

AGENDA ITEM 4.

FY2016 AND FY2017 APPROPRIATED FUNDS BUDGET UPDATE

Submitted for: Information

Summary: This item includes an update regarding funds appropriated for FY2016 and FY2017, payments made thus far under an appropriations bill approved June 30, 2016, and programs not funded or underfunded for FY2016.

With no funding yet allocated for scholarships and grants for the 2016-17 academic year and the General Assembly not scheduled to return until November 15th, another academic year is beginning with great uncertainty for students, families, and the Illinois colleges and universities that serve them.

Included in the item is a table that details appropriations for FY2015-FY2017, along with the Commission's FY2017 recommendation and the Governor's FY2017 request.

Action requested: None

ILLINOIS STUDENT ASSISTANCE COMMISSION

FY2016 AND FY2017 APPROPRIATED FUNDS BUDGET UPDATE

As of this writing, the State is entering the third month of FY2017. The General Assembly and Governor approved an appropriations bill on June 30, 2016, that included appropriations for both FY2016 and FY2017, but a comprehensive budget for FY2016 was never enacted. Although the measure (now Public Act 99-254) has been referred to by some as “a half-year budget,” this is true only in the sense that it authorizes spending for state general funds for costs incurred through December 31, 2016. The state programs and services that the Act funds are not necessarily supported at the levels required to conduct six months of activity—particularly since many entities spent the previous year providing services without receiving any payment, and therefore the available funding is being used to cover old costs.

There is little reason to expect further FY2016 appropriations, although the FY2016 spending that has been approved for ISAC-administered programs falls short of prior year levels and is likely to create challenges for students and institutions.

As of today, timely MAP claims for 2015-16 have been paid, and staff are currently processing tuition and fee payments that will make Golden Apple Scholars whole for costs incurred during Spring 2016. The Golden Apple Foundation, which runs the Golden Apple Scholars of Illinois Program, will soon receive the other component of the program’s funding, a pass-through grant that supports aspects of the program such as stipends for mentoring, summer teaching, etc.. Payments are also being processed for Fall 2015 claims from the Grant Program for the Dependents of Police, Fire, and Correctional Officers killed or permanently disabled in the line of duty.

Still unfunded for FY2016 are the claims from the remainder of the 2015-16 academic year for students eligible for the Dependents’ Grant, along with the Minority Teachers of Illinois (MTI) grant program and all state loan repayment assistance programs. Support for the Golden Apple Foundation is also significantly reduced from the levels that the state provided in recent years.

The programmatic budget for FY2017 is even less certain: No funding has been allocated for scholarships and grants for the 2016-17 academic year. **With the General Assembly not scheduled to return until November 15th (and some officials commenting that they do not expect final action on a budget until January at the earliest), another academic year is beginning with great uncertainty for students, families, and the Illinois colleges and universities that serve them.**

The June funding bill does authorize a full year of spending from federal funds and special state funds (accounts outside the state’s general funds) for FY2017. This includes ISAC’s Student Loan Operating Fund and authorization to spend the proceeds of any federal or private contracts or grants that the agency secures. However, the Act does not include state general funds support for agency operations or statewide outreach, research, and training for FY2017, although these were recommended by the Governor in his FY2017 requested in February.

This item includes a table that details appropriations from FY2015-FY2017, along with the Commission’s FY2017 recommendation and the Governor’s FY2017 request.

| Table 1: | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----|-----------------------|---------------|
| ILLINOIS STUDENT ASSISTANCE COMMISSION | | | | | | | | | |
| STATE FISCAL YEAR 2017 BUDGET | | | | | | | | | |
| Line Item | FY15 Budget | FY15 Budget | | FY17 Budget | FY17 Governor's | | | Difference FY17-FY16 | |
| <u>STATE GENERAL FUNDS</u> | Approved | Revised ** | FY16 | Recommendation | Budget | FY17 | | Amount | Percent |
| Monetary Award Program * | \$373,254,500 | \$364,856,300 | \$169,798,700 | \$423,254,500 | \$364,856,300 | \$151,000,000 | *** | (\$18,798,700) | -11.1% |
| Personal Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | \$0 | 0.0% |
| Social Security | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | \$0 | 0.0% |
| Contractual Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | \$0 | 0.0% |
| Agency State Operations | \$0 | \$0 | \$0 | \$4,000,000 | \$1,000,000 | \$0 | | \$0 | 0.0% |
| Statewide Outreach, Training, & Research Activities | \$1,020,700 | \$997,700 | \$0 | \$5,000,000 | \$3,200,000 | \$0 | | \$0 | 0.0% |
| College Illinois! Marketing | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | \$0 | 0.0% |
| TOTAL GENERAL REVENUE FUND | \$374,275,200 | \$365,854,000 | \$169,798,700 | \$432,254,500 | \$369,056,300 | \$151,000,000 | | (\$18,798,700) | -11.1% |
| Dependents Grants | \$1,050,000 | \$1,026,400 | \$0 | \$1,300,000 | \$1,105,200 | \$513,000 | *** | \$513,000 | 100.0% |
| Minority Teacher Scholarships | \$2,500,000 | \$2,443,800 | \$0 | \$2,500,000 | \$1,900,000 | \$0 | | \$0 | 0.0% |
| Teacher Loan Forgiveness Program | \$500,000 | \$488,800 | \$0 | \$975,000 | \$496,400 | \$0 | | \$0 | 0.0% |
| Golden Apple Scholars Of Illinois (Beginning FY13) | \$6,647,600 | \$6,498,000 | \$0 | \$6,647,600 | \$3,323,800 | \$3,249,000 | *** | \$3,249,000 | 100.0% |
| Illinois Future Teachers Corps Scholarships | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | \$0 | 0.0% |
| Nurse Educator Loan Repayment Program | \$300,000 | \$293,300 | \$0 | \$505,000 | \$293,300 | \$0 | | \$0 | 0.0% |
| Veterans' Home Nurse Loan Repayment Program | \$30,000 | \$29,300 | \$0 | \$75,000 | \$25,000 | \$0 | | \$0 | 0.0% |
| Illinois Scholars Program | \$40,000 | \$39,100 | \$0 | \$0 | \$0 | \$0 | | \$0 | 0.0% |
| National Guard Grants | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | \$0 | 0.0% |
| Illinois Veteran Grants | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | \$0 | 0.0% |
| Illinois Incentive for Access Grants | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | \$0 | 0.0% |
| Student to Student Grants | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | \$0 | 0.0% |
| Merit Recognition Scholarship | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | \$0 | 0.0% |
| Illinois State Scholars | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | \$0 | 0.0% |
| Nurse Educator Scholarships | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | \$0 | 0.0% |
| Bonus Incentive Grants | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | \$0 | 0.0% |
| Public Interest Attorney Loan Repayment Program | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | \$0 | 0.0% |
| Child Welfare Student Loan Forgiveness Program | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | \$0 | 0.0% |
| Community College Transfer Grant Program | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | \$0 | 0.0% |
| Grant for a Person Raised by a Grandparent | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | \$0 | 0.0% |
| SIU Achieve Program | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | \$0 | 0.0% |
| Grant Program for Medical Assistants in Training | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | \$0 | 0.0% |
| Grant Program for Exonerees | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | \$0 | 0.0% |
| TOTAL EDUCATIONAL ASSISTANCE FUND | \$11,067,600 | \$10,818,700 | \$0 | \$12,002,600 | \$7,143,700 | \$3,762,000 | | \$3,762,000 | 100.0% |
| TOTAL STATE GENERAL FUNDS | \$385,342,800 | \$376,672,700 | \$169,798,700 | \$444,257,100 | \$376,200,000 | \$154,762,000 | | -\$15,036,700 | -8.9% |
| * Allows for up to two percent of MAP appropriation to be used for agency operations. | | | | | | | | | |
| ** PA 99-001 only affected GRF/EAF - other amounts shown are original FY15 appropriation. | | | | | | | | | |
| *** Appropriated in FY17 to pay costs originally incurred in FY16. | | | | | | | | | |

| Table 1 (continued): | | | | | | | | |
|--|-------------------------|------------------------|----------------------|-------------------------------|---------------------------|----------------------|----------------------|--------------|
| ILLINOIS STUDENT ASSISTANCE COMMISSION | | | | | | | | |
| STATE FISCAL YEAR 2017 BUDGET - STAFF RECOMMENDATION | | | | | | | | |
| Line Item | FY15 Budget Approved | FY15 Budget Revised | FY16 | FY17 Budget Recommendation | FY17 Governor's Budget | FY17 | Difference FY17-FY16 | |
| STUDENT LOAN OPERATING FUND | | | | | | | | |
| Personal Services | \$17,208,900 | \$17,208,900 | \$17,208,900 | \$17,208,900 | \$15,538,600 | \$15,538,600 | (\$1,670,300) | -9.7% |
| Retirement | \$7,059,100 | \$7,059,100 | \$7,765,100 | \$7,765,100 | \$7,085,600 | \$7,085,600 | (\$679,500) | -8.8% |
| Social Security | \$1,316,600 | \$1,316,600 | \$1,316,600 | \$1,316,600 | \$1,181,000 | \$1,181,000 | (\$135,600) | -10.3% |
| Group Insurance | \$7,000,000 | \$7,000,000 | \$7,700,000 | \$7,700,000 | \$6,240,000 | \$6,240,000 | (\$1,460,000) | -19.0% |
| Contractual Services | \$12,630,700 | \$12,630,700 | \$12,630,700 | \$12,630,700 | \$12,630,700 | \$12,630,700 | \$0 | 0.0% |
| Contractual - Collection Agency Fees | \$15,000,000 | \$15,000,000 | \$15,000,000 | \$15,000,000 | \$15,000,000 | \$15,000,000 | \$0 | 0.0% |
| Travel | \$311,000 | \$311,000 | \$311,000 | \$311,000 | \$311,000 | \$311,000 | \$0 | 0.0% |
| Commodities | \$282,200 | \$282,200 | \$282,200 | \$282,200 | \$282,200 | \$282,200 | \$0 | 0.0% |
| Printing | \$501,000 | \$501,000 | \$501,000 | \$501,000 | \$501,000 | \$501,000 | \$0 | 0.0% |
| Equipment | \$540,000 | \$540,000 | \$540,000 | \$540,000 | \$540,000 | \$540,000 | \$0 | 0.0% |
| Telecommunications | \$1,897,900 | \$1,897,900 | \$1,897,900 | \$1,897,900 | \$1,897,900 | \$1,897,900 | \$0 | 0.0% |
| Operation of Auto Equipment | \$38,400 | \$38,400 | \$38,400 | \$38,400 | \$38,400 | \$38,400 | \$0 | 0.0% |
| Federal Loan System Development & Maintenance | \$3,500,000 | \$3,500,000 | \$2,500,000 | \$2,500,000 | \$2,500,000 | \$2,500,000 | \$0 | 0.0% |
| SLOF Payment to IDAPP | \$0 | \$0 | \$0 | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$1,000,000 | 100.0% |
| TOTAL | \$67,285,800 | \$67,285,800 | \$67,691,800 | \$68,691,800 | \$64,746,400 | \$64,746,400 | -\$2,945,400 | -4.4% |
| FEDERAL STUDENT LOAN FUND | | | | | | | | |
| Loan Guarantee Program | \$290,000,000 | \$290,000,000 | \$261,000,000 | \$260,000,000 | \$260,000,000 | \$260,000,000 | -\$1,000,000 | -0.4% |
| TOTAL | \$290,000,000 | \$290,000,000 | \$261,000,000 | \$260,000,000 | \$260,000,000 | \$260,000,000 | -\$1,000,000 | -0.4% |
| FEDERAL SCHOLARSHIPS AND GRANTS | | | | | | | | |
| Federal Grant Funding | \$15,000,000 | \$15,000,000 | \$15,000,000 | \$15,000,000 | \$15,000,000 | \$15,000,000 | \$0 | 0.0% |
| John R. Justice Student Loan Repayment Program | \$500,000 | \$500,000 | \$500,000 | \$500,000 | \$500,000 | \$500,000 | \$0 | 0.0% |
| Federal LEAP/SLEAP - Monetary Award Program | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | 0.0% |
| Transfer to ED -Paul Douglas Funds Collected | \$400,000 | \$400,000 | \$400,000 | \$400,000 | \$400,000 | \$400,000 | \$0 | 0.0% |
| Federal Robert C. Byrd Fellowships | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | 0.0% |
| TOTAL | \$15,900,000 | \$15,900,000 | \$15,900,000 | \$15,900,000 | \$15,900,000 | \$15,900,000 | \$0 | 0.0% |
| TOTAL FEDERAL FUNDS | \$373,185,800 | \$373,185,800 | \$344,591,800 | \$344,591,800 | \$340,646,400 | \$340,646,400 | -\$3,945,400 | -1.1% |
| OTHER STATE FUNDS | | | | | | | | |
| ISAC Accounts Receivables | \$300,000 | \$300,000 | \$300,000 | \$300,000 | \$300,000 | \$300,000 | \$0 | 0.0% |
| Higher Education License Plate Program | \$110,000 | \$110,000 | \$110,000 | \$110,000 | \$110,000 | \$110,000 | \$0 | 0.0% |
| Optometric Education Scholarship Program | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$0 | 0.0% |
| IVG- National Guard Grant Fund | \$20,000 | \$20,000 | \$20,000 | \$20,000 | \$20,000 | \$20,000 | \$0 | 0.0% |
| Golden Apple Scholars of Illinois Fund | \$140,000 | \$140,000 | \$225,000 | \$270,000 | \$225,000 | \$312,600 | \$87,600 | 38.9% |
| Contracts and Grants Fund | \$10,000,000 | \$10,000,000 | \$10,000,000 | \$10,000,000 | \$10,000,000 | \$10,000,000 | \$0 | 0.0% |
| TOTAL OTHER STATE FUNDS | \$10,620,000 | \$10,620,000 | \$10,705,000 | \$10,750,000 | \$10,705,000 | \$10,792,600 | \$87,600 | 0.8% |
| TOTAL - APPROPRIATED FUNDS | \$769,148,600 | \$760,478,500 | \$525,095,500 | \$799,598,900 | \$727,551,400 | \$506,201,000 | -\$18,894,500 | -3.6% |
| NON APPROPRIATED FUNDS | | | | | | | | |
| College Illinois! Operations | \$11,225,600 | \$11,225,600 | \$11,365,500 | NA | NA | \$11,509,700 | \$144,200 | 1.3% |
| IDAPP Operations | \$1,547,000 | \$1,547,000 | \$1,440,000 | NA | NA | \$1,041,000 | (\$399,000) | -27.7% |