

AGENDA ITEM 6

FISCAL YEAR 2020 INTERNAL BUDGET

Submitted for: Action

Action requested: Staff requests that the Commission approve the Fiscal Year 2020 budgets for the Illinois Student Assistance Commission (ISAC) Student Loan Operating Fund (SLOF), Illinois Designated Account Purchase Program (IDAPP), College Illinois!® Prepaid Tuition Program and the GEAR UP Grant as printed in the agenda book.

**ILLINOIS STUDENT ASSISTANCE COMMISSION
FISCAL YEAR 2020 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 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 or other State funds and is allocated for higher education from State resources.

- **Spending Authority (Other Sources)**

With the exception of IDAPP, 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 revenues and expenditures for the agency.

Illinois General Assembly Appropriation – Fiscal Year 2020 Budget Update

For FY 2020, based on Commission approval at the November 2018 meeting, ISAC recommended a budget totaling \$822 million.

The appropriation introduced by the Governor recommended \$778 million.

The General Assembly passed a budget for FY 2020 in May 2019. The agency appropriation for FY 2020 amounted to \$780 million including \$451 million for MAP. The appropriation also included \$3.5 million for agency outreach and research and an additional \$3.5 million for agency operations. This is in addition to the 2% of the MAP appropriation which can be utilized for agency operational expenditures.

The attached Table – FY 2017-FY 2020 Appropriations, details the agency comparative appropriations to date.

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:

Revenues:

- A portion of ISAC's revenues still come from efforts related to servicing and collections tied to the Federal Family Education Lending Program (FFELP) portfolio. Because the FFEL program was eliminated by the Student Aid and Fiscal Responsibility Act in March 2010, this source of revenue is decreasing and will ultimately wind down to zero.
- A portion of the cost of running the ISACorps will continue to be paid by ISAC's Student Loan Operating Fund (SLOF) in FY 2020.
- ISAC has been awarded a federal grant – GEAR UP Grant of approximately \$18 million over seven years for implementing a college access outreach program for middle school students.
- While we have budgeted estimated revenues, there is a level of inherent uncertainty that is discussed later in this memo.

Expenditures:

- From the cost side, there are elements of ISAC's costs, such as pension, group insurance, and data processing, which are determined by the State. In past years, we have not received advance notice of changes in these costs before they were assessed, leading to additional uncertainty in budgeting for these areas.
- Some of the costs related to College Illinois! are volume driven, such as investment management fees that are tied to asset values, or investment gains and account maintenance fees that are tied to contract usage. We have tried to provide in the budget for some of these potential contingencies and will of course continue to be diligent in working to minimize costs and expenditures.
- The administrative expenditures for ISAC are met by the revenues generated from the four major operating funds: SLOF, IDAPP, GEAR UP and College Illinois! supplemented by funding from the State GRF.

Attached for your reference are comparative financial statements reflecting FY 2018 actual, FY 2019 budget and estimated actual and recommended FY 2020 budget for all five administrative funds for the agency.

Student Loan Operating Fund (SLOF) - FFELP Guarantor

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 ISAC's role as a FFELP guarantor. ISAC has been a FFELP guarantor for over 50 years. Effective July 2010, the Student Aid Fiscal Responsibility Act (SAFRA) ended the FFEL Program. Since then, ISAC as the guarantor has been overseeing the wind down of the program. Currently, ISAC has an outstanding FFELP portfolio of over \$2.5 billion in guarantees and over \$307 million in defaulted loans.

FFELP FY 2020 Projections

ISAC management has worked in conjunction with other experts in the industry, including other guarantors and our collection partners, to come up with a reasonable projection for revenues from the FFELP for the next few years. Forecasting FFELP revenues accurately is extremely difficult considering the multiple factors and multiple players impacting the program. We considered the following in developing projected revenues from the program:

- The Guarantee portfolio is decreasing. As a result, the Account Maintenance Fee is decreasing at about 12% per year.
- First time defaults continue to decrease significantly.
- Total default claims continue to decrease but the decrease has been offset by previously rehabilitated loans re-defaulting. Borrowers can only be rehabilitated once, so if they default again their loans cannot be rehabilitated. The percentage of loans that cannot be rehabilitated is increasing and is currently at 60% of defaults. This decreases the revenue potential from future rehabilitations significantly.
- As the portfolio ages ISAC is required to subrogate and transfer the loan back to ED. Once the loan is subrogated, it leaves ISAC's FFELP portfolio and ISAC does not receive any more revenue from that loan. Year to date, we have subrogated over \$30 million.
- Currently, the default portfolio has decreased by over \$22 million in the last eleven months of the fiscal year.
- ISAC continues to work the portfolio in conjunction with our servicing partners to strategically maximize recoveries while keeping the best interest of the borrower in mind.
- Note that at any time it is possible that ED could change regulations and require guarantors to transfer the loans back to the Department at any point in time. In this scenario, revenues from FFELP could be zero.

Taking into consideration the above factors, ISAC management projects total FY 2020 revenues of \$15.7 million, a decrease of \$3.8 million compared to estimated revenues for FY 2019.

Expenditures

The primary objective of the FY 2020 budget is to continue to ensure efficient use of scarce agency resources while simultaneously executing the core mission of the agency.

- As the FFELP winds down, certain areas of the agency will continue to shrink and require fewer resources, while efforts in other areas are growing and have a critical need for additional resources. ISAC will continue to examine its organizational structure and reallocate resources based on the agency's priorities. This is a very difficult, but necessary process for the agency.
- The budget proposed in this item assumes that SLOF will pay approximately \$3.2 million related to the operations of the ISACorps. The cost is higher than FY19 actuals, because the budget assumes that all ISACorps members stay the full year, when typically, we have some attrition during the year.
- In 2020 ISAC's IT department has a project with the Illinois Department of Employment Security through an intra-agency agreement. Costs incurred are reimbursed by IDES. Approximately \$1.2 million of miscellaneous income in FY 2020 represents reimbursement of costs for this project. Approximately \$630,000 of IT contractual costs in FY 2020 is related to this project.
- In addition, there are several operational overhead expenditures for building maintenance and for software and hardware that are critical investments to ensure continuity of the agency's services. The FY 2020 budget reflects continued expenditures for these critical needs.
- *It should be noted that although these increases in expenses are included in the budget, the decision as to whether to implement these increases will be made in the future, as we see how the budget year is shaping up and take into consideration other relevant factors.*

The major changes in budgeted FY 2020 costs versus FY 2019 estimated actuals are outlined in the tables below.

Inter-fund Allocation

From FY 2006 to FY 2014, all agency administrative expenses were funded entirely through federal revenues from the FFELP program. In light of the wind-down of FFELP, beginning in FY 2014, the budget passed by the General Assembly included language to allow up to 2% of funds allocated to MAP to be used for administrative expenses. ISAC has utilized this authority since FY 2015 and will continue to do so in FY 2020.

The budget passed by the General Assembly for FY 2020 includes a separate appropriation of approximately \$3.5 million for outreach expenditures to be used for operating the ISACorps and another additional line of \$3.5 million to be used for agency operations.

The agency plan for FY 2020 will be to monitor FFELP revenues on an ongoing basis and utilize GRF funding only to the extent needed to cover the shortage of funding from FFELP.

Fund Balance

The unrestricted fund balance at the end of fiscal year 2019 is estimated to be over \$63 million.

Fund reserves are critical for responsibly financing the wind-down of the FFELP.

- FFELP regulations require that ISAC perform certain services for which it is not directly compensated. Revenue generated in future years may not be sufficient to cover all the mandated functions for an extended period.
- ISAC has 18,391 borrowers in the FFELP portfolio. ISAC's records retention policy mandate that ISAC retain the loan records for a minimum of seven years after repayment of the loan. As a result, there could be significant data storage and IT security costs.
- There is a significant amount of personally identifiable data in these systems. The reserve will also ensure that we cover the cost of safely storing and transferring the portfolio back to the Department. This will help mitigate the significant risk to the agency from liabilities resulting from any loss of PII data—a potential loss that could be monetary and reputational for both the agency and the State.

ISAC's reserves will be needed to cover expenses to ensure that the wind-down will advance smoothly, safely, and effectively, and will not become a financial liability and risk for the State.

STUDENT LOAN OPERATING FUND
DETAILS OF INCREASES AND DECREASES IN PERSONNEL SERVICES
2020 BUDGET OVER 2019 ESTIMATED ACTUAL EXPENDITURES

Reserve for employees on leave of absence	281,100	
Replacement hires net of hiring lag in FY19	618,400	
Increase in estimated retirement and group insurance cost	180,100	
FY19 COLA increase effective June 2019	549,300	
Reserve for FY20 cost of living and administrative adjustments	600,000	
Total Increases/(Decrease) Before ISACorps Payroll	2,228,900	\$2,228,900
Budgeted in full capacity without attrition		\$600,600
Total Payroll Increase/(Decrease)		\$2,829,500

STUDENT LOAN OPERATING FUND
DETAILS OF INCREASES AND DECREASES IN CONTRACTUAL /BUILDING MAINTENANCE
AND OTHER ADMINISTRATION EXPENSES
2020 BUDGET OVER 2019 ESTIMATED ACTUAL EXPENDITURES

Decrease in outside collection servicing costs	(200,000)	
Estimated increase in costs for outreach transcript service	57,000	
Website development	185,000	
Increase in electricity & other utilities expenses	32,000	
Increase in data processing charges	169,000	
Increase in other contractual expenses : insurance, postage, training etc	164,700	
IT consulting expenses	190,800	
Computer software related to external IT projects	122,000	
General Ledger accounting system software	60,000	
Decrease in building maintenance & facilities management	(50,600)	
Increase in computer equipment to refresh hardware	120,700	
Increase in ISACorps Contractual & Travel Expenses	115,760	
Total Net Increase		\$966,360

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.

The FFELP student loan disbursements and purchases were funded by bonds issued by IDAPP and collateralized with the student loan portfolio. In 2007 IDAPP 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 originally funded the alternative loan program. IDAPP operations and loan portfolio continue to be in wind-down.

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 2020 administrative budget has been developed to adequately cover administrative costs of the program.

Personal Services

The Personal Services line includes direct expenses for staff who work for the benefit of College Illinois!. Consistent with past practice, payments charged to College Illinois! will be based on the cost allocation data from the Time Tracker system, using actual time spent on College Illinois! by these staff members. Any time spent on other ISAC programs will not be charged to College Illinois!.

Contractual Services

- **Records Administration and Call Center Services**
The program's records administration vendor handles lockbox services, account servicing, including application processing, customer service, financial transaction processing, and payment of contract benefits. These charges are largely volume driven.
- **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 is 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.

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. These indirect costs will be

determined through the agency's cost allocation. Please note that these personnel costs charged to College Illinois! will also be based on actual time worked as recorded in the Time Tracker system.

COLLEGE ILLINOIS! DETAILS OF INCREASES AND DECREASES IN EXPENDITURES FY 2020 BUDGET OVER FY 2019 ESTIMATED ACTUAL EXPENDITURES FOR THE FISCAL YEAR ENDING JUNE 30.		
PERSONNEL SERVICES		
FY19 COLA Increase Effective June 2019	\$20,800	
Reserve for COLA Increase in FY 2020	26,000	
Replacement hire net of hiring lag	127,200	
TOTAL PERSONNEL SERVICES		\$174,000
CONTRACTUAL SERVICES		
Increase in Records Administration Charges & Custodial Bank Charges	\$120,750	
Increase in Consulting and Management Fees	\$463,300	
Increase in Other Contractual Services	\$800	
TOTAL INCREASE CONTRACTUAL SERVICES		\$584,850
INVESTMENT EXPENSE		
Increase in Investment Expenses	124,700	
Increase in Investment Advisory Fees -Performance Allocation	657,400	
		\$782,100
OTHER ADMIN EXPENSES		
Increase in Printing, Equipment and Travel	\$10,350	
TOTAL OTHER ADMIN EXPENSES		\$10,350
TOTAL INCREASE IN COLLEGE ILLINOIS BUDGET		\$1,551,300

GEAR UP Grant

ISAC has been awarded a Federal grant – GEAR UP Grant of approximately \$18 million over seven years beginning FY 2017 for implementing a college access outreach program for middle school students. The grant requires a 100% match from non-federal sources. A portion of the expenditures from SLOF related to the ISACorps and the College Access and Outreach division of the agency will qualify for this purpose.

The below table summarizes the variance in expenditures from the prior year to the current year budget.

GEARUP GRANT DETAILS OF INCREASES AND DECREASES IN EXPENDITURES FY 2020 BUDGET OVER FY 2019 ESTIMATED ACTUAL EXPENDITURES FOR THE FISCAL YEAR ENDING JUNE 30.	
PERSONNEL SERVICES	
FY19 COLA Increase Effective June 2019	\$10,500
Reserve for COLA Increase in FY 2020	20,900
Replacement Hiring Net of Hiring Lag and Attrition in FY19	210,700
GEARUPCorps Budgeted in Full Capacity	230,400
TOTAL PERSONNEL SERVICES	\$472,500
CONTRACTUAL SERVICES AND OTHER EXPENSES	
Decrease in Software and Contractual Services	(\$675,400)
Increase in Travel, Supplies and Equipments	\$59,100
Increase in grant amount to schools to help build capacity	\$806,700
TOTAL INCREASE-CONTRACTUAL SERVICES AND OTHER EXPENSES	\$190,400
TOTAL INCREASE IN GEARUP GRANT BUDGET	\$662,900

**Illinois Student Assistance Commission
FY 2017-FY2020 Appropriations
FY 2020 Commission Recommendation**

Line Item	FY2017	FY2018	FY2019	FY2020	FY2020
	Appropriation PA99-0524 PA100-0021	Appropriation PA100-21	Appropriation	ISAC Commission Recommendation	Appropriation
STATE GENERAL FUNDS					
Monetary Award Program (GRF, EAF & FAE)	\$515,856,300	\$401,341,900	\$401,341,900	\$501,341,900	\$451,341,900
Agency Administrative & Operational Cost -Per Court Order	\$7,245,225				
Agency State Operations	\$0	\$0	\$2,000,000	\$4,000,000	\$3,500,000
Statewide Outreach, Training & Research Activities	\$997,700	\$997,700	\$997,700	\$5,000,000	\$3,497,700
Grant Program for Exonerees	\$0	\$0	\$0	\$0	\$150,000
AIM High Grant Pilot Program Cohort 1			\$25,000,000	\$25,000,000	\$25,000,000
AIM High Grant Pilot Program Cohort 2					\$10,000,000
TOTAL GENERAL REVENUE FUND	\$524,099,225	\$402,339,600	\$429,339,600	\$535,341,900	\$493,489,600
Teacher Loan Forgiveness Program	\$485,000	\$439,900	\$439,900	\$975,000	\$439,900
Minority Teacher Scholarships	\$2,500,000	\$1,900,000	\$1,900,000	\$2,500,000	\$1,900,000
Illinois Future Teachers Corps Scholarships (IFTC)	\$0	\$0	\$0	\$0	\$0
Golden Apple Scholars Of Illinois (Beginning FY13)	\$9,896,600	\$6,498,000	\$6,498,800	\$6,498,800	\$6,498,000
Golden Apple Scholars Of Illinois for the Golden Apple Accelerators Program		\$0	\$0	\$0	\$750,000
Dependents Grants	\$2,228,400	\$1,192,100	\$1,237,400	\$1,300,000	\$1,273,300
Nurse Educator Loan Repayment Program	\$293,300	\$264,000	\$264,000	\$505,000	\$264,000
Veterans' Home Medical Providers' Loan Repayment Act	\$29,300	\$26,400	\$26,400	\$125,000	\$26,400
Illinois Scholars Program	\$39,100	\$35,200	\$0	\$0	\$0
Bonus Incentive Grants	\$0	\$0	\$0	\$0	\$0
Student to Student 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 Grants	\$0	\$0	\$0	\$0	\$0
Grant for a Person Raised by a Grandparent	\$0	\$0	\$0	\$0	\$0
Grant Program for Exonerees	\$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
Nurse Educator Scholarships	\$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
Community Behavioral Health Care Professional Loan Repayment Program	\$0	\$0	\$0	\$0	\$0
TOTAL EDUCATIONAL ASSISTANCE FUND	\$15,471,700	\$10,355,600	\$10,366,500	\$11,903,800	\$11,151,600
TOTAL STATE GENERAL FUNDS	\$539,570,925	\$412,695,200	\$439,706,100	\$547,245,700	\$504,641,200

**Illinois Student Assistance Commission
FY 2017-FY2020 Appropriations
FY 2020 Commission Recommendation**

Line Item	FY2017	FY2018	FY2019	FY2020	FY2020
	Appropriation PA99-0524 PA100-0021	Appropriation PA100-21	Appropriation	ISAC Commission Recommendation	Appropriation
FEDERAL FUNDS					
STUDENT LOAN OPERATING FUND					
Personal Services	\$15,538,600	\$15,538,600	\$15,538,600	\$15,538,600	\$15,538,600
Retirement	\$7,085,600	\$8,392,900	\$8,392,900	\$8,392,900	\$8,392,900
Social Security	\$1,181,000	\$1,181,000	\$1,181,000	\$1,181,000	\$1,181,000
Group Insurance	\$6,240,000	\$6,240,000	\$6,240,000	\$6,240,000	\$6,240,000
Contractual Services	\$12,630,700	\$12,630,700	\$12,630,700	\$12,630,700	\$12,630,700
Contractual - Collection Agency Fees	\$15,000,000	\$13,000,000	\$10,000,000	\$10,000,000	\$10,000,000
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	\$1,897,900	\$1,897,900	\$1,897,900	\$1,897,900
Operation of Auto Equipment	\$38,400	\$38,400	\$38,400	\$38,400	\$38,400
Federal Loan System Development & Maintenance	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000
Transfer to IDAPP	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
TOTAL	\$64,746,400	\$64,053,700	\$61,053,700	\$61,053,700	\$61,053,700
FEDERAL STUDENT LOAN FUND					
Loan Guarantee Program	\$260,000,000	\$230,000,000	\$200,000,000	\$190,000,000	\$190,000,000
TOTAL	\$260,000,000	\$230,000,000	\$200,000,000	\$190,000,000	\$190,000,000
FEDERAL SCHOLARSHIPS AND GRANTS					
Federal Grant Program	\$15,000,000	\$13,000,000	\$13,000,000	\$13,000,000	\$13,000,000
John R. Justice Student Loan Repayment Program	\$500,000	\$300,000	\$300,000	\$300,000	\$300,000
Federal LEAP/SLEAP - Monetary Award Program	\$0	\$0	\$0	\$0	\$0
Transfer to ED -Paul Douglas Funds Collected	\$400,000	\$400,000	\$400,000	\$100,000	\$100,000
Federal Robert C. Byrd Fellowships	\$0	\$0	\$0	\$0	\$0
TOTAL	\$15,900,000	\$13,700,000	\$13,700,000	\$13,400,000	\$13,400,000
TOTAL FEDERAL FUNDS	\$340,646,400	\$307,753,700	\$274,753,700	\$264,453,700	\$264,453,700
OTHER STATE FUNDS					
ISAC Accounts Receivables	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Higher Education License Plate Program	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000
Optometric Education Scholarship Program	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
IVG- National Guard Grant Fund	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Golden Apple Scholarship Fund	\$312,600	\$100,000	\$100,000	\$100,000	\$100,000
Contracts and Grants Fund	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
TOTAL OTHER STATE FUNDS	\$10,792,600	\$10,580,000	\$10,580,000	\$10,580,000	\$10,580,000
GRAND TOTAL	\$891,009,925	\$731,028,900	\$725,039,800	\$822,279,400	\$779,674,900

ILLINOIS STUDENT ASSISTANCE COMMISSION
SUMMARY COMPARATIVE INCOME STATEMENT FOR FY 2018, FY19 & FY20
STUDENT LOAN OPERATING FUND
RECOMMENDED BUDGET - FY 2020

DESCRIPTION	FY 2018	FY 2019	FY 2019	SLOF
	Actual	Estimated	Budget	FY 2020
				Budget
<u>AGENCY REVENUES</u>				
COLLECTIONS	1,908,078	1,693,874	1,351,000	1,220,000
REPURCHASE	3,108,388	2,301,217	2,918,000	2,080,000
CONSOLIDATIONS	5,282,383	3,100,100	4,481,000	2,000,000
REHABILITATIONS	12,276,714	7,440,656	6,580,000	6,200,000
INTEREST & OTHER INVEST INCOME	869,816	1,219,627	200,000	1,000,000
ACCOUNT MAINTENANCE FEE	1,936,968	1,732,429	1,770,000	1,600,000
DEFAULT AVERSION FEE	179,628	100,059	-	-
MISCELLANEOUS INCOME	1,970,750	1,453,719	-	1,190,900
RENTAL INCOME FROM OTHER AGENCIES	428,904	471,796	400,000	400,000
TOTAL REVENUES	27,961,629	19,513,477	17,700,000	15,690,900
<u>EXPENDITURES</u>				
PERSONAL SERVICES & FRINGE BEN	21,178,533	21,236,095	23,873,000	23,465,000
CONTRACTUAL SERVICES	9,105,369	7,236,534	9,246,700	8,017,000
RENTAL REAL PROPERTY AND BUILDING MAINTENANCE	1,247,471	1,345,403	1,706,100	1,294,800
OTHER ADMINISTRATION EXPENSES	967,475	395,621	632,100	516,300
ISACORPS DIRECT PERSONNEL COST	2,599,932	2,438,057	2,850,400	3,038,700
ISACORPS DIRECT CONTRACTUAL EXPENSES	126,684	83,803	163,300	168,300
ISACORPS DIRECT OTHER AMIN EXPENSES	109,192	122,179	145,500	153,500
TOTAL AGENCY EXPENDITURES BEFORE INTERFUND ALLOCATION	35,334,656	32,857,692	38,617,100	36,653,600
OPERATING INCOME (LOSS) BEFORE INTERFUND ALLOCATION	(7,373,027)	(13,344,215)	(20,917,100)	(20,962,700)
<u>INTERFUND ALLOCATION</u>				
GRF COST ALLOCATION INCLUDING BENEFIT SAVINGS	(9,172,665)	(15,262,933)	(19,617,100)	(19,862,700)
COLLEGE ILLINOIS ALLOCATED EXPENSES	(1,329,007)	(1,067,876)	(1,300,000)	(1,100,000)
TOTAL INTERFUND ALLOCATION	(10,501,672)	(16,330,809)	(20,917,100)	(20,962,700)
TOTAL EXPENDITURES AFTER INTERFUND ALLOCATION	24,832,984	16,526,883	17,700,000	15,690,900
NET INCOME	3,128,645	2,986,594	-	-
STATE PENSION LIABILITY EXPENSES	4,115,105	-	-	-
BEGINNING FUND BALANCE BEFORE PENSION LIABILITY	57,125,730	60,254,375	60,254,375	63,240,969
ALLOCATION OF STATE PENSION LIABILITY	(116,808,534)	(120,923,639)	(120,923,639)	(120,923,639)
ADJUSTED BEGINNING FUND BALANCE	(59,682,804)	(60,669,264)	(60,669,264)	(57,682,670)
ENDING FUND BALANCE BEFORE PENSION LIABILITY	60,254,375	63,240,969	60,254,375	63,240,969
ALLOCATION OF STATE PENSION LIABILITY (Beginning FY15)	(120,923,639)	(120,923,639)	(120,923,639)	(120,923,639)
ENDING FUND BALANCE	(60,669,264)	(57,682,670)	(60,669,264)	(57,682,670)

**ILLINOIS STUDENT ASSISTANCE COMMISSION
SUMMARY COMPARATIVE INCOME STATEMENT FOR FY 2018, 2019 & 2020
ILLINOIS DESIGNATED ACCOUNT PURCHASE PROGRAM
RECOMMENDED BUDGET FY 2020**

DESCRIPTION	FY 2018	FY 2019	FY 2019	FY 2020
	Actual	Estimated	Budget	Budget
REVENUES				
IDAPP SERVICING FEE RECEIVED FROM TRUSTS	1,796,816	1,512,825	1,400,000	1,250,000
NFP FEES-IDAPP	206,943	209,793	210,000	210,000
TOTAL REVENUES	2,003,759	1,722,619	1,610,000	1,460,000
EXPENDITURES				
PERSONAL SERVICES & FRINGE BEN	638,149	664,452	711,600	581,100
CONTRACTUAL SERVICES	102,720	139,843	140,000	125,000
OTHER FEES & EXPENSES	22,396	2,395	25,000	25,000
FEDERAL SPECIAL ALLOWANCE	(2,015)	(14,983)	10,000	15,000
EXTERNAL LOAN SERVICING	444,897	318,316	410,000	350,000
CONSOLIDATION REBATE FEE	16,116	13,724	17,000	13,320
TOTAL EXPENDITURES	1,222,263	1,123,747	1,313,600	1,109,420
NET INCOME	781,496	598,872	296,400	350,580
NET OPERATING TRANSFER FROM TRUST	4,153,180	(1,539,832.00)		
STATE PENSION EXPENSES	(1,980,707)	-		
BEGINNING FUND BALANCE BEFORE PENSION LIABILITY	28,249,005	33,183,681		
ALLOCATION OF STATE PENSION LIABILITY	(7,932,966)	(5,952,259)		
ADJUSTED BEGINNING FUND BALANCE	20,316,039	27,231,422		
ENDING FUND BALANCE BEFORE PENSION LIABILITY	33,183,681	32,242,721		
ALLOCATION OF STATE PENSION LIABILITY	(5,952,259)	(5,952,259)		
ENDING FUND BALANCE	27,231,422	26,290,462		

ILLINOIS STUDENT ASSISTANCE COMMISSION
SUMMARY COMPARATIVE INCOME STATEMENT FOR FY 2018, 2019 & 2020
COLLEGE ILLINOIS!
RECOMMENDED BUDGET-FY 2020

DESCRIPTION	COLLEGE ILLINOIS!			CI!
	FY 2018	FY 2019	FY 2019	FY 2020
	ACTUAL	ESTIMATED	BUDGET	BUDGET
<u>AGENCY REVENUES</u>				
INCOME FROM INVESTMENT SECURITIES	50,811,947	12,871,272		
INTEREST INCOME	360,414	177,769	-	-
OTHER INCOME	240,138	208,861	-	-
INVESTMENT ADVISORY FEES NET OUT OF INVESTMENT GAINS*	(1,790,802)	(1,068,388)	(1,620,000)	(1,030,600)
TOTAL REVENUES	49,621,697	12,189,515	(1,620,000)	(1,030,600)
<u>EXPENDITURES</u>				
PERSONAL SERVICES & FRINGE BEN	959,031	820,071	1,369,600	994,100
CONTRACTUAL SERVICES	1,929,894	1,851,741	4,349,800	2,436,600
OTHER ADMIN EXPENSES	397	1,551	13,300	11,900
INVESTMENT EXPENSE	2,567,045	2,017,872	2,988,200	2,800,000
TOTAL EXPENDITURES BEFORE COST ALLOCATION	5,456,367	4,691,236	8,720,900	6,242,600
<u>INTERFUND ALLOCATION</u>				
COLLEGE ILLINOIS ALLOCATED EXPENSES	1,329,007	1,067,876	2,000,000	2,000,000
TOTAL EXPENDITURES AFTER SHARED ALLOCATION	6,785,374	5,759,112	10,720,900	8,242,600
GRAND TOTAL EXPENDITURES	6,785,374	5,759,112	10,720,900	8,242,600
ENDING FUND BALANCE	(280,329,797)			

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 \$1.6 million in FY 2019 and \$1.03 million in FY 2020.

**ILLINOIS STUDENT ASSISTANCE COMMISSION
SUMMARY COMPARATIVE INCOME STATEMENT FOR FY 2018, 2019 & 2020
RECOMMENDED BUDGET - GEAR UP GRANT
FY 2020**

DESCRIPTION	FY 2018	FY 2019	FY2019	Recommended FY 2020
	Actual	Estimated	Budget	Budget
<u>AGENCY REVENUES</u>				
GRANT INCOME	1,418,636	2,610,124	4,802,200	3,273,000
TOTAL REVENUES	1,418,636	2,610,124	4,802,200	3,273,000
<u>EXPENDITURES</u>				
PERSONAL SERVICES & FRINGE BEN	784,689	828,228	1,032,000	1,070,300
GEAR UP ISACORPS PAYROLL	252,888	344,445	1,118,200	574,800
CONTRACTUAL SERVICES	131,837	1,138,163	861,700	462,800
OTHER ADMIN EXPENSES	144,390	126,023	202,900	185,100
GRANTS TO SCHOOLS	104,831	173,266	1,587,400	980,000
TOTAL AGENCY EXPENDITURES	1,418,636	2,610,124	4,802,200	3,273,000
<u>INTERFUND ALLOCATION</u>				
COST ALLOCATION	-	-	-	-
TOTAL INTERFUND ALLOCATION	-	-	-	-
TOTAL EXPENDITURES AFTER INTERFUND ALLOCATION	1,418,636	2,610,124	4,802,200	3,273,000
NET INCOME	0	(0)	-	-
BEGINNING FUND BALANCE				
ENDING FUND BALANCE	0	(0)	-	-

* GEAR UP GRANT WAS AWARDED IN OCTOBER 2017. THE AWARDED AMOUNT WAS \$2,657, 200 PER YEAR FOR SEVEN YEARS TOTALING \$18,600,400. GEAR UP GRANT REQUIRES A 100% MATCH FROM NONFEDERAL FUNDS.

Below is a descriptive list of the agency's contracts associated with the budgeted contractual expenditures for fiscal year 2020. For many contracts, actual costs for FY20 will be based on actual usage. Not included on this list are small dollar contracts under \$2,000 and College Illinois! Money Manager contracts as the money manager contracts require separate approval from the Commission.

Please also note that vendors may change as contracts are re-procured in the ordinary course of business.

**Illinois Student Assistance Commission
Contracts for Annual Budget Approval Process
FY 2020**

Current Vendor	Service	1-Year Cost
All Agency:		
Mesirow Insurance Services	Professional Liability Insurance	\$79,900
Mesirow Insurance Services	Fiduciary liability insurance, consultant/broker services	10,500
Mesirow Insurance Services	Property Liability Insurance	26,895
Executive:		
CSPN	CSPN Membership dues	2,200
McGuire Woods	Legislative Consultant	75,000
TBD	Legislative Consultant	75,000
Dennis Jennings	Strategic Planning Facilitation	5,400
General Counsel:		
Kutak Rock	General Legal Services	20,000
Mesirow insurance	Cyber Liability Insurance	15,920
Nixon Peabody	Legal Services	28,335
RPPA:		
National Student Clearinghouse	National Student Clearinghouse - Student Tracker MAP	9,930
Communications & Marketing:		
Bloomington Offset Process	Student Portal & Social Media Postcards	6,360
Bloomington Offset Process	What's Next Postcards	3,670
Employee Contracts	Personal Services Contracts (2)	84,335
Meltwater	Meltwater Platform Annual Subscription	4,985
MeyerFilm	Video Production Services	30,000
Sprout Social	Social Media Management Tool	2,600
TBD	Printing of ISAC Brochures and outreach pieces as needed	12,000
TBD	Website Development	155,000
Program Services and Compliance:		
Bloomington Offset Process	Financial Aid Process brochure	6,700
Intuition College Savings Solutions	Prepaid Tuition records administration and call center services	1,200,000
NAST	College Savings Plan Network Membership	3,000
National Student Clearinghouse	National Student Clearinghouse Participation Agreement	2,000
SHI	Adobe Dreamweaver	3,560
College Access & Outreach SLOF:		
AAA Chicago Motor Club	Roadside Assistance for ISACorps.	6,805
Benedictine University	Facility Rental for Counselor Training	156,620
Creative Promotions	College Changes Everything Mechanical Pencils	9,900
Fancy That	CCE T-Shirts	5,500
IACAC	IACAC Memberships & Conferences & Exhibitor fees	6,990

**Illinois Student Assistance Commission
Contracts for Annual Budget Approval Process
FY 2020**

Current Vendor	Service	1-Year Cost
Jody Michaels	JMA Accountability Mirror workshop & MindMastery	5,000
National College Access Network	NCAN annual membership for ISAC & Conference fees	2,950
Parchment Inc.	Electronic transcript service	481,655
Signal Vine	text messaging platform	40,000
Tinley Park Convention Center	Tinley Park Convention Center-CCE Conference Venue	45,100
WCIU	Game of the week sponsorship	24,950
<u>Finance and Accounting:</u>		
AccuFund	Fund Accounting Software	22,100
E-Oscar	E-Oscar credit bureau dispute reports	2,000
Lexis Nexis	Lexis Nexis Skip Tracing	6,000
PACER	PACER services for bankruptcy case lookup	2,000
Pioneer Credit Recovery	Collection Services	2,500,000
Transworld Systems Inc.	Collection Services	2,500,000
<u>Information Technology:</u>		
Access corp	Offsite storage of disaster recovery media	4,100
Armature Systems	Carbon Black annual renewal	7,960
Atlassian	Jira software license & support	2,075
Barr Systems	Barr Annual License & support	4,800
BerkOne	Kofax Annual Software maintenance renewal	3,530
CDS Office Technologies	laptops, docking stations & security cable locks	19,380
CDWG	Cisco maintenace for AMP Network Enpoints	6,655
CDWG	Cisco Smartnet maintenance	7,080
CDWG	Cisco Smartnet maintenance co termed to 06/30/2020	6,925
CDWG	MS Azure annual commit & overages cost	23,645
CDWG	MS System Center Config Manager - license & software	5,230
CDWG	MS Visual Studio Enterprise w MSDN - SA	4,455
CDWG	MS Visual Studio Pro w MSDN - SA	2,310
CDWG	Visio Upgrade	5,000
CDWG	Desktop Replacement	30,000
CDWG	MS Datacenter new license	4,000
CDWG	MS Datacenter renewals	20,000
CDWG	MSDN Renewal	10,000
CDWG	Microsoft SQL Server Renewals	10,000
CDWG	Microsoft CALs	5,000
Constant Contact	Email marking software service	4,095
Dell	Support for Power edge M100E, M620 and force 10mxl for 1 year	2,805
Dell EMC	Post warranty support for SC4020 and switches	10,270
DotCms	dotCMS Enterprise Pro subscription	4,750
DotCms	dotcms Enterprise support	5,050
Employee Contract	Personal Services Contract (1)	50,000
Enpointe Technologies	Adobe Acrobat Pro renewal	3,250
GO Daddy	GoDaddy.com domain renewals	2,130
Help Desk Technologies	Service Pro annual software assurance	4,110
HelpSystems	GoAnywhere Gateway security renewal	4,500
Iboss	iboss Cybersecurity	3,095
IO Datasphere	IT Consulting Services	1,500,000

**Illinois Student Assistance Commission
Contracts for Annual Budget Approval Process
FY 2020**

Current Vendor	Service	1-Year Cost
National Student Clearinghouse	National Student Clearinghouse - Student Tracker MAP	5,350
National Student Clearinghouse	National student clearinghouse Student Tracker for data matching	350,000
National Tek Services	Active Admin renewal	2,640
National Tek Services	Erwin Data Modeler standard	3,120
Netwrix	Netwrix Auditor, support & maint renewal	4,785
Nextscan a division of Digital Check Corp	Nextscan Eclipse 600 and nextStar annual support & maint.	3,945
SANS	Securing the Human online security training	2,940
SAS	SAS Visual Analytics (on SAS Viya) with SAS office Analytics	28,150
SHI	Adobe CC Photoshop, Dreamweaver, Creative Cloud	449
Softterra	Adaxes perpetual license with support and maintenance	2,249
Tallgrass Systems	IPSwitch WhatsUP Gold 100	3,000
TBD	Training for Cybersecurity Fundamentals	7,000
TBD	Zerto Appliance	20,000
TBD	Phishing Simulator	2,500
TBD	Role Based Training	2,500
TBD	Server Purchase for hosting	10,000
TBD	Infoblox	10,000
TBD	Opengear 4GE Wireless	5,000
TBD	TPM USB Dongle	5,000
TBD	Microsoft VM Manager	10,000
TBD	Microsoft Server Std renewal	5,000
TonerVision dba ProVar Tech	Loadbalancer.org tech support renewal & Jam Software	2,200
TonerVision dba ProVar Tech	Veritas Netbackup	9,400
Toshiba	Printer Lease	19,080
Xerox	Elixir Design Pro annual license fee	2,475
Zones	Vmware support & maintenance	4,335
<u>Human Resources:</u>		
Accurate Biometrics	Fingerprinting services for ISACorps	3,470
Personnel Data Systems	HCM System	60,000
Shaker Recruitment	Recruitment Services	15,000
<u>Administrative Services:</u>		
A-1 Lock	Springfield Locksmith services	5,000
AAA Lock & Key	Locksmith Services for Deerfield	5,000
Cardiac Science	PowerHeart AED replacement supplies	5,000
Central States Storage	Offsite Materials and records storage	30,000
Joyner Real State LLC.	Lease of Office Space, Springfield	109,210
Neopost USA	Neopost Contract Renewal & Postage Acct. Software	12,300
OSDD	Paper & data destruction services	8,000
Pitney Bowes	Invoices for Presort Mail Services - Processing Flats	2,500
Podolsky Circle	Property Management Services	1,500,000
UPS	UPS Package Delivery Services	16,000
Wex Bank	Fleet fuel card services	4,000
Xerox	Internal PO for the Xerox D125 Maintenance Fees.	8,500
Xerox	Multi-Function Devices lease	95,000

College Access & Outreach -GEAR UP:

**Illinois Student Assistance Commission
Contracts for Annual Budget Approval Process
FY 2020**

Current Vendor	Service	1-Year Cost
Dennis Jennings	ToPs Facilitation	3,600
Employee Contracts	Personal Services Contracts (12)	148,000
Finance Authority of Maine	Financial Literacy website and materials	118,300
Jody Michaels	JMA Accountability Mirror workshop & MindMastery	16,485
KNACK IT	Knack it software and support	74,500
NCCEP	NCCEP/GEAR UP Capacity-Building Workshop Registration	7,665
NCCEP	GEAR UP Annual Conference	11,500
NCCEP	Capacity Building	13,800
Southern Regional Education Board	Annual License Fee GO Alliance Academic Platform and curriculum	17,000
The Princeton Review	Online Tutoring Services	308,205
Vela Institute	GEAR UP Data Collection & Evaluation Services	125,750
TBD	Career Guide Books for GearUp Communities	140,000
<u>College Illinois!:</u>		
AKF Consulting Group	529 Consulting	20,000
Callan	Investment Advisor	275,000
Gabriel Roeder Smith and Company	Actuarial Services	200,000
Northern Trust Company	Custodian	300,000
Kutak Rock	Legal services	30,000
<u>IDAPP:</u>		
Edfinancial Services	Student Loan FFELP Services	990,000
Fitch Ratings	Bond Ratings	25,000
JP Morgan Chase	Treasury Services	NA
Navient	Student Loan FFELP Services	140,000
Nelnet (Firstmark)	Alternative Loan Servicing	300,000
Nextscan a division of Digital Check Corp	Nextscan Eclipse 600 and nextStar annual support & maint.	3,945
Prado & Renteria	Compliance Auditor for Lenders	25,450
S&P Global Ratings	Bond Ratings	7,500