Scholarship (IFTC) / Golden Apple	1,783.2	1,783.2	2,000.0	2,000.0	-	\$ (2,000.0)	-100.0%
Golden Apple Scholars of Illinois (Separate line beginning FY13)		-	-	-	4,900.0	\$ 4,900.0	100.0%
Illinois Scholars Program	3,160.0	3,160.0	3,160.0	3,160.0	40.0	\$ (3,120.0)	-98.7%
Minority Teacher of Illinois (MTI) Scholarship	1,160.9	1,160.9	2,500.0	2,500.0	2,500.0	\$ -	0%
Student to Student (STS) Program of Matching Grants	1,147.3	1,147.3	-	-	-	\$ -	0%
Dependents Grants Program (Dependents)	803.7	803.7	950.0	950.0	1,050.0	\$ 100.0	10.5%
Illinois National Guard Grants (ING)	2,691.9	2,691.9	4,400.0	4,400.0	-	\$ (4,400.0)	-100.0%
Illinois Veteran Grants (IVG)		-	6,000.0	6,000.0	-	\$ (6,000.0)	-100.0%
College Savings Bond Bonus Incentive Grant (BIG)	331.1	331.1	325.0	325.0	-	\$ (325.0)	-100.0%
I TEACH		-	-	-	-	\$ -	0%
Silas Purnell Illinois Incentive for Access Program (IIA)		-	-	-	-	\$ -	0%
Merit Recognition Scholarship Program (MRS)		-	-	-	-	\$ -	0%
Nurse Educator Scholarships Program ( NESP)		-	-	-	-	\$ -	0%
Nurse Educator Loan Repayment	297.2	297.2	300.0	300.0	300.0	\$ -	0%
Veterans Home Nurse Repayment	14.3	14.3	50.0	50.0	30.0	\$ (20.0)	-40.0%
Forensic Science Grants		-	-	-	-	\$ -	0%
MAP Plus - Student Loan Operating Fund (SLOF)		-	-	-	-	\$ -	0%
Illinois Teachers & Child Care Providers Loan Repayment	495.2	495.2	500.0	500.0	500.0	\$ -	0%
<b>TOTAL</b>	<b>11,884.9</b>	<b>11,884.9</b>	<b>20,185.0</b>	<b>20,185.0</b>	<b># 9,320.0</b>	<b>(10,865.0)</b>	<b>-53.8%</b>
<b><u>Student Loan Operating Fund (SLOF)</u></b>							
<b><u>Administration Expenses</u></b>							
Personal Services	17,208.9	13,238.7	17,208.9	17,208.9	17,208.9	\$ -	0%
Employee Retirement		-	-	-	-	\$ -	0%
State Retirement	4,883.4	3,585.8	4,883.4	4,883.4	4,883.4	\$ -	0%
Social Security	1,316.6	965.3	1,316.6	1,316.6	1,316.6	\$ -	0%
Group Insurance	4,867.4	3,349.4	4,867.4	4,867.4	4,867.4	\$ -	0%
Contractual Services	12,630.7	7,075.8	12,630.7	12,630.7	12,630.7	\$ -	0%
Travel	311.0	42.9	311.0	311.0	311.0	\$ -	0%
Commodities	282.2	61.8	282.2	282.2	282.2	\$ -	0%
Printing	501.0	47.8	501.0	501.0	501.0	\$ -	0%
Equipment	540.0	26.0	540.0	540.0	540.0	\$ -	0%
Telecommunications	1,897.9	399.0	1,897.9	1,897.9	1,897.9	\$ -	0%
Operation of Automatic Equipment	38.4	31.3	38.4	38.4	38.4	\$ -	0%
<b>TOTAL</b>	<b>44,477.5</b>	<b>28,823.8</b>	<b>44,477.5</b>	<b>44,477.5</b>	<b># 44,477.5</b>	<b>-</b>	<b>0%</b>
<b><u>Student Loan Operating Fund (SLOF)</u></b>							
<b><u>Program Expenses</u></b>							
System Development and Maintenance	3,500.0	2.9	3,500.0	3,500.0	3,500.0	\$ -	0%
Shared Service		-	-	-	-	\$ -	0%
Outside Collection Agency (OCA) / Default Aversion Fees (DAF)	15,000.0	2,050.2	15,000.0	15,000.0	15,000.0	\$ -	0%
Default Fee	10,000.0	340.1	10,000.0	10,000.0	-	\$ (10,000.0)	-100.0%
Federal Student Loan Fund (FSLF)	290,000.0	232,521.4	290,000.0	290,000.0	290,000.0	\$ -	0%
<b>TOTAL</b>	<b>318,500.0</b>	<b>234,914.5</b>	<b>318,500.0</b>	<b>318,500.0</b>	<b># 308,500.0</b>	<b>(10,000.0)</b>	<b>-3.1%</b>
<b><u>Miscellaneous</u></b>							
Federal Paul Douglas Collections- Refund to ED (Paul Douglas)	400.0	-	400.0	400.0	400.0	\$ -	0%
ISAC Accounts Receivable Fund	300.0	12.6	300.0	300.0	300.0	\$ -	0%
Higher Ednet Fund		-	-	-	-	\$ -	0%
Contract & Grant Fund (C & G Fund) -Outreach	25,000.0	-	25,000.0	25,000.0	25,000.0	\$ -	0%
University Grant Fund (UGF) or (Higher Education License Plate Program (HELP))	70.0	70.0	80.0	80.0	90.0	\$ 10.0	12.5%
Optometric Education Scholarship or (Optometric Licensing & Disciplinary Board Fund)	50.0	50.0	50.0	50.0	50.0	\$ -	0%
Illinois Future Teacher Corps Fund (IFTC) - License Plate	60.0	-	60.0	60.0	60.0	\$ -	0%
Illinois National Guard Grant (ING)-Repayment	20.0	-	20.0	20.0	20.0	\$ -	0%
Federal College Access Challenge Grant (CACG)	10,000.0	5,217.7	15,000.0	15,000.0	15,000.0	\$ -	0%
John R. Justice Student Loan Repayment (JRJ)		-	-	-	500.0	\$ 500.0	100.0%
Federal Robert C. Byrd Scholarships (Byrd)	3,000.0	1,944.8	3,000.0	3,000.0	-	\$ (3,000.0)	-100.0%
<b>TOTAL</b>	<b>38,900.0</b>	<b>7,295.0</b>	<b>43,910.0</b>	<b>43,910.0</b>	<b>41,420.0</b>	<b>(2,490.0)</b>	<b>-5.7%</b>
<b>GRAND TOTAL</b>	<b>\$ 851,701.6</b>	<b>\$ 720,857.4</b>	<b>\$ 817,752.5</b>	<b>\$ 817,752.5</b>	<b>\$ 775,026.9</b>	<b>(42,725.6)</b>	<b>-5.2%</b>
<b>GENERAL REVENUE FUND</b>	<b>445,824.1</b>	<b>445,824.1</b>	<b>386,680.0</b>	<b>386,680.0</b>	<b>371,309.4</b>	<b>-15,370.6</b>	<b>-4.0%</b>
<b>EDUCATIONAL ASSISTANCE FUND (EAF)</b>	<b>0.0</b>	<b>0.0</b>	<b>20,185.0</b>	<b>20,185.0</b>	<b>9,320.0</b>	<b>-10,865.0</b>	<b>-53.8%</b>
<b>OTHER STATE FUNDS</b>	<b>25,500.0</b>	<b>132.6</b>	<b>25,510.0</b>	<b>25,510.0</b>	<b>25,520.0</b>	<b>10.0</b>	<b>0.0%</b>
<b>FEDERAL FUNDS</b>	<b>380,377.5</b>	<b>274,900.7</b>	<b>385,377.5</b>	<b>385,377.5</b>	<b>368,877.5</b>	<b>-16,500.0</b>	<b>-4.3%</b>
<b>GRAND TOTAL</b>	<b>\$ 851,701.6</b>	<b>\$ 720,857.4</b>	<b>\$ 817,752.5</b>	<b>\$ 817,752.5</b>	<b>\$ 775,026.9</b>	<b>(42,725.6)</b>	<b>-5.2%</b>

ILLINOIS STUDENT ASSISTANCE COMMISSION				
SUMMARY COMPARATIVE INCOME STATEMENT FOR FY 2011, 2012 & 2013				
STUDENT LOAN OPERATING FUND				
RECOMMENDED BUDGET - FY 2013				
DESCRIPTION	Student Loan Operating Fund			SLOF Final
	FY 2011	FY 2012	FY 2012	FY 2013
	Actual	Estimated	Budget	Budget
<b>AGENCY REVENUES</b>				
COLLECTIONS	6,076,411	6,204,107	6,500,000	7,000,000
REPURCHASE / REHAB / CONSOL	18,270,911	23,586,390	17,500,000	23,800,000
INTEREST & OTHER INVEST INCOME	34,964	94,432	21,000	90,000
LOAN PROCESSING / ISSUANCE FEE	(319,200)	-	-	-
ACCOUNT MAINTENANCE FEE	3,804,506	3,521,149	3,500,000	3,000,000
DEFAULT AVERSION FEE	1,705,060	1,371,503	1,600,000	1,400,000
LEGAL RECOVERIES & MISC INCOME	36,489	247,268	12,000	210,000
REIMBURSEMENT (ISBE)	-	529,219	500,000	500,000
<b>TOTAL REVENUES</b>	<b>29,609,142</b>	<b>35,554,068</b>	<b>29,633,000</b>	<b>36,000,000</b>
<b>EXPENDITURES</b>				
PERSONAL SERVICES & FRINGE BEN	23,741,686	23,779,958	24,430,900	26,190,800
CONTRACTUAL SERVICES	6,619,086	6,030,868	6,132,200	7,331,600
RENTAL REAL PROP	2,829,201	2,831,818	2,793,500	2,842,800
OTHER ADMIN EXPENSES	192,043	553,941	764,500	661,800
<b>TOTAL AGENCY EXPENDITURES</b>	<b>33,382,017</b>	<b>33,196,586</b>	<b>34,121,100</b>	<b>37,027,000</b>
<b>INTERFUND ALLOCATION</b>				
SAFRA FED JOB RETENTION	(826,131)	-	-	-
IDAPP ALLOCATED EXPENSES	(2,100,000)	-	-	-
COLLEGE ILLINOIS ALLOCATED EXPENSES	(2,002,333)	(2,000,000)	(2,500,000)	(2,000,000)
CACG COST ALLOCATED EXPENSES	(927,385)	(317,751)	(1,250,000)	(527,809)
<b>TOTAL SHARED EXPENSES</b>	<b>(5,855,849)</b>	<b>(2,317,751)</b>	<b>(3,750,000)</b>	<b>(2,527,809)</b>
<b>TOTAL EXPENDITURES AFTER SHARED ALLOCATION</b>	<b>27,526,168</b>	<b>30,878,834</b>	<b>30,371,100</b>	<b>34,499,191</b>
<b>NET INCOME</b>	<b>2,082,974</b>	<b>4,675,234</b>	<b>(738,100)</b>	<b>1,500,809</b>
SLOF MAP PAYMENTS *	-	33,500,000	-	-
<b>NET INCOME AFTER MAP PAYMENTS</b>	<b>2,082,974</b>	<b>(28,824,766)</b>	<b>(738,100)</b>	<b>1,500,809</b>
<b>BEGINNING FUND BALANCE</b>				
RESTRICTED- MAP AWARDS	-	33,500,000	33,500,000	-
UNRESTRICTED	5,037,455	7,120,430	7,120,430	11,795,663
<b>TOTAL BEGINNING FUND BALANCE</b>	<b>5,037,455</b>	<b>40,620,430</b>	<b>40,620,430</b>	<b>11,795,663</b>
<b>ENDING FUND BALANCE</b>				
RESTRICTED- MAP AWARDS	33,500,000	-	33,500,000	-
UNRESTRICTED	7,120,430	11,795,663	6,382,330	13,296,472
<b>ENDING FUND BALANCE</b>	<b>40,620,430</b>	<b>11,795,663</b>	<b>39,882,330</b>	<b>13,296,472</b>
Note				
* This represents payments made for the Monetary Award Grant scholarships from the Student Loan Operating Fund in FY 2012. The amount was transferred to SLOF from the the General Revenue Fund by a special allocation from the Governor's office as additional funding for MAP.				

**ILLINOIS STUDENT ASSISTANCE COMMISSION**  
**SUMMARY COMPARATIVE INCOME STATEMENT FOR FY 2011, 2012 & 2013**  
**BUDGET REQUEST - ILLINOIS DESIGNATED ACCOUNT PURCHASE PROGRAM**

DESCRIPTION	IDAPP			IDAPP
	FY 2011	FY 2012	FY 2012	Recommended
	Actual	Estimated	Budget	FY 2013
				Budget
<b><u>AGENCY REVENUES</u></b>				
STUDENT LOAN INTEREST INCOME				
IDAPP SERVICING FEE RECEIVED FROM TRUSTS	6,852,566	3,761,844	4,000,000	3,314,000
PUT FEES	1,280,830			
NFP FEES-IDAPP		-	-	252,000
NET INCOME FROM BOND REFINANCING *				.
<b>TOTAL REVENUES</b>	<b>8,133,397</b>	<b>3,761,844</b>	<b>4,000,000</b>	<b>3,566,000</b>
<b><u>EXPENDITURES</u></b>				
PERSONAL SERVICES & FRINGE BEN	2,480,628	1,858,667	1,850,000	2,000,000
AGENCY CONTRACTUAL SERVICES	466,778	236,537	300,000	250,000
INTEREST EXPENSE				-
OTHER FEES & EXPENSES	167,517	92,070	100,000	75,000
AMORTIZATION OF LOAN PREMIUMS				-
FEDERAL SPECIAL ALLOWANCE	(32,444)	22,623	30,000	23,000
EXTERNAL LOAN SERVICING	2,402,921	1,061,662	2,188,174	900,000
LOAN LOSS				-
CONSOLIDATION REBATE FEE	838,195	182,237	200,000	182,200
<b>TOTAL AGENCY EXPENDITURES</b>	<b>6,323,595</b>	<b>3,453,796</b>	<b>4,668,174</b>	<b>3,430,200</b>
<b><u>INTERFUND ALLOCATION</u></b>				
IDAPP ALLOCATED EXPENSES	2,100,000	-	-	-
<b>TOTAL INTERFUND EXPENSES</b>	<b>2,100,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURES AFTER SHARED ALLOCATION</b>	<b>8,423,595</b>	<b>3,453,796</b>	<b>4,668,174</b>	<b>3,430,200</b>
<b>NET INCOME</b>	<b>(290,198)</b>	<b>308,048</b>	<b>(668,174)</b>	<b>135,800</b>
<b>BEGINNING FUND BALANCE</b>				<b>-</b>
<b>ENDING FUND BALANCE</b>	<b>(290,198)</b>	<b>308,048</b>	<b>(668,174)</b>	<b>135,800</b>

\*Please note that at year end following GASB 23 regulations the gain from the bond refinancing will be amortized over the average life of the new financing with the LIBOR FRN Trust.

ILLINOIS STUDENT ASSISTANCE COMMISSION				
SUMMARY COMPARATIVE INCOME STATEMENT FOR FFY 2011, 2012 & 2013				
RECOMMENDED BUDGET - COLLEGE ACCESS AND CHALLENGE GRANT				
8/16/20xx to 8/15/20xx				
DESCRIPTION	College Access and Challenge Grant			Recommended
	FFY 2011	FFY 2012	FFY2012	FFY 2013
	Actual	Estimated	Budget	Budget
<b>AGENCY REVENUES</b>				
GRANT INCOME	4,621,733	4,746,098	4,746,098	4,600,000
CARRIED OVER FUND	2,329,623	1,670,160	1,670,160	1,717,719
<b>TOTAL REVENUES</b>	<b>6,951,356</b>	<b>6,416,258</b>	<b>6,416,258</b>	<b>6,317,719</b>
<b>EXPENDITURES</b>				
PERSONAL SERVICES & FRINGE BEN	2,605,493	2,568,531	2,980,282	3,800,000
CONTRACTUAL SERVICES	733,736	1,086,906	1,304,087	1,289,910
OTHER ADMIN EXPENSES	165,019	321,424	262,550	200,000
SUBGRANTS	849,563	476,890	650,000	500,000
				-
<b>TOTAL AGENCY EXPENDITURES</b>	<b>4,353,811</b>	<b>4,453,751</b>	<b>5,196,919</b>	<b>5,789,910</b>
<b>INTERFUND ALLOCATION</b>				
CACG COST ALLOCATED	927,385	244,788	1,219,339	527,809
<b>TOTAL SHARED EXPENSES</b>	<b>927,385</b>	<b>244,788</b>	<b>1,219,339</b>	<b>527,809</b>
<b>NET INCOME</b>	<b>1,670,160</b>	<b>1,717,719</b>	<b>-</b>	<b>(0)</b>
<b>BEGINNING FUND BALANCE</b>				
<b>ENDING FUND BALANCE</b>	<b>1,670,160</b>	<b>1,717,719</b>	<b>-</b>	<b>(0)</b>

**ILLINOIS STUDENT ASSISTANCE COMMISSION**  
**SUMMARY COMPARATIVE INCOME STATEMENT FOR FY 2011, 2012 & 2013**  
**RECOMMENDED BUDGET - COLLEGE ILLINOIS!**

DESCRIPTION	College Illinois!			CII Final FY 2013 Budget
	FY 2011	FY 2012	FY 2012	
	Actual	Estimated	Budget	
<b>AGENCY REVENUES</b>				
COLLECTIONS	-	-	-	
REPURCHASE / REHAB / CONSOL	-	-	-	-
INTEREST & OTHER INVEST INCOME	177,850,049	77,265,812	-	-
INVESTMENT ADVISORY FEES NET OUT OF INVESTMENT GAINS	(7,600,000)	(6,000,000)	(5,806,000)	(7,200,000)
<b>TOTAL REVENUES</b>	<b>170,250,049</b>	<b>71,265,812</b>	<b>(5,806,000)</b>	<b>(7,200,000)</b>
<b>EXPENDITURES</b>				
PERSONAL SERVICES & FRINGE BEN	1,363,093	896,267	1,198,200	1,250,000
CONTRACTUAL SERVICES	3,572,401	2,250,000	3,475,000	2,750,000
OTHER ADMIN EXPENSES	35,170	10,000	39,600	13,400
INVESTMENT EXPENSE **	3,604,272	3,000,000	3,500,000	1,860,000
<b>TOTAL AGENCY EXPENDITURES</b>	<b>8,574,937</b>	<b>6,156,267</b>	<b>8,212,800</b>	<b>5,873,400</b>
<b>TOTAL ACTUARIAL EXPENDITURES</b>				
ACCRETION EXPENSE ACCRUED	83,916,121	80,363,543	71,931,400	80,363,500
<b>INTERFUND ALLOCATION</b>				
COLLEGE ILLINOIS ALLOCATED EXPENSES	2,002,333	2,000,000	2,500,000	2,000,000
<b>TOTAL EXPENDITURES AFTER SHARED ALLOCATION</b>	<b>94,493,391</b>	<b>88,519,810</b>	<b>82,644,200</b>	<b>88,236,900</b>
<b>NET INCOME</b>	<b>75,756,658</b>	<b>(17,253,998)</b>		
<b>BEGINNING FUND BALANCE</b>	<b>(337,888,038)</b>	<b>(262,131,379)</b>		
<b>ENDING FUND BALANCE</b>	<b>(262,131,379)</b>	<b>(279,385,378)</b>	-	-

NOTE

\*Alternative investment managers charge advisory fees that are net out of investment gain.

This is reflected as a net out of investment gain as a part of investment income above.

This amount is estimated at \$ 6 million in FY 2012 and is projected at \$ 7.2 million in FY 2013.

\*\*This represents actual amounts paid to investment managers as management fees.