

AGENDA ITEM 6.

FISCAL YEAR 2015 INTERNAL BUDGET

Submitted for: Action

Action requested Staff requests that the Commission approve the Fiscal Year 2015 budgets for the Illinois Student Assistance Commission (ISAC) Student Loan Operating Fund (SLOF), Illinois Designated Account Purchase Program (IDAPP), and the College Illinois!® Prepaid Tuition Program, as printed in the agenda book.

**ILLINOIS STUDENT ASSISTANCE COMMISSION
FISCAL YEAR 2015 INTERNAL BUDGET**

Appropriation

ISAC is required by statute to obtain spending 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 comes from the state General Revenue Fund or other state funds and is allocated for higher education from state resources. Over the last nine years all moneys received from the state have been passed on to the students through grants and scholarships. Expenses associated with administering these programs have come from ISAC funds. Note however, that the budget passed by the General Assembly for FY 2015 includes language to allow up to 2% of funds allocated to MAP to be used for administrative expenses.

Spending Authority (ISAC Funded)

ISAC is required to have spending authority for all its expenditures even if the funding source is a private grant or the Federal government, including the day-to-day business of the FFEL program. The cash disbursements for all funds administered by ISAC except IDAPP are processed by the Illinois Office of the Comptroller so without the spending authority checks cannot be issued from these funds. Note that the spending authority authorizes annual spending limits from the funds. The spending authority is generally well in excess of what ISAC actually expects to spend from the funds.

- **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 2015 Budget Update

For FY2015, based on Commission approval at the January 2014 meeting ISAC recommended a budget totaling \$793.8 million, which represents a \$26.9 million increase (3.5 percent) compared to FY2014 approved appropriation.

The Illinois State General Assembly passed HB 6094 approving appropriations for the agency for FY 2015.

The attached Table – FY 2013-FY2015 Appropriations, details the agency appropriation budget passed by the General Assembly.

The ISAC FY15 budget highlights include:

- MAP is funded at \$373,254,500 (an increase of \$56,400, over the FY14 MAP total.)
- The Commission had requested funding for administrative purposes from the General Revenue Fund :
 - \$1 million for College Illinois! marketing.
 - \$2.3 million to fund ISAC’s outreach efforts and meet the non-federal matching dollars requirement to qualify for the federal College Access Challenge Grant (CACG).
 - \$3.0 million for Agency State Administration as a result of the loss in revenue due to the cut in rehabilitation revenue from the FFEL program
 - Appropriation language that gives the Commission authority to use up to 2 percent of the MAP appropriation to fund MAP administrative costs.

The General Assembly did not appropriate any new state general funds this year for CI! marketing or for agency administration, but included language to allow MAP line to be used for agency administrative and operational costs, not limited to just MAP administration, not to exceed 2 percent of the total MAP appropriation and a separate appropriated line of \$1,020,700 for outreach.

Internal Budget Overview

Following is an analysis of the proposed budget for the Illinois Student Assistance Commission (ISAC) for fiscal year 2015 (July 2014 – June 2015) for all its operating and administrative functions.

There are several things to note about the overall ISAC operational budget.

- 1) The bulk of the revenues for ISAC still come from efforts related to servicing and collections tied to the FFELP portfolio.
- 2) The Bipartisan Budget Act has decreased the FFEL program rehabilitation rate by over 60%.
- 3) Due to insufficient maintenance of effort by the State of Illinois, ISAC is not expected to get the funding from the last year of the CACG grant which funded the ISACorps and some other outreach efforts.
- 4) Retirement expenditures will be up by 2.3 %.

While we have budgeted estimated revenues, there is a level of inherent uncertainty that is discussed later in this memo.

From the cost side, there are elements of ISAC’s costs, like pension, group insurance, and data processing that are determined by the State. In some cases, we have not received advance notice of changes in these costs before they were assessed, leading to additional uncertainty in budgeting for this area.

In addition, there are several operational overhead expenditures such as building maintenance and software / hardware that are critical investments to ensure continuity of the agency’s services.

For College Illinois! some of the costs are volume driven, like investment management fees that are tied to asset values or investment gains and account maintenance fees that are tied to the number of contracts sold or contact usage.

We have tried to provide in the budget for some of these potential contingencies. That said, we will continue to be diligent about minimizing costs and not spending dollars that do not need to be spent in the support of ISAC's mission.

We have endeavored to craft a budget that is prudent and we can operate within, while minimizing the risk of exceeding the budget and needing to have a revised budget approved by the Commission.

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.

Attached are the following budget summaries for your reference:

- Comparative individual income statement reflecting FY 2013 actual, FY 2014 budget and estimated actual and recommended FY 2015 budget for all four administrative funds for the agency.

Student Loan Operating Fund (SLOF) - FFELP Guarantor

The Student Loan Operating fund (SLOF) is the primary operating fund which accounts for the majority of 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 / Funding

Total annualized revenues in FY 2014 are comparable to the prior year.

The wind-down of the FFELP program has resulted in a steady decrease in the net guarantee portfolio by approximately 10% per year.

- Account maintenance fees earned by ISAC have also decreased by approximately 10%.
- The default aversion fee has been eliminated due to lack of new delinquencies received from the lenders.
- Overall collection recoveries have also decreased by 10%
- The increase in rehabilitation revenue has been due to increased loan balances of rehabilitated borrowers.

FFELP FY 2015 Projections:

- The Bipartisan Budget Act has decreased the rehabilitation rate by over 60%. This represents a \$13 million decrease in revenues from the FFELP Rehabilitation Program.
- In addition, the Department of Education has made significant changes to the rehabilitation process. This could impact the volume of rehabilitations beginning the last quarter of the fiscal year.
- As the FFELP portfolio continues to wind down we expect that there will be at least a 10% - 15% decrease in collection revenue depending on the type of recovery.

As a result of the above factors for FY 2015 ISAC management projects total revenues of \$22 million, a decrease of \$17 million over the prior year.

Expenditures:

As a part of the budget process for FY 2015 agency directors examined in detail their respective areas' current funding levels and came back with expenditure estimates as detailed below.

The primary objective for FY2015 agency wide internal budget is to use the budgeting process as a critical tool to ensure the continuity of the agency's services in spite of decreases in funding and ensure that we continue to operate in compliance with appropriate rules to deliver the mission of the agency.

The overall budget provides for \$500,000 related to salary increases. This amount would provide for a COLA of 1% for all employees and a modest budget amount for promotional, market adjustment and other increases for a limited number of employees.

Due to insufficient maintenance of effort from the State of Illinois, ISAC is not expected to get the funding from the CACG grant for FY 2015, which is the last year of this Federal grant program. In the absence of funds from CACG, SLOF will be paying for most of the cost of running the ISACorps. The total cost to run ISACorps and outreach related contractual expenditures will amount to \$5 million, \$4 million from SLOF reserves and \$1 million from GRF. For details, please see attached tables.

ISAC has applied for a Federal Gear Up grant that could be as much as \$3.5 million per year with a 100% matching requirement. Because of the timing and uncertainty about whether or not ISAC will receive the grant, it has not been included in the budget. We will update the Commission at a future meeting if the grant is received. We are not expecting to hear about whether or not we will receive the grant until mid-September.

As the FFEL program winds down certain areas of the agency are shrinking and require fewer resources while other areas are growing and have a critical need for additional resources. ISAC on an ongoing basis will need to continue to examine its organizational structure and reallocate resources based on the agency's priorities.

ISAC believes that there is a critical need to invest additional resources to enhance ISAC's Business Continuity Plan to help ensure that the agency's operations and the delivery of services are secure in the event of a significant business disruption. The FY 2015 budget request includes funding for some continuing steps in the implementation of an enhanced Business Continuity Plan for ISAC.

Over the last few years due to funding shortage and cost cutting measures the agency has not invested sufficiently in routine maintenance in building facilities and equipment or upgrades in computers and software. ISAC believes that these upgrades are critical for long term stability and productivity in the agency. The FY 2015 budget reflects expenditures for the maintenance of the Deerfield building and for the purchase of new software and other equipment.

Total budgeted gross expenditures before inter-fund allocation for FY 2015 have been estimated at \$41.2 million - an increase of approximately \$10.9 million over prior year estimated expenditures.

Personnel Services:

<u>DETAILS OF INCREASES AND DECREASES IN PERSONNEL SERVICES</u> <u>2015 BUDGET OVER 2014 ACTUAL ESTIMATED EXPENDITURES</u>		
Estimated Increase in Retirement and Group Insurance	\$360,000	
Reserve for Employees on Leave of Absence Including Benefits	950,000	
New Hires Including Benefits Net of Attrition	545,000	
Employee Transferred from CACG	133,000	
COLA and Promotional Increase	500,000	
Total Increases		\$2,488,000

Contractual Services and Building Maintenance:

<u>DETAILS OF INCREASES AND DECREASES IN CONTRACTUAL SERVICES AND BUILDING MAINTENANCE</u> <u>2015 BUDGET OVER 2014 ACTUAL ESTIMATED EXPENDITURES</u>		
Outside Collection Agencies Fees	\$1,100,000	
Human Resources Information System	170,000	
Mainframe Support and Student Portal	510,000	
Computer Software	15,000	
Statistical Revolving Fund	100,000	
IT Audit and Other Contractual Services	<u>210,200</u>	
<u>Total Contractual Increase</u>		\$2,105,200
Building Maintenance	783,000	
Building Maintenance Capitalized	-230,000	
Net Increase in Building Maintenance		\$553,000
Total Increase		<u>\$2,658,200</u>

Other Administrative Expenses include increases in:

- Printing charges for updated information and materials
- Equipment expense for upgrading computers
- Increase in travel
- Increase in staff training and registration fees

It should be noted that although these increases in expenses are 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 taking into consideration other factors.

Inter-fund Allocation

The General Assembly included language to allow up to 2 percent of the MAP line for agency administrative and operational costs and a separate appropriation line of \$1,020,700 for outreach expenditures to be used for administering the ISACorps. We are expecting to use the 2 percent of the MAP line for agency administration in FY 2015. Note – because of the way the state budgets for pension and group insurance costs, the 2 percent of MAP saves approximately \$10 million of expenditures from SLOF.

We also estimate that shared costs allocated to College Illinois! would be approximately \$1.6 million.

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 2014 is projected to be over \$31 million and is estimated to be approximately \$25 million at the end of fiscal year 2015.

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

IDAPP is ISAC's lending arm for student loans. 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 2015 are estimated at approximately \$2.5 million.

As IDAPP's loan portfolio winds down staffing requirement will decrease. IDAPP's estimated expenditures have decreased and reflect staff who were either redeployed to other areas of the agency or laid off. It is estimated that the net income in the fund will be approximately \$925,000 in FY 2015.

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 2015 administrative budget has been developed to adequately cover administrative costs of the program. The program's FY2015 administrative budget request excluding shared costs totals \$9.2 million, an increase of \$1.4 million over estimated actual total expenditures in the prior year.

DETAILS OF INCREASES AND DECREASES IN EXPENDITURES		
FY 2015 BUDGET OVER FY 2014 ACTUAL ESTIMATED EXPENDITURES		
FOR THE FISCAL YEAR ENDING JUNE 30.		
PERSONNEL SERVICES		
New Hire in April FY 2014	\$144,000	
Increase in Benefits in FY 2015	7,000	
Estimated Increase in Direct CI! Payroll for Contingency	121,000	
Reserve for LOA Position	104,800	
TOTAL PERSONNEL SERVICES		\$376,800
CONTRACTUAL SERVICES		
Increase in Investment Consultant and Legal Fees	222,000	
Increase in Records Administration Charges & Custodial Bank Charges	253,000	
TOTAL INCREASE CONTRACTUAL SERVICES		\$475,000
INVESTMENT EXPENSE		
Increase in Investment Expense		\$500,000
OTHER ADMIN EXPENSES		
Increase in Printing, Equipment and Travel		\$13,000
TOTAL INCREASE IN COLLEGE ILLINOIS BUDGET		\$1,364,800

Following is a narrative summary of major budgetary objectives for FY2014.

Personal Services

The program’s direct Personal Services budget for FY 2015 of \$1.3 million, is approximately \$376,800 more than the prior year.

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 marketing budget request for FY 2015 totaling \$1.7 million is comparable to the prior year.

- **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.

- **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 2015 budget request for Lockbox Services remains at the FY 2014 level.

- **Financial Services**

This includes costs related to:

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

Total contractual costs are projected to increase by \$475,000 – a 13% 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 FY2015 budget projects a \$2 million estimate for intra-agency services. Please note that actual costs charged to College Illinois will be based on actual time worked as recorded in the Time Tracker system, 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 FY2015 budget for investment expense has increased from \$3.5 million for FY 2014 to \$4.0 million an increase of over \$500,000. Investment expense is the invoice fees paid to traditional managers (mostly stocks and fixed income) and the fees paid to LP or subscription funds (hedge funds, etc.) that are not the private equity/closed end fund structure. The increase is due to higher allocation to traditional investments and also due to assumptions regarding asset growth through performance. We would only pay this much if performance was outstanding.

In addition it is estimated that \$4.1 million in management advisory fees will be net out of investment income in FY 2015. This is consistent with the prior year.

**Illinois Student Assistance Commission
FY 2013-FY2015 Appropriations
FY 2015 Commission Recommendation**

<i>whole \$</i>				
Line Item	FY13 Appropriation Approved*	FY14 Appropriation Approved (HB208)	FY15 Commission Recommendation	FY15 Appropriation Approved (HB6094)
STATE GENERAL FUNDS				
Monetary Award Program	\$371,309,400	\$373,198,100	\$392,231,300	\$373,254,500
Personal Services	\$0	\$0	\$0	\$0
Social Security	\$0	\$0	\$0	\$0
Contractual Services	\$0	\$0	\$0	\$0
Agency State Administration	\$0	\$0	\$3,000,000	\$0
Outreach	\$0	\$0	\$2,300,000	\$1,020,700
College Illinois! Marketing	\$0	\$0	\$1,000,000	\$0
TOTAL GENERAL REVENUE FUND	\$371,309,400	\$373,198,100	\$398,531,300	\$374,275,200
Illinois Incentive for Access Grants	\$0	\$0	\$0	\$0
Teacher Loan Forgiveness Program	\$500,000	\$500,000	\$750,000	\$500,000
Minority Teacher Scholarships	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000
Illinois Future Teachers Corps Scholarships	\$0	\$0	\$0	\$0
Golden Apple Scholars Of Illinois (Beginning FY 13)	\$4,900,000	\$6,647,600	\$6,647,600	\$6,647,600
Student to Student Grants	\$0	\$0	\$0	\$0
Dependents Grants	\$1,050,000	\$1,050,000	\$1,103,600	\$1,050,000
National Guard Grants	\$0	\$0	\$0	\$0
Illinois Veteran Grants	\$0	\$0	\$0	\$0
Nurse Educator Scholarships	\$0	\$0	\$0	\$0
Nurse Educator Loan Repayment Program	\$300,000	\$300,000	\$450,000	\$300,000
Veterans' Home Nurse Loan Repayment Program	\$30,000	\$30,000	\$40,000	\$30,000
Bonus Incentive Grants	\$0	\$0	\$0	\$0
Illinois Scholars Program	\$40,000	\$40,000	\$0	\$40,000
Public Interest Attorney Loan Repayment Program	\$0	\$0	\$0	\$0
Child Welfare Student Loan Forgiveness Program	\$0	\$0	\$0	\$0
Community College Transfer Grant Program	\$0	\$0	\$0	\$0
Grant for a Person Raised by a Grandparent	\$0	\$0	\$0	\$0
Governors Discretionary Appropriation	\$0	\$0	\$0	\$0
TOTAL EDUCATIONAL ASSISTANCE FUND	\$9,320,000	\$11,067,600	\$11,491,200	\$11,067,600
TOTAL STATE GENERAL FUNDS	\$380,629,400	\$384,265,700	\$410,022,500	\$385,342,800
FEDERAL FUNDS				
STUDENT LOAN OPERATING FUND *				
Personal Services	\$17,208,900	\$17,208,900	\$17,208,900	\$17,208,900
Retirement	\$5,283,400	\$6,937,300	\$7,059,100	\$7,059,100
Social Security	\$1,316,600	\$1,316,600	\$1,316,600	\$1,316,600
Group Insurance	\$5,167,900	\$6,000,000	\$7,000,000	\$7,000,000
Contractual Services	\$12,378,100	\$12,630,700	\$12,630,700	\$12,630,700
Contractual - Collection Agency Fees	\$14,600,000	\$15,000,000	\$15,000,000	\$15,000,000
Travel	\$311,000	\$311,000	\$311,000	\$311,000
Commodities	\$282,200	\$282,200	\$282,200	\$282,200
Printing	\$491,000	\$501,000	\$501,000	\$501,000
Equipment	\$540,000	\$540,000	\$540,000	\$540,000
Telecommunications	\$1,860,000	\$1,897,900	\$1,897,900	\$1,897,900
Operation of Auto Equipment	\$38,400	\$38,400	\$38,400	\$38,400
Federal Loan System Development & Maintenance	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000
Default Fees	\$0	\$0	\$0	\$0
Operational Expenses, MAP & Permanent Improvements	\$0	\$0	\$0	\$0
TOTAL	\$62,977,500	\$66,164,000	\$67,285,800	\$67,285,800
FEDERAL STUDENT LOAN FUND				
Loan Guarantee Program	\$290,000,000	\$290,000,000	\$290,000,000	\$290,000,000
TOTAL	\$290,000,000	\$290,000,000	\$290,000,000	\$290,000,000

FEDERAL SCHOLARSHIPS AND GRANTS				
Federal College Access Challenge Grant Program	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000
John R. Justice Student Loan Repayment Program	\$500,000	\$500,000	\$500,000	\$500,000
Federal LEAP/SLEAP - Monetary Award Program	\$0	\$0	\$0	\$0
Transfer to ED -Paul Douglas Funds Collected	\$400,000	\$400,000	\$400,000	\$400,000
Federal Robert C. Byrd Fellowships	\$0	\$0	\$0	\$0
TOTAL	\$15,900,000	\$15,900,000	\$15,900,000	\$15,900,000
TOTAL FEDERAL FUNDS	\$368,877,500	\$372,064,000	\$373,185,800	\$373,185,800
OTHER STATE FUNDS				
ISAC Accounts Receivables	\$300,000	\$300,000	\$300,000	\$300,000
Higher Education License Plate Program	\$90,000	\$90,000	\$110,000	\$110,000
Optometric Education Scholarship Program	\$50,000	\$50,000	\$50,000	\$50,000
IVG- National Guard Grant Fund	\$20,000	\$20,000	\$20,000	\$20,000
Illinois Future Teachers Corps Scholarship Fund	\$60,000	\$140,000	\$140,000	\$140,000
Contracts and Grants Fund	\$25,000,000	\$10,000,000	\$10,000,000	\$10,000,000
TOTAL OTHER STATE FUNDS	\$25,520,000	\$10,600,000	\$10,620,000	\$10,620,000
GRAND TOTAL	\$775,026,900	\$766,929,700	\$793,828,300	\$769,148,600
* After 2% Appropriation transfer in SLOF				

ILLINOIS STUDENT ASSISTANCE COMMISSION
SUMMARY COMPARATIVE INCOME STATEMENT FOR FY 2013, 2014 & 2015
STUDENT LOAN OPERATING FUND
RECOMMENDED BUDGET - FY 2015

DESCRIPTION	Student Loan Operating Fund			SLOF Final
	FY 2013	FY 2014	FY 2014	FY 2015
	Actual	Estimated	Budget	Budget
AGENCY REVENUES				
COLLECTIONS	5,862,668	4,935,567	5,800,000	4,000,000
REPURCHASE /CONSOLIDATIONS	6,327,902	7,010,749	6,000,000	5,850,000
REHABILITATIONS	21,679,732	23,942,000	21,000,000	8,800,000
INTEREST & OTHER INVEST INCOME	50,840	80,649	50,000	50,000
LOAN PROCESSING / ISSUANCE FEE	-	-	-	-
ACCOUNT MAINTENANCE FEE	3,098,173	2,874,338	2,820,200	2,500,000
DEFAULT AVERSION FEE	448,107	6,869	250,000	-
LEGAL RECOVERIES & MISC INCOME	1,626,163	750,000	350,000	350,000
RENTAL INCOME FROM OTHER AGENCIES	983,939	685,368	300,000	600,000
TOTAL REVENUES	40,077,525	40,285,540	36,570,200	22,150,000
EXPENDITURES				
PERSONAL SERVICES & FRINGE BEN	26,006,216	23,914,874	28,000,000	26,402,900
CONTRACTUAL SERVICES	6,280,866	4,649,111	7,647,900	6,798,300
RENTAL REAL PROP	3,002,587	1,346,854	936,400	1,899,900
OTHER ADMIN EXPENSES	(200,943)	574,233	731,200	1,192,000
ISACORPS DIRECT PERSONNEL COST				3,252,300
ISACORPS DIRECT CONTRACTUAL EXPENSES				200,000
ISACORPS DIRECT OTHER AMIN EXPENSES				225,000
OUTREACH CONTRACTUAL SOFTWARE EXPENSES				1,260,000
TOTAL AGENCY EXPENDITURES	35,088,726	30,485,072	37,315,500	41,230,400
INTERFUND ALLOCATION				
AGENCY ADMINISTRATION-GRF			-	(10,000,000)
OUTREACH-GRF				(1,020,700)
COLLEGE ILLINOIS ALLOCATED EXPENSES	(1,659,952)	(1,538,562)	(2,000,000)	(1,600,000)
TOTAL SHARED EXPENSES	(1,659,952)	(1,538,562)	(2,000,000)	(12,620,700)
TOTAL EXPENDITURES AFTER SHARED ALLOCATION	33,428,774	28,946,510	35,315,500	28,609,700
NET INCOME	6,648,752	11,339,030	1,254,700	(6,459,700)
SLOF MAP PAYMENTS *	(119,276)	(6,875)	-	-
NET INCOME AFTER MAP PAYMENTS	6,768,028	11,345,905	1,254,700	(6,459,700)
BEGINNING FUND BALANCE				
RESTRICTED- MAP AWARDS	103,529	222,805	222,805	229,680
UNRESTRICTED	13,025,560	19,674,312	19,674,312	31,013,342
TOTAL BEGINNING FUND BALANCE	13,129,089	19,897,117	19,897,117	31,243,022
ENDING FUND BALANCE				
RESTRICTED- MAP AWARDS	222,805	229,680	222,805	229,680
UNRESTRICTED	19,674,312	31,013,342	20,929,012	24,553,642
ENDING FUND BALANCE	19,897,117	31,243,022	21,151,817	24,783,322

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 2013, 2014 & 2015
ILLINOIS DESIGNATED ACCOUNT PURCHASE PROGRAM

DESCRIPTION	FY 2013	FY 2014	FY 2014	FY 2015
	Actual	Estimated	Budget	Budget
REVENUES				
IDAPP SERVICING FEE RECEIVED FROM TRUSTS PUT FEES	2,994,436	2,733,568	2,619,000	2,300,000
FEDERAL SPECIAL ALLOWANCE NFP FEES-IDAPP	242,632	219,111	234,000	172,000
NET INCOME FROM BOND REFINANCING *			.	.
TOTAL REVENUES	3,237,068	2,952,679	2,853,000	2,472,000
EXPENDITURES				
PERSONAL SERVICES & FRINGE BEN	2,070,932	1,077,352	1,698,000	800,000
CONTRACTUAL SERVICES	418,602	153,251	200,000	175,000
OTHER FEES & EXPENSES	70,476	58,192	75,000	60,000
FEDERAL SPECIAL ALLOWANCE	(61,847)	6,075	20,000	20,000
EXTERNAL LOAN SERVICING	716,178	544,607	660,000	492,000
CONSOLIDATION REBATE FEE	76,428	(737)	100,000	-
TOTAL EXPENDITURES	3,290,770	1,838,739	2,753,000	1,547,000
INTERFUND ALLOCATION				
CI! ALLOCATED EXPENSES	(13,308)	(38,921)	-	-
TOTAL INTERFUND EXPENSES	(13,308)	(38,921)	-	-
TOTAL EXPENDITURES AFTER SHARED ALLOCATION	3,277,461	1,799,817	2,753,000	1,547,000
NET INCOME	(40,393)	1,152,861	100,000	925,000
NET OPERATING TRANSFER FROM TRUST	635,248	(331,743)		
BEGINNING FUND BALANCE	20,950,158	21,545,013		
ENDING FUND BALANCE	21,545,013	22,366,131		

ILLINOIS STUDENT ASSISTANCE COMMISSION
SUMMARY COMPARATIVE INCOME STATEMENT FOR FY 2013, 2014 & 2015
RECOMMENDED BUDGET - COLLEGE ILLINOIS!

DESCRIPTION	College Illinois!			CI!
	FY 2013	FY 2014	FY 2014	Final
	Actual	Estimated	Budget	FY 2015
				Budget
<u>AGENCY REVENUES</u>				
INCOME FROM INVESTMENT SECURITIES	128,584,395	108,927,850	-	
INTEREST INCOME	187,929	63,361	-	-
OTHER INCOME	823,516	481,869	-	-
INVESTMENT ADVISORY FEES NET OUT OF INVESTMENT GAINS*	(3,570,180)	(6,010,458)	(4,253,000)	(4,100,000)
TOTAL REVENUES	126,025,659	103,462,622	(4,253,000)	(4,100,000)
<u>EXPENDITURES</u>				
PERSONAL SERVICES & FRINGE BEN	722,614	883,369	1,203,800	1,259,300
CONTRACTUAL SERVICES	3,637,900	3,517,823	4,126,300	3,991,600
OTHER ADMIN EXPENSES	3,248	(45,263)	14,500	17,400
INVESTMENT EXPENSE **	4,168,074	3,457,220	4,066,200	3,957,300
TOTAL EXPENDITURES BEFORE COST ALLOCATION	8,531,837	7,813,149	9,410,800	9,225,600
<u>INTERFUND ALLOCATION</u>				
COLLEGE ILLINOIS ALLOCATED EXPENSES	1,673,261	1,577,483	2,000,000	2,000,000
CACG COST ALLOCATED	-	-	-	-
TOTAL EXPENDITURES AFTER SHARED ALLOCATION	10,205,098	9,390,631	11,410,800	11,225,600
ACCRETION EXPENSE ACCRUED	133,071,413	94,071,991		
GRAND TOTAL EXPENDITURES	143,276,510	103,462,622	11,410,800	11,225,600
NET INCOME	(17,250,851)	(0)		
BEGINNING FUND BALANCE	420,388,265	403,137,414		
ENDING FUND BALANCE	403,137,414	403,137,414	-	-

NOTE

* Alternative investment managers with closed end funds 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 \$ 6.0 million in FY 2014 and \$4.1 in FY 2015.

ILLINOIS STUDENT ASSISTANCE COMMISSION				
SUMMARY COMPARATIVE INCOME STATEMENT FOR FFY 2013, 2014 & 2015				
RECOMMENDED BUDGET - ISACORPS AND OUTREACH PROGRAM*				
8/16/2014 to 8/15/2015				
DESCRIPTION	FFY 2013	FFY 2014	FFY2014	Recommended FFY 2015
	Actual	Estimated	Budget	Budget
<u>AGENCY REVENUES</u>				
GRANT INCOME	4,507,361	4,474,464	4,474,464	
CARRIED OVER FUND	2,017,746	921,619	921,619	
OUTREACH-GRF				1,020,700
OUTREACH-SLOF				3,916,600
TOTAL REVENUES	6,525,107	5,396,083	5,396,083	4,937,300
<u>EXPENDITURES</u>				
PERSONAL SERVICES & FRINGE BEN	3,092,572	3,494,579	3,236,200	3,252,300
CONTRACTUAL SERVICES	1,753,162	1,114,397	1,444,922	1,460,000
OTHER ADMIN EXPENSES	241,325	312,607	240,461	225,000
INTERGOVERNMENTAL AGREEMENT	516,429	474,500	474,500	-
TOTAL AGENCY EXPENDITURES	5,603,488	5,396,083	5,396,083	4,937,300
<u>INTERFUND ALLOCATION</u>				
CACG COST ALLOCATED	-	-	-	-
TOTAL SHARED EXPENSES	-	-	-	-
TOTAL EXPENDITURES AFTER SHARED ALLOCATION	5,603,488	5,396,083	5,396,083	4,937,300
NET INCOME	921,619	0	(0)	-
BEGINNING FUND BALANCE				
ENDING FUND BALANCE	921,619	0	(0)	-

*Note

Due to insufficient maintenance of effort by the State ISAC will not receive funding from the Collage Access Challenge Grant. Expenditures for the ISACorps and outreach will be met from funds in the Student Loan Operating Fund.