

**ILLINOIS STUDENT ASSISTANCE COMMISSION  
FISCAL YEAR 2027 INTERNAL BUDGET**

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**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 the Prepaid Tuition Program (College Illinois!) and Illinois Designated Account Purchase Program (IDAPP), which are both classified as non-appropriated funds.

- **Appropriation (State Funded)**

ISAC's State-funded appropriation represents funding authority for all the scholarship and grant programs administered by ISAC and operational expenditures of the agency. The funding for this comes from the State General Revenue Fund (GRF), Education Assistance Fund (EAF), or other State funds and is allocated for higher education from State resources.

- **Spending Authority (Other Sources)**

With the exception of IDAPP and, beginning in February 2026 (with the transition of the disbursement function of College Illinois! tuition and fee payments to Catalis), the cash disbursements for all funds administered by ISAC are processed by the Illinois Office of the Comptroller. Without the spending authority, payments cannot be processed from these funds, except for College Illinois, which is a non-appropriated fund. **Note that the spending authority authorizes annual spending limits from the funds. It does not represent actual/estimated expenditures from the fund.**

- **Internal Budget**

The internal budget reflects the annual projected operational revenues and expenditures for the agency.

**Illinois General Assembly Appropriation – Fiscal Year 2027 Budget Update**

For FY 2027, based on Commission approval at the December 2026 meeting, ISAC recommended a budget totaling \$1.00 billion.

The Illinois General Assembly has appropriated, and the Governor is expected to sign, the budget for FY 2027 with \$931.5 million in funding for the agency. The agency's appropriation includes about \$721.5 million for MAP, the same amount as the prior year. The appropriation also included \$8.36 million for agency outreach and research and \$9.0 million (both a 6.6% increase for FY 2027 over FY 2026) for agency operations. This is in addition to the 2% of the MAP appropriation (\$14.4 million), which can be utilized for agency operational expenditures.

As noted in the State Legislative Update delivered in this meeting, the budget also increased authority for the United Negro College Fund (UNCF) Illinois and the Illinois DREAM Fund to use dollars accumulating from specialty lottery ticket sales, and reinstated the funding for the N'DIGO Foundation and also for Prepare for Illinois' Future Program, described in more detail, below.

On the other side of the ledger, the General Assembly reduced its allocations for a few of the scholarship and grant programs that ISAC administers, including Illinois Veteran Grants/Illinois National Guard Grants, Dependents Grants and the Human Services Professional Loan Repayment Program.

The attached Table – *FY 2024 - FY 2027 Appropriations*, details the agency's comparative appropriations by year.

### **Prepare for Illinois' Future Test Preparation Program**

The Commission was first appropriated \$10 million for this program in FY 2024. Under the program, the agency has been managing the primary vendor, Kaplan that is providing students at eligible institutions with access to preparation services for graduate and professional school entrance exams (GRE, MCAT, LSAT, etc.) as well as licensure exams for fields like accounting, real estate, and nursing.

While a portion of the program was implemented in FY 2024 for students pursuing teacher licensure, delays in the procurement process resulted in only a small amount expended during that fiscal year. The FY 2025 budget *re-appropriated* the *remainder* of the original FY 2024 funding to the Commission, thus allowing the agency until the end of FY 2025 to spend what was left from the original \$10 million allotted for the program. Although it was part of the Commission's recommendation, the Prepare for Illinois' Future test preparation program (part of the FY 2025 budget) was not included in the Governor's request for FY 2026 and was not part of the budget approved by the General Assembly. The program has continued through the end of FY 2026 through the use of the remaining funding, and the vendor bridging the program through the remainder of FY 2026 at no cost, in the hope that the program would be included in the FY 2027 budget. Advocacy for this program proved to be successful and funding was reinstated in the FY 2027 budget, with an appropriation of \$7 million.

### **Internal Budget Overview**

The internal budget reflects the annual projected revenues and expenditures for the agency. Please note the following about the overall ISAC operational budget:

#### **Funding:**

- Most of the agency's administrative expenditures will be met by appropriated funding from the State General Revenue Fund (GRF).
- The cost of running the ISACorps will be paid via funding from the State General Revenue Fund.

- ISAC was once again chosen to administer a federal GEAR UP Grant, winning, for a second time, a new award in FY 2025. The new award is approximately \$35 million over seven years for implementing a college access outreach program and scholarship for middle school students. Recent pronouncements at the Federal level have challenged the continued funding for this award. However, the funding has remained in place for ISAC so far.

### **Expenditures:**

- Certain elements of ISAC's costs, such as pension, group insurance, and data processing, are determined by the State. In past years, ISAC has not received advance notice of changes in these costs before they were assessed, leading to uncertainty in budgeting for these areas.
- Some of the costs related to College Illinois! are volume driven. These include investment management fees which are tied to asset values, or investment gains. We have made provisions in the budget for some of these potential contingencies and will continue to be diligent in working to minimize costs and expenditures. The College Illinois! fund expenses are expected to continue to decrease in FY 2027 (relative to FY 2026), mainly due to lower personnel costs as a result of retirements in FY26, and lower contractual costs.

Attached for your reference are comparative financial statements reflecting FY 2025 actual, FY 2026 budget and estimated actual, and recommended FY 2027 budget for all the administrative costs for the agency.

### **Student Loan Operating Fund (SLOF)**

SLOF is the operating fund which accounted for the revenues and expenditures generated from ISAC's role as a Federal Family Education Loan (FFEL) Program guarantor. ISAC had been a FFEL Program guarantor for over 50 years. Effective July 2010, the Student Aid and Fiscal Responsibility Act (SAFRA) ended the FFEL Program. Since then, ISAC as the guarantor had been overseeing the wind-down of the program.

Effective May 1<sup>st</sup>, 2022, ISAC formally terminated its role as a FFEL Program guarantor. The Federal Fund was closed, and the funds were transferred to the Department of Education in June 2023. ISAC did not earn any revenue from the FFEL Program in FY 2023 or since then. SLOF continues to earn some interest revenue, rental income and miscellaneous revenue from several IT-related projects.

### **Funding for the Administrative costs of the Agency**

The budget passed by the General Assembly, and expected to be signed by the Governor, for FY 2027 authorizes 2% of the MAP appropriation of \$721.5 million for the operational costs of the agency. In addition, the budget includes a separate appropriation of approximately \$8.36 million for outreach, research and training expenditures and another additional line of \$9.00 million to be used for agency operations.

The total amount authorized for operational costs from the General Revenue Fund is approximately \$31.8 million.

The agency continues to evaluate its organizational structure and reallocate or add resources based on the agency's mission and related priorities. The agency continues to focus on the delivery of its programs in support of students. We will make appropriate investments to support operations as the agency has been asked to take on more (or wants to take on more), to facilitate succession planning and deepening the operational bench, and to bolster the agency's cyber and data security efforts.

The primary objective as related to MAP administrative funds is to minimize the use the 2% of the MAP line to ensure maximization of MAP grant payments to students.

### **Expenditures**

The budgeted amounts proposed in this item reflect a \$5.4 million increase in personnel and contractual costs overall for the agency.

- Personnel costs are mostly paid out of GRF.
- Personnel costs would be expected to increase by over \$3.9 million, for all authorized hiring, promotions, and salary adjustments. This takes into consideration increases due to employee retirements, as well as prorations for promotions, salary adjustments, and new positions to be filled throughout the year.
- The budget numbers for increases in personnel costs include decreases in cost due to employee retirements that have been announced, as well as prorations for new positions to be filled throughout the fiscal year.
- Note that all hiring and salary changes are not finalized and will be approved individually by the Executive Director during the course of FY 2027.
- The budget also includes a \$1.5 million increase in contractual, rental and other administrative costs.

It should be noted that, as in previous years, although these increases in expenses are included in the budget, the decision as to whether to implement them will be made in the future, as management assesses how the budget year is shaping up and take into consideration other relevant factors.

The major changes in budgeted FY 2027 costs versus FY 2026 estimated actuals are outlined in the tables below.

**GENERAL FUNDS & SLOF**  
**DETAILS OF INCREASES AND DECREASES IN EXPENDITURES**  
**FY 2027 BUDGET OVER FY 2026 ESTIMATED ACTUAL EXPENDITURES**

<b>PERSONNEL SERVICES</b>		
Reserve for 3.5% COLA with benefits cost increase in FY 2027	660,000	
Reserve for vacancies/new positions in FY 2027	1,700,000	
Reserve for adjustments and promotions	170,000	
ISACorps budgeted at 83% and assumes no attrition	1,250,000	
LOA-protected positions	110,000	
<b>TOTAL PERSONNEL SERVICES</b>		<b>\$3,890,000</b>
<b>CONTRACTUAL &amp; ADMINISTRATIVE</b>		
Increase in IT consulting costs	200,000	
Increase in Equipment, software and computer-related costs	500,000	
Increase in CAS/ISACorps contractual costs, including the Agency's subscription-based contracts, travel for outreach-related activities, and other administrative costs	635,000	
Enlistment of Employee Assistance Program	70,000	
Biennial charges for postage and association dues	85,000	
<b>TOTAL CONTRACTUAL &amp; ADMINISTRATIVE</b>		<b>\$1,490,000</b>
<b>TOTAL INCREASE IN GRF &amp; SLOF BUDGET</b>		<b>\$5,380,000</b>

**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 2027 administrative budget has been developed to adequately cover operational costs of the program. The budget reflects estimated expenditures and includes increases for potential unforeseen situations.

**Personnel Services**

The Personnel Services line includes direct expenses for staff who work for the benefit of College Illinois! Due to recent retirements of operational staff, you will see a reduction in the budget related to personnel.

**Contractual Services**

- **Records Administration and Call Center Services**

The program’s records administration vendor handles lockbox services and account servicing, including application processing, customer service, financial transaction processing, and payment of contract benefits.

- **Financial Services**

This includes costs related to custodial services, actuarial services, investment advisory services, insurance costs, legal services and audit costs.

**Investment Expenses**

Investment expense includes the invoice fees paid to traditional managers (mostly equities and fixed income) and the fees paid to limited partner or subscription funds that are not the private equity/closed-end fund structure.

<b>COLLEGE ILLINOIS!</b>		
<b>DETAILS OF INCREASES AND DECREASES IN EXPENDITURES</b>		
<b>FY 2027 BUDGET OVER FY 2026 ESTIMATED ACTUAL EXPENDITURES</b>		
<b>PERSONNEL SERVICES</b>		
Reserve for COLA increase in FY 2027	10,000	
Reduction in staff due to retirements; these positions are not expected to be filled	(302,000)	
<b>CONTRACTUAL SERVICES AND OTHER EXPENSES</b>		
Decrease in contractual services in FY 2027	(168,800)	
Increase in administrative costs budgeted for business needs in FY 2027	4,300	
<b>INVESTMENT EXPENSE</b>		
Conservative increase in investment advisory fees	78,000	
<b>TOTAL DECREASE IN COLLEGE ILLINOIS BUDGET</b>		<b>(\$378,500)</b>

## **GEAR UP Grant**

ISAC was once again chosen to administer a federal GEAR UP Grant, winning, for a second time, a new award in FY 2025. The new award is approximately \$35 million over seven years, including implementation of a college access outreach program and scholarship for students from middle school through the transition to college. The grant requires a 100% match from non-federal sources. A portion of the expenditures related to the ISACorps and the College Access Services division of the agency qualify for this purpose.

The budget for the GEAR UP Grant reflects the FY 2027 allocation plus the balance of the carryover funding from prior fiscal years.

Recent pronouncements at the Federal level have challenged the continued funding for GEAR UP grant generally, although the funding for ISAC has not changed to this point.

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

IDAPP is ISAC's lending arm for student loans. In the past, IDAPP directly originated loans; currently it services the remaining portfolio of FFELP and alternative student loans that it owns. This is separate from the guarantor agency role the agency has exited. IDAPP continues to be in wind-down.

The FFELP student loan disbursements and purchases were funded by bonds issued by IDAPP and collateralized with the student loan portfolio. These are loans owned by IDAPP which are separate from the FFELP guarantor portfolio. In 2007, IDAPP entered into a Mid Term Asset Backed Commercial Paper Program with Citibank to fund its alternative student loan program.

On April 30, 2025, IDAPP paid off its outstanding balance on the Citibank line of credit. This payoff has yielded cost savings (such as interest expense and other fees) and removed certain administrative burden for IDAPP in FY 2026, and such savings are expected to continue into the next fiscal year and beyond.

IDAPP's administrative costs are mostly met through student loan interest income earned on the IDAPP-owned portfolio, and an administrative cost allowance from the Bond Trust. IDAPP operations are expected to align with changes related to the administration of the student loan portfolio, as the fund continues to be in wind-down.

**Illinois Student Assistance Commission**  
**FY2024-FY2027 Appropriations**  
**FY2027 Commission Recommendation**

Line Item	FY2024	FY2025	FY2026	FY2027	FY2027
	P.A. 103-0006 Appropriation	P.A. 103-0589 Appropriation	P.A. 104-0003 Appropriation	Commission Budget	H.B. 0111 Appropriation
<b>STATE GENERAL FUNDS</b>					
Monetary Award Program ( GRF, EAF )	\$701,566,200	\$711,566,200	\$721,566,200	\$793,766,200	\$721,566,200
GRF	\$401,566,200	\$446,566,200	\$296,566,200	\$368,766,200	\$221,566,200
EAF	\$300,000,000	\$265,000,000	\$425,000,000	\$425,000,000	\$500,000,000
Monetary Award Program ( GRF supplemental appropriation	\$0	\$0	\$0	\$0	\$0
Agency State Operations	\$7,000,000	\$7,840,000	\$8,440,000	\$8,997,000	\$8,997,000
Statewide Outreach, Training & Research Activities	\$7,000,000	\$7,840,000	\$7,840,000	\$8,357,000	\$8,357,000
Grant Program for Exonerees	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
NDIGO Foundation	\$550,000	\$550,000	\$0	\$0	\$250,000
Social Worker Scholarships and loan repayment	\$6,000,000	\$6,000,000	\$2,000,000	\$2,000,000	\$2,000,000
AIM HIGH Grant Program	\$50,000,000	\$50,000,000	\$50,000,000	\$51,500,000	\$50,000,000
Prepare for Illinois' Future Program	\$10,000,000	\$9,988,350	\$0	\$8,800,000	\$7,000,000
IGROW Tech Scholarship Program	\$2,000,000	\$2,000,000	\$0	\$0	\$0
Illinois Veteran Grants and Illinois National Guard Grants	\$0	\$6,000,000	\$6,000,000	\$6,180,000	\$5,000,000
Teacher Reimbursement Grant Program - NO PROGRAM	\$0	\$0	\$0	\$0	\$0
College Illinois! Deposit	\$0	\$0	\$0	\$0	\$0
Journalism Student Scholarship Program	\$0	\$0	\$0	\$0	\$0
<b>TOTAL GENERAL REVENUE FUND</b>	<b>\$784,266,200</b>	<b>\$801,934,550</b>	<b>\$795,996,200</b>	<b>\$879,750,200</b>	<b>\$803,320,200</b>
Teacher Loan Forgiveness Program	\$975,000	\$975,000	\$975,000	\$975,000	\$975,000
Minority Teacher Scholarships / Teachers of Illinois Scholarships	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000
Golden Apple Scholars Of Illinois (Beginning FY 13)	\$10,750,000	\$10,750,000	\$10,750,000	\$10,937,250	\$10,750,000
Golden Apple Accelerators Program	\$5,000,000	\$5,000,000	\$5,000,000	\$5,063,000	\$5,000,000
Dependents Grants	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000	\$1,100,000
Nurse Educator Loan Repayment Program	\$500,000	\$500,000	\$400,000	\$400,000	\$400,000
Veterans' Home Medical Providers' Loan Repayment Act	\$26,400	\$26,400	\$26,400	\$55,000	\$26,400
Human Services Professional Loan Repayment Program	\$250,000	\$250,000	\$1,250,000	\$2,190,000	\$250,000
ECACE - State Funded	\$0	\$5,000,000	\$5,000,000	\$8,000,000	\$5,000,000
College Savings Bond Bonus Incentive Grants	\$0	\$0	\$0	\$0	\$0
Student to Student Program of Matching Grants	\$0	\$0	\$0	\$0	\$0
Child Welfare Student Loan Forgiveness Program	\$0	\$0	\$0	\$0	\$0
Community College Transfer Grant Program	\$0	\$0	\$0	\$0	\$0
Forensic Science Grant Program	\$0	\$0	\$0	\$0	\$0
Grant for a Person Raised by a Grandparent	\$0	\$0	\$0	\$0	\$0
Grant Program for Medical Assistants in Training	\$0	\$0	\$0	\$0	\$0
Silas Purnell Illinois Incentive for Access Grants	\$0	\$0	\$0	\$0	\$0
Illinois State Scholarships	\$0	\$0	\$0	\$0	\$0
Illinois Veteran Grants	\$0	\$0	\$0	\$0	\$0
Merit Recognition Scholarship	\$0	\$0	\$0	\$0	\$0
National Guard Grants	\$0	\$0	\$0	\$0	\$0
Public Interest Attorney Loan Repayment Program	\$0	\$0	\$0	\$0	\$0
Grant Program for Participants in SIU-C Achieve Program	\$0	\$0	\$0	\$0	\$0
Teach Illinois Scholarship Program	\$0	\$0	\$0	\$0	\$0
Police Training Academy Job Training Program	\$0	\$0	\$0	\$0	\$0
Adult Vocational Community College Scholarship Program	\$0	\$0	\$0	\$0	\$0
<b>TOTAL EDUCATIONAL ASSISTANCE FUND</b>	<b>\$26,801,400</b>	<b>\$31,801,400</b>	<b>\$32,701,400</b>	<b>\$36,920,250</b>	<b>\$31,501,400</b>
<b>TOTAL STATE GENERAL FUNDS</b>	<b>\$811,067,600</b>	<b>\$833,735,950</b>	<b>\$828,697,600</b>	<b>\$916,670,450</b>	<b>\$834,821,600</b>

**Illinois Student Assistance Commission**  
**FY 2024-FY 2027 Appropriations**  
**FY 2027 Commission Recommendation**

Line Item	FY2024	FY2025	FY2026	FY2027	FY2027
	P.A. 103-0006 Appropriation	P.A. 103-0589 Appropriation	P.A. 104-0003 Appropriation	Commission Budget	H.B. 0111 Appropriation
<b>FEDERAL FUNDS</b>					
<b>STUDENT LOAN OPERATING FUND</b>					
Personal Services	\$13,538,600	\$13,538,600	\$13,538,600	\$13,538,600	\$13,538,600
Retirement	\$7,312,600	\$7,312,600	\$7,312,600	\$7,312,600	\$7,312,600
Social Security	\$1,029,000	\$1,029,000	\$1,029,000	\$1,029,000	\$1,029,000
Group Insurance	\$5,436,800	\$5,436,800	\$5,436,800	\$5,436,800	\$5,436,800
Contractual Services	\$10,000,000	\$8,374,300	\$8,374,300	\$8,374,300	\$8,374,300
Travel	\$311,000	\$311,000	\$311,000	\$311,000	\$311,000
Commodities	\$282,200	\$282,200	\$282,200	\$282,200	\$282,200
Printing	\$501,000	\$501,000	\$501,000	\$501,000	\$501,000
Equipment	\$540,000	\$540,000	\$540,000	\$540,000	\$540,000
Telecommunications	\$1,897,900	\$1,377,200	\$1,377,200	\$1,377,200	\$1,377,200
Operation of Auto Equipment	\$38,400	\$38,400	\$38,400	\$38,400	\$38,400
Federal Loan System Development & Maintenance	\$1,500,000	\$0	\$0	\$0	\$0
Transfer to IDAPP	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Contingent allocation for MAP grants, scholarships, and other grants	\$0	\$0	\$3,500,000	\$6,000,000	\$6,000,000
Early Childhood Education Program - Federal	\$114,000,000	\$8,000,000	\$4,500,000	\$2,000,000	\$4,500,000
<b>TOTAL</b>	<b>\$157,387,500</b>	<b>\$47,741,100</b>	<b>\$47,741,100</b>	<b>\$47,741,100</b>	<b>\$50,241,100</b>
<b>FEDERAL STUDENT LOAN FUND</b>					
Loan Guarantee Program	\$50,000,000	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$50,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>FEDERAL SCHOLARSHIPS AND GRANTS</b>					
FSITF: Federal Grants (GEAR UP)	\$13,000,000	\$11,320,000	\$11,320,000	\$15,000,000	\$15,000,000
FSITF: John R. Justice LRP	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
State CURE Fund for Golden Apple Scholars	\$2,849,334	\$1,300,000	\$0	\$0	\$0
State CURE Fund-Golden Apple Accelerators	\$3,118,832	\$1,300,000	\$0	\$0	\$0
Transfer to ED -Paul Douglas Funds Collected	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
<b>TOTAL</b>	<b>\$19,368,166</b>	<b>\$14,320,000</b>	<b>\$11,720,000</b>	<b>\$15,400,000</b>	<b>\$15,400,000</b>
<b>TOTAL FEDERAL FUNDS</b>					
	<b>\$226,755,666</b>	<b>\$62,061,100</b>	<b>\$59,461,100</b>	<b>\$63,141,100</b>	<b>\$65,641,100</b>
<b>OTHER STATE FUNDS</b>					
ISAC Accounts Receivables	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
UGF: Higher Education License Plate	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000
OLDBF: Optometric Education Scholarship	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
NGNMGF: ING Grant	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
GASF: Golden Apple Scholars of Illinois	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
C&G: Outreach, Research, & Training	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
C&G: Human Services LRP	\$0	\$5,000,000	\$5,000,000	\$350,000	\$350,000
C&G: Community Behavioral Health Care Pro LRP	\$5,000,000	\$7,500,000	\$7,500,000	\$7,500,000	\$10,000,000
ETAF: Displaced Energy Worker Dependent Transition Scholarship	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000
NDPF: Nursing Education Scholarship	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Lotto: Illinois DREAM Scratch-off scholarships	\$0	\$2,500,000	\$3,500,000	\$5,000,000	\$5,000,000
Lotto: UNCF Scratch-off scholarships	\$0	\$2,500,000	\$3,500,000	\$5,000,000	\$5,000,000
<b>TOTAL</b>	<b>\$15,680,000</b>	<b>\$28,180,000</b>	<b>\$30,180,000</b>	<b>\$28,530,000</b>	<b>\$31,030,000</b>
<b>GRAND TOTAL</b>					
	<b>\$1,053,503,266</b>	<b>\$923,977,050</b>	<b>\$918,338,700</b>	<b>\$1,008,341,550</b>	<b>\$931,492,700</b>