

State of Illinois
Illinois Student Assistance Commission

Compliance Examination
For the Two Years Ended June 30, 2020

Performed as Special Assistant Auditors
for the Auditor General, State of Illinois

**State of Illinois
Illinois Student Assistance Commission
Compliance Examination
For the Two Years Ended June 30, 2020**

Table of Contents

	<u>Schedule</u>	<u>Page(s)</u>
Agency Officials		1
Management Assertion Letter		2
Compliance Report:		
Summary		3 – 4
Independent Accountants' Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes		5 – 8
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		9 – 10
Schedule of Findings		
Current Finding – <i>Government Auditing Standards</i>		11 - 13
Prior Findings Not Repeated		14
Financial Statement Report:		
<p>The Commission's financial statement report for the year ended June 30, 2020, which includes the independent auditors' report, basic financial statements and notes, required supplementary information other than management's discussion and analysis, supplementary information, and the independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i> has been issued under separate cover.</p>		
Supplementary Information for State Compliance Purposes		
Fiscal Schedules and Analysis		
Schedule of Appropriations, Expenditures, and Lapsed Balances		
Fiscal Year 2020	1	15 – 17
Fiscal Year 2019	2	18 – 20
Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances	3	21 – 24
Comparative Schedule of Net Expenditures by Major Activity	4	25
Comparative Schedule of Cash Receipts and Reconciliation of Cash Receipts to Deposits Remitted to the State Comptroller	5	26 - 28
Schedule of Changes in State Property	6	29
Schedule of Investment Management Fees	7	30 - 31
Analysis of Operations (Unaudited)		
Agency Functions and Planning Program (Unaudited)		32 – 38
Analysis of Significant Variations in Expenditures (Unaudited)		39 – 40
Analysis of Significant Variations in Receipts (Unaudited)		41 – 42
Analysis of Significant Lapse Period Spending (Unaudited)		43 – 44
Average Number of Employees (Unaudited)		45
Annual Cost Statistics – By Activity (Unaudited)		46 - 47

**State of Illinois
Illinois Student Assistance Commission**

Agency Officials

Executive Director	Eric Zarnikow
Chief Financial Officer	Shoba Nandhan
Chief Investment Officer (September 24, 2018 to present)	Carmen Heredia-Lopez
Chief Investment Officer (June 27, 2018 to September 23, 2018)	Vacant
General Counsel	Karen Salas

Agency offices are located at:

1755 Lake Cook Road
Deerfield, IL 60015

500 West Monroe
Springfield, IL 62704

100 West Randolph
Suite 3-200
Chicago, IL 60601



MANAGEMENT ASSERTION LETTER

Crowe LLP
One Mid America Plaza
Oak Brook, Illinois 60522-3697

May 18, 2021

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Illinois Student Assistance Commission (Commission). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Commission's compliance with the following specified requirements during the two-year period ended June 30, 2020. Based on this evaluation, we assert that during the years ended June 30, 2019 and June 30, 2020, the Commission has materially complied with the specified requirements below.

- A. The Illinois Student Assistance Commission has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Illinois Student Assistance Commission has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Illinois Student Assistance Commission has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Illinois Student Assistance Commission are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Illinois Student Assistance Commission on behalf of the State or held in trust by the Illinois Student Assistance Commission have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

Illinois Student Assistance Commission

SIGNED ORIGINAL ON FILE

Eric Zarnikow, Executive Director

SIGNED ORIGINAL ON FILE

Shoba Nandhan, Chief Financial Officer

SIGNED ORIGINAL ON FILE

Karen Salas, General Counsel

isac.org

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**State of Illinois
Illinois Student Assistance Commission**

Compliance Report Summary

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

Accountants' Reports

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

Summary of Findings

Number of:	Current Report	Prior Report
Findings	2	1
Repeated findings	1	1
Prior recommendations implemented or not repeated	0	1

Schedule of Findings

Item No.	Page	Last/First Reported	Description	Finding Type
FINDING (GOVERNMENT AUDITING STANDARDS)				
2020-001	11	2019/2009	Debt Covenant Violation	Noncompliance
2020-002	12 -13	New	Lack of Census Data Reconciliations	Significant Deficiency / Noncompliance

In addition, the following finding which is reported as a current finding relating to *Government Auditing Standards* also meets the reporting requirements for State Compliance.

Item No.	Page	Last/First Reported	Description	Finding Type
2020-001	11	2019/2009	Debt Covenant Violation	Noncompliance
2020-002	12 -13	New	Lack of Census Data Reconciliations	Significant Deficiency / Noncompliance

PRIOR FINDINGS NOT REPEATED

Item No.	Page	Last/First Reported	Description	Finding Type
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None noted.

**State of Illinois
Illinois Student Assistance Commission**

Compliance Report Summary

Schedule of Findings (Continued)

Exit Conference

The Commission waived an exit conference in a correspondence from Wendy Funk, Managing Director of Accounting and Finance, on May 10, 2021. The responses to the recommendations were provided by Wendy Funk, Director of Accounting and Finance, in a correspondence dated May 10, 2021.

**Independent Accountants' Report on State Compliance, on Internal
Control Over Compliance, and on Supplementary Information for
State Compliance Purposes**

Honorable Frank J. Mautino
Auditor General
State of Illinois

Mr. Kevin Huber
Honorable Chair of the Governing Board
Illinois Student Assistance Commission

Compliance

As Special Assistant Auditors for the Auditor General, we have examined the State of Illinois, Illinois Student Assistance Commission's (the Commission) compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attesting Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2020. The management of the Commission is responsible for the Commission's compliance with the specified requirements. Our responsibility is to express an opinion on the Commission's compliance with the specified requirements based on our examination.

- A. The Commission has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Commission has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Commission has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Commission are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Commission on behalf of the State or held in trust by the Commission have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Commission complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Commission complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error.

We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the Commission's compliance with specified requirements.

In our opinion, the Commission complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2020. However, the results of our procedures disclosed instances of noncompliance with the requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as item 2020-001 and 2020-002.

The Commission's response to the findings identified in our examination is described in the accompanying schedule of findings. The Commission's response was not subjected to the procedures applied in the compliance examination and, accordingly, we express no opinion on the response.

The purpose of this report on compliance is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the Audit Guide issued by the Illinois Office of the Auditor General. Accordingly, this report is not suitable for any other purposes.

Internal Control

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the Commission's internal control over compliance with the requirements listed in the first paragraph of this report as a basis for designing examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the requirements listed in the first paragraph of this report on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the above paragraphs of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. We did identify a deficiency in internal control over compliance that we consider to be a significant deficiency, as described in the accompanying schedule of findings as item 2020-002.

As required by the Audit Guide, immaterial findings excluded from this report have been reported in a separate letter to your office.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Audit Guide, issued by the Illinois Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Supplementary Information for State Compliance Purposes

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Commission as of and for the year ended June 30, 2020, and have issued our report thereon dated May 24, 2021, which contained unmodified opinions on those financial statements. Our report contains an emphasis of matter paragraph which states “as discussed in Note 13, the Illinois Prepaid Tuition Program Fund has a deficit as of June 30, 2020 of \$322 million. The amount of the fund deficit is highly dependent on the actuarial assumptions used to calculate the actuarial present value of future tuition benefit obligations.” Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission’s basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to May 24, 2021. The accompanying supplementary information for the year ended June 30, 2020 in Schedule 1, and Schedules 3 through 7 is presented for the purposes of additional analysis and is not a required part of the basic financial statements of the Commission. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The accompanying supplementary information for the year ended June 30, 2020 in Schedule 1 and Schedules 3 through 7 has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information for the year ended June 30, 2020 in Schedule 1 and Schedules 3 through 7 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2020.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the Commission’s basic financial statements as of and for the year ended June 30, 2019, and have issued our report thereon dated February 10, 2020, which contained unmodified opinions on those financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. Our report for the year ended June 30, 2019 included an emphasis of matter paragraph to refer to the \$295 million deficit in the Illinois Prepaid Tuition Program Fund. The amount of the fund deficit is highly dependent on the actuarial assumptions used to calculate the actuarial present value of future tuition benefit obligations.” The accompanying supplementary information for the year ended June 30, 2019 in Schedules 2 through 7 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the June 30, 2019 financial statements. The accompanying supplementary information for the year ended June 30, 2019 in Schedules 2 through 7 has been subjected to the auditing procedures applied in the audit of the June 30, 2019 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information for the year ended June 30, 2019 in Schedules 2 through 7 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2019.

The accompanying supplementary information for the year ended June 30, 2018 in Schedules 3, 4, and 5 and the Analysis of Operations Section is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, the Comptroller, the Commission Board and Audit Committee, and Commission management and is not intended to be, and should not be, used by anyone other than these specified parties.

SIGNED ORIGINAL ON FILE

Oak Brook, Illinois
May 24, 2021

Crowe, LLP

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Honorable Frank J. Mautino
Auditor General
State of Illinois

Mr. Kevin Huber
Honorable Chair of the Governing Board
Illinois Student Assistance Commission

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of State of Illinois, Illinois Student Assistance Commission (Commission), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated May 24, 2021. That report contains an emphasis of matter paragraph which states "as discussed in Note 13, the Illinois Prepaid Tuition Program Fund has a deficit as of June 30, 2020 of \$322 million. The amount of the fund deficit is highly dependent on the actuarial assumptions used to calculate the actuarial present value of future tuition benefit obligations."

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2020-001 and 2020-002.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Commission's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2020-002, that we consider to be a significant deficiency.

State of Illinois, Illinois Student Assistance Commission's Response to Findings

The Commission's response to the findings identified in our audit are described in the accompanying schedule of findings. The Commission's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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Crowe, LLP

Oak Brook, Illinois
May 24, 2021

**State of Illinois
Illinois Student Assistance Commission**

Schedule of Findings - Two Years Ended June 30, 2020

Current Findings – Government Auditing Standards

Finding 2020-001 – Debt Covenant Violation

The Illinois Student Assistance Commission (Commission) – Illinois Designated Account Purchase Program (IDAPP) was not in compliance with one of the covenants relating to the agency’s revolving line of credit agreement.

During our audit of fiscal year 2020 financial statements, we noted that IDAPP was in violation of one of the debt covenants related to the agency’s revolving credit (loan) agreement. In addition, the Three-Year Asset Backed Revolving Credit Facility (the facility) matured on July 27, 2010 and has not been repaid. Per the agreement, the default ratio is set at a maximum three-month rolling average of 5.0% or a maximum of 6.25% for any Settlement Period. We reviewed the monthly reports noting that 3 of these months fell above at least one of these ratios, ranging from 5.36% to 5.78% for the three-month average and 6.34% to 10.24% for the Settlement Period.

As a result of the debt covenant violation and the maturity of the facility, the bank has certain remedies available to it under the terms of the loan agreement, principal of which would be rights to call the loan and take possession of the collateral (the underlying student loan portfolio). The bank has been made aware of the event of default and the maturity of the loan and has not communicated to IDAPP any intent to exercise the remedies available to it under the terms of the loan agreement. The balance of the line of credit with the bank was \$78,156,827 at June 30, 2020.

According to the Commission’s management, the default ratio issues are due to the poor performance of the portfolio. The portfolio continues to experience a high level of delinquent accounts. The line of credit has not been refinanced because of the conditions in the private loan credit market.

As a result of the violation, the bank may have certain remedies under the terms of the loan agreements, principal of which would be the right to call the loan and take possession of the collateral (the underlying student loan portfolio of IDAPP).(Finding Code No: 2020-001, 2019-001, 2018-001, 2017-001, 2016-001, 2015-001, 2014-001, 2013-001, 12-2, 11-10, 10-6, 09-1)

Recommendation

We recommend the IDAPP continue to monitor the loan covenant violations and continue seeking remedies from the lender involved.

Commission Response

We agree with the recommendation. The loan covenants are reviewed on a monthly basis. We continue to talk to the bank about the portfolio.

**State of Illinois
Illinois Student Assistance Commission**

Schedule of Findings - Two Years Ended June 30, 2020

Current Findings – Government Auditing Standards

Finding 2020-002 – Lack of Census Data Reconciliations

The Illinois Student Assistance Commission (Commission) did not have a reconciliation process to provide assurance census data submitted to its pension and other postemployment benefits (OPEB) plans that was complete and accurate.

Census data is demographic data (date of birth, gender, years of service, etc.) of the active, inactive, or retired members of a pension or OPEB plan. The accumulation of inactive or retired members' census data occurs before the current accumulation period of census data used in the plan's actuarial valuation (which eventually flows into each employer's financial statements), meaning the plan is solely responsible for establishing internal controls over these records and transmitting this data to the plan's actuary. In contrast, responsibility for active members' census data during the current accumulation period is split among the plan and each member's current employer. Initially, employers must accurately transmit census data elements of their employees to the plan. Then, the plan must record and retain these records for active employees and then transmit this census data to the plan's actuary.

We noted the Commission's employees are members of both the State Employees' Retirement System of Illinois (SERS) for their pensions and the State Employees Group Insurance Program sponsored by the State of Illinois, Department of Central Management Services (CMS) for their OPEB. In addition, we noted these plans have characteristics of different types of pension and OPEB plans, including single employer plans and cost-sharing multiple-employer plans.

During testing, we noted the following:

1. The Commission had not performed an initial complete reconciliation of its census data recorded by SERS and CMS to its internal records to establish a base year of complete and accurate census data.
2. After establishing a base year, the Commission had not developed a process to annually obtain from SERS and CMS the incremental changes recorded by SERS and CMS in their census data records and reconcile these changes back to the Commission's internal supporting records.

For employers where their employees participate in plans with multiple-employer and cost-sharing features, the American Institute of Certified Public Accountants' Audit and Accounting Guide: State and Local Governments (AAG-SLG) (§ 13.177 for pensions and § 14.184 for OPEB) notes the determination of net pension/OPEB liability, pension/OPEB expense, and the associated deferred inflows and deferred outflows of resources depends on employer-provided census data reported to the plan being complete and accurate along with the accumulation and maintenance of this data by the plan being complete and accurate. To help mitigate against the risk of a plan's actuary using incomplete or inaccurate census data within similar agent multiple-employer plans, the AAG-SLG (§ 13.181 (A-27) for pensions and § 14.141 for OPEB) recommends an employer annually reconcile its active members' census data to a report from the plan of census data submitted to the plan's actuary, by comparing the current year's census data file to both the prior year's census data file and its underlying records for changes occurring during the current year.

Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Commission establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports.

**State of Illinois
Illinois Student Assistance Commission**

Schedule of Findings - Two Years Ended June 30, 2020

Current Findings – Government Auditing Standards

Finding 2020-002 – Reconciliation of Census Data (Continued)

According to the Commission's management, while ISAC has a process in place to ensure accurate census data is submitted, we were not aware of the requirement to reconcile with SERS and CMS.

Failure to reconcile active members' census data reported to and held by SERS and CMS to the Commission's records could result in each plan's actuary relying on incomplete or inaccurate census data in the calculation of the Commission's pension and OPEB balances, which could result in a misstatement of these amounts. (Finding Code No. 2020-002)

Recommendation

We recommend the Commission work with SERS and CMS to develop an annual reconciliation process of its active members' census data from its underlying records to a report from each plan of census data submitted to the plan's actuary. After completing an initial full reconciliation, the Commission may limit the annual reconciliation to focus on the incremental changes to the census data file from the prior actuarial valuation, provided no risks are identified that incomplete or inaccurate reporting of census data may have occurred during prior periods.

Commission Response

We agree with the recommendation. The Commission will work with SERS and CMS to develop a reconciliation process.

**State of Illinois
Illinois Student Assistance Commission**

Schedule of Findings - Two Years Ended June 30, 2020

Prior Findings Not Repeated

None Noted

State of Illinois
 Illinois Student Assistance Commission
 Schedule of Appropriations, Expenditures, and Lapsed Balances
 Expenditure Authority for Fiscal Year 2020
 Fourteen Months Ended August 31, 2020

Schedule 1

	Expenditure Authority (Net of Transfers)	Expenditures Through 6/30/20	Lapse Period Expenditures 7/1/20 - 8/31/20	Total Expenditures 14 Months Ended 8/31/20	Balances Lapsed 8/31/20
Public Act. 100-0021					
Appropriated Funds					
General Revenue Fund - 001:					
Statewide outreach, training and research activities	\$ 3,497,700	\$ 3,481,757	\$ -	\$ 3,481,757	\$ 15,943
Operational Expenses	3,500,000	3,371,759	128,069	3,499,828	172
Monetary Award Program	451,341,900	446,489,693	377,766	446,867,459	4,474,441
Aim High Grant Pilot Program	35,000,000	-	34,957,000	34,957,000	43,000
Costs for Grants to Exonerated Persons	150,000	5,804	-	5,804	144,196
Total General Revenue Fund	\$ 493,489,600	\$ 453,349,013	\$ 35,462,835	\$ 488,811,848	\$ 4,677,752
Education Assistance Fund - 007:					
Grants and scholarships:					
Veterans' home medical providers' loan repayment	\$ 26,400	\$ 26,107	\$ -	\$ 26,107	\$ 293
Nurse educator loan repayment program	264,000	262,314	-	262,314	1,686
Minority teacher scholarships	1,900,000	1,702,287	833	1,703,120	196,880
Scholarships to children of policemen or firemen killed in the line of duty or who are dependents of correctional officers killed or permanently disabled in the line of duty	1,273,300	666,303	64,449	730,752	542,548
Golden Apple Scholars of Illinois	6,498,000	6,489,728	8,272	6,498,000	-
Golden Apple Accelerators Program	750,000	733,603	16,395	749,998	2
Teacher loan forgiveness program	439,900	437,425	-	437,425	2,475
Total Education Assistance Fund	\$ 11,151,600	\$ 10,317,767	\$ 89,949	\$ 10,407,716	\$ 743,884
Federal Congress Teacher Scholarship Fund - 092:					
Federal Congress Teacher Scholarship for transferring repayment	\$ 100,000	\$ 260	\$ -	\$ 260	\$ 99,740
ISAC Accounts Receivable Fund - 242:					
Cost associated with collecting delinquent scholarship awards	\$ 300,000	\$ 52,551	\$ -	\$ 52,551	\$ 247,449
Optometric Licensing & Disciplinary Board Fund - 259:					
Scholarships for eligible students pursuing a graduate degree in optometry	\$ 50,000	\$ 50,000	\$ -	\$ 50,000	\$ -

(Continued)

State of Illinois
 Illinois Student Assistance Commission
 Schedule of Appropriations, Expenditures, and Lapsed Balances - Continued
 Expenditure Authority for Fiscal Year 2020
 Fourteen Months Ended August 31, 2020

Schedule 1

	Expenditure Authority (Net of Transfers)	Expenditures Through 6/30/20	Lapse Period Expenditures 7/1/20 - 8/31/20	Total Expenditures 14 Months Ended 8/31/20	Balances Lapsed 8/31/20
University Grant Fund - 418:					
Higher education license plate program grants	\$ 110,000	\$ 95,750	\$ -	\$ 95,750	\$ 14,250
Federal Student Loan Fund - 663:					
Distribution necessary as the result of guarantees of loans that are uncollectible and payments pursuant to federal agreements	\$ 190,000,000	\$ 81,488,822	\$ 5,113,480	\$ 86,602,302	\$ 103,397,698
Student Loan Operation Fund - 664:					
Administration:					
Personal services	\$ 15,538,600	\$ 4,860,571	\$ 300,432	\$ 5,161,003	\$ 10,377,597
State contribution to State Employees' Retirement Fund	8,392,900	2,640,943	163,636	2,804,579	5,588,321
State contribution to Social Security	1,181,000	354,338	22,140	376,478	804,522
State contribution for employees' group insurance	6,240,000	1,208,470	75,290	1,283,760	4,956,240
Contractual services	12,630,700	5,115,395	399,646	5,515,041	7,115,659
Collection agency fees	10,000,000	3,132,020	162,674	3,294,694	6,705,306
Travel	311,000	98,251	-	98,251	212,749
Commodities	282,200	28,758	3,857	32,615	249,585
Printing	501,000	26,813	-	26,813	474,187
Equipment	540,000	168,966	186,659	355,625	184,375
Telecommunications	1,897,900	255,843	51,420	307,263	1,590,637
Operation of automotive equipment	38,400	2,212	47	2,259	36,141
Costs associated with Federal Loan System development and maintenance	2,500,000	-	-	-	2,500,000
Reimbursement to Illinois Designated Account Purchase Program for expenses incurred	1,000,000	4,390	359	4,749	995,251
Total Student Loan Operation Fund	\$ 61,053,700	\$ 17,896,970	\$ 1,366,160	\$ 19,263,130	\$ 41,790,570
ISAC Contracts and Grants Fund - 677:					
Costs to support outreach and training activities	\$ 10,000,000	\$ -	\$ -	\$ -	\$ 10,000,000

(Continued)

State of Illinois
 Illinois Student Assistance Commission
 Schedule of Appropriations, Expenditures, and Lapsed Balances - Continued
 Expenditure Authority for Fiscal Year 2020
 Fourteen Months Ended August 31, 2020

Schedule 1

	Expenditure Authority (Net of Transfers)	Expenditures Through 6/30/20	Lapse Period Expenditures 7/1/20 - 8/31/20	Total Expenditures 14 Months Ended 8/31/20	Balances Lapsed 8/31/20
Federal Student Incentive Trust Fund - 701:					
Federal grant programs	\$ 13,000,000	\$ 1,941,563	\$ 392,120	\$ 2,333,683	\$ 10,666,317
John R. Justice Student Loan	300,000	113,444	-	113,444	186,556
Total Federal Student Incentive Trust Fund	\$ 13,300,000	\$ 2,055,007	\$ 392,120	\$ 2,447,127	\$ 10,852,873
National Guard and Naval Militia Grant Fund - 721:					
Illinois National Guard and Naval Militia scholarships	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
IL Future Teacher Corps Scholarships Fund - 753:					
Golden Apple Scholars of Illinois	\$ 100,000	\$ 31,401	\$ 8,728	\$ 40,129	\$ 59,871
Totals - All Appropriated Funds	\$ 779,674,900	\$ 565,337,541	\$ 42,433,272	\$ 607,770,813	\$ 171,904,087
Nonappropriated Funds:					
Illinois Prepaid Tuition Trust Fund - 557:					
Lump sum expenditures for operations		\$ 145,535,397	\$ 2,268,079	\$ 147,803,476	
ISAC Loan Purchase Program Payroll Fund - 773:					
Illinois Designated Account Purchase Program expenditures		\$ 575,972	\$ -	\$ 575,972	
Total - All Nonappropriated Funds		\$ 146,111,369	\$ 2,268,079	\$ 148,379,448	
Total - All Funds		\$ 711,448,910	\$ 44,701,351	\$ 756,150,261	

Note 1: Expenditure Authority, appropriations, expenditures and lapsed balances were obtained from the State Comptroller's records as of September 30, 2020, and have been reconciled to Commission records.

Note 2: Expenditure amounts are vouchers approved for payment by the Commission and submitted to the State Comptroller for payment to the vendor.

(Concluded)

State of Illinois
 Illinois Student Assistance Commission
 Schedule of Appropriations, Expenditures, and Lapsed Balances
 Expenditure Authority for Fiscal Year 2019
 Fourteen Months Ended August 31, 2019

Schedule 2

	Expenditure Authority (Net of Transfers)	Expenditures Through 6/30/19	Lapse Period Expenditures 7/1/19 - 8/31/19	Total Expenditures 14 Months Ended 8/31/19	Balances Lapsed 8/31/19
Public Act. 100-0021					
Appropriated Funds					
General Revenue Fund - 001:					
Statewide outreach, training and research activities	\$ 997,700	\$ 996,536	\$ -	\$ 996,536	\$ 1,164
Operational Expenses	2,000,000	1,998,907	-	1,998,907	1,093
Monetary Award Program	401,341,900	398,129,425	1,041,322	399,170,747	2,171,153
Aim High Grant Pilot Program	25,000,000	11,626,000	13,374,000	25,000,000	-
Total General Revenue Fund	\$ 429,339,600	\$ 412,750,868	\$ 14,415,322	\$ 427,166,190	\$ 2,173,410
Education Assistance Fund - 007:					
Grants and scholarships:					
Veterans' home medical providers' loan repayment	\$ 26,400	\$ 26,400	\$ -	\$ 26,400	\$ -
Nurse educator loan repayment program	264,000	264,000	-	264,000	-
Minority teacher scholarships	1,900,000	1,665,956	(5,000)	1,660,956	239,044
Scholarships to children of policemen or firemen killed in the line of duty or who are dependents of correctional officers killed or permanently disabled in the line of duty	1,237,400	811,970	41,481	853,451	383,949
Golden Apple Scholars of Illinois	6,498,800	6,096,319	402,481	6,498,800	-
Teacher loan forgiveness program	439,900	439,900	-	439,900	-
Total Education Assistance Fund	\$ 10,366,500	\$ 9,304,545	\$ 438,962	\$ 9,743,507	\$ 622,993
Federal Congress Teacher Scholarship Fund - 092:					
Federal Congress Teacher Scholarship for transferring repayment	\$ 400,000	\$ 120	\$ -	\$ 120	\$ 399,880
ISAC Accounts Receivable Fund - 242:					
Cost associated with collecting delinquent scholarship awards	\$ 300,000	\$ 78,020	\$ -	\$ 78,020	\$ 221,980
Optometric Licensing & Disciplinary Board Fund - 259:					
Scholarships for eligible students pursuing a graduate degree in optometry	\$ 50,000	\$ 50,000	\$ -	\$ 50,000	\$ -

(Continued)

State of Illinois
 Illinois Student Assistance Commission
 Schedule of Appropriations, Expenditures, and Lapsed Balances - Continued
 Expenditure Authority for Fiscal Year 2019
 Fourteen Months Ended August 31, 2019

Schedule 2

	Expenditure Authority (Net of Transfers)	Expenditures Through 6/30/19	Lapse Period Expenditures 7/1/19 - 8/31/19	Total Expenditures 14 Months Ended 8/31/19	Balances Lapsed 8/31/19
University Grant Fund - 418:					
Higher education license plate program grants	\$ 110,000	\$ 96,350	\$ -	\$ 96,350	\$ 13,650
Federal Student Loan Fund - 663:					
Distribution necessary as the result of guarantees of loans that are uncollectible and payments pursuant to federal agreements	\$ 200,000,000	\$ 96,499,667	\$ 5,648,631	\$ 102,148,298	\$ 97,851,702
Student Loan Operation Fund - 664:					
Administration:					
Personal services	\$ 15,538,600	\$ 3,532,204	\$ 5,049	\$ 3,537,253	\$ 12,001,347
State contribution to State Employees' Retirement Fund	8,392,900	1,798,335	1,858	1,800,193	6,592,707
State contribution to Social Security	1,181,000	258,430	386	258,816	922,184
State contribution for employees' group insurance	6,240,000	1,014,402	-	1,014,402	5,225,598
Contractual services	12,630,700	7,509,111	639,061	8,148,172	4,482,528
Collection agency fees	10,000,000	3,187,784	182,994	3,370,778	6,629,222
Travel	311,000	116,816	7,790	124,606	186,394
Commodities	282,200	24,213	1,682	25,895	256,305
Printing	501,000	34,336	-	34,336	466,664
Equipment	540,000	135,721	5,817	141,538	398,462
Telecommunications	1,897,900	254,685	19,865	274,550	1,623,350
Operation of automotive equipment	38,400	2,806	327	3,133	35,267
Costs associated with Federal Loan System development and maintenance	2,500,000	-	-	-	2,500,000
Reimbursement to Illinois Designated Account Purchase Program for expenses incurred	1,000,000	27,023	-	27,023	972,977
Total Student Loan Operation Fund	\$ 61,053,700	\$ 17,895,866	\$ 864,829	\$ 18,760,695	\$ 42,293,005
ISAC Contracts and Grants Fund - 677:					
Costs to support outreach and training activities	\$ 10,000,000	\$ -	\$ -	\$ -	\$ 10,000,000

(Continued)

State of Illinois
 Illinois Student Assistance Commission
 Schedule of Appropriations, Expenditures, and Lapsed Balances - Continued
 Expenditure Authority for Fiscal Year 2019
 Fourteen Months Ended August 31, 2019

Schedule 2

	Expenditure Authority (Net of Transfers)	Expenditures Through 6/30/19	Lapse Period Expenditures 7/1/19 - 8/31/19	Total Expenditures 14 Months Ended 8/31/19	Balances Lapsed 8/31/19
Federal Student Incentive Trust Fund - 701:					
Federal grant programs	\$ 13,000,000	\$ 2,459,055	\$ 324,902	\$ 2,783,957	\$ 10,216,043
John R. Justice Student Loan	300,000	1,175	-	1,175	298,825
Total Federal Student Incentive Trust Fund	\$ 13,300,000	\$ 2,460,230	\$ 324,902	\$ 2,785,132	\$ 10,514,868
National Guard and Naval Militia Grant Fund - 721:					
Illinois National Guard and Naval Militia scholarships	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
IL Future Teacher Corps Scholarships Fund - 753:					
Golden Apple Scholars of Illinois	\$ 100,000	\$ -	\$ 65,579	\$ 65,579	\$ 34,421
Totals - All Appropriated Funds	\$ 725,039,800	\$ 539,135,666	\$ 21,758,225	\$ 560,893,891	\$ 164,145,909
Nonappropriated Funds:					
Illinois Prepaid Tuition Trust Fund - 557:					
Lump sum expenditures for operations		\$ 151,541,729	\$ 1,858,655	\$ 153,400,384	
ISAC Loan Purchase Program Payroll Fund - 773:					
Illinois Designated Account Purchase Program expenditures		\$ 664,468	\$ -	\$ 664,468	
Total - All Nonappropriated Funds		\$ 152,206,197	\$ 1,858,655	\$ 154,064,852	
Total - All Funds		\$ 691,341,863	\$ 23,616,880	\$ 714,958,743	

Note 1: Expenditure Authority, appropriations, expenditures and lapsed balances were obtained from the State Comptroller's records as of September 30, 2019, and have been reconciled to Commission records.

Note 2: Expenditure amounts are vouchers approved for payment by the Commission and submitted to the State Comptroller for payment to the vendor.

(Concluded)

Illinois Student Assistance Commission

Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances

Years Ended June 30, 2020, 2019 and 2018

	Fiscal Year		
	2020	2019	2018
	P.A. 101-0007	P.A. 100-0586	P.A. 100-0021
General Revenue Fund - 001:			
Appropriations/Expenditure Authority (net after transfers)	\$ 493,489,600	\$ 429,339,600	\$ 402,339,600
Expenditures:			
Statewide outreach, training and research activities	3,481,757	996,536	995,613
Operational Expenses	3,499,828	1,998,907	-
Monetary Award Program	446,867,459	399,170,747	397,415,387
Aim High Grant Pilot Program	34,957,000	25,000,000	-
Costs for Grants to Exonerated Persons	5,804	-	-
Total expenditures	488,811,848	427,166,190	398,411,000
Lapsed balances	\$ 4,677,752	\$ 2,173,410	\$ 3,928,600
Education Assistance Fund - 007:			
Appropriations/Expenditure Authority (net after transfers)	\$ 11,151,600	\$ 10,366,500	\$ 10,355,600
Expenditures:			
Veterans' home medical providers' loan repayment	26,107	26,400	26,121
Nurse educator loan repayment program	262,314	264,000	264,000
Minority teacher scholarships	1,703,120	1,660,956	889,502
Scholarships to children of policemen or firemen killed in the line of duty or who are dependents of correctional officers killed or permanently disabled in the line of duty	730,752	853,451	946,481
Golden Apple Scholars of Illinois	6,498,000	6,498,800	6,494,250
Golden Apple Accelerators Program	749,998	-	-
Teacher loan forgiveness program	437,425	439,900	439,777
Total expenditures	10,407,716	9,743,507	9,060,131
Lapsed balances	\$ 743,884	\$ 622,993	\$ 1,295,469
Federal Congress Teacher Scholarship Fund - 092:			
Appropriations/Expenditure Authority (net after transfers)	\$ 100,000	\$ 400,000	\$ 400,000
Expenditures:			
Federal Congress Teacher Scholarship for transferring repayment	\$ 260	\$ 120	\$ 260
Lapsed balances	\$ 99,740	\$ 399,880	\$ 399,740

(Continued)

Illinois Student Assistance Commission

Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances - Continued
Years Ended June 30, 2020, 2019 and 2018

	2020	2019	2018
	P.A. 101-0007	P.A. 100-0586	P.A. 100-0021
ISAC Accounts Receivable Fund - 242:			
Appropriations/Expenditure Authority (net after transfers)	\$ 300,000	\$ 300,000	\$ 300,000
Expenditures:			
Costs associated with collecting delinquent scholarship awards	52,551	78,020	156,318
Lapsed balances	\$ 247,449	\$ 221,980	\$ 143,682
Optometric Licensing and Disciplinary Board Fund - 259:			
Appropriations/Expenditure Authority (net after transfers)	\$ 50,000	\$ 50,000	\$ 50,000
Expenditures:			
Scholarships for eligible students pursuing a graduate degree in optometry	50,000	50,000	50,000
Lapsed balances	\$ -	\$ -	\$ -
University Grant Fund - 418:			
Appropriations/Expenditure Authority (net after transfers)	\$ 110,000	\$ 110,000	\$ 110,000
Expenditures:			
Higher education license plate program grants	95,750	96,350	96,700
Lapsed balances	\$ 14,250	\$ 13,650	\$ 13,300
Federal Student Load Fund - 663:			
Appropriations/Expense Authority (net after transfers)	\$ 190,000,000	\$ 200,000,000	\$ 230,000,000
Expenses:			
Distribution necessary as the result of guarantees of loans that are uncollectible and payments pursuant to federal agreements	86,602,302	102,148,298	131,006,856
Lapsed balances	\$ 103,397,698	\$ 97,851,702	\$ 98,993,144

(Continued)

Illinois Student Assistance Commission

Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances - Continued
Years Ended June 30, 2020, 2019 and 2018

	2020	2019	2018
	P.A. 101-0007	P.A. 100-0586	P.A. 100-0021
Student Loan Operation Fund - 664:			
Appropriations/Expense Authority (net after transfers)	\$ 61,053,700	\$ 61,053,700	\$ 64,053,700
Expenses:			
Personal services	5,161,003	3,537,253	7,175,403
State contribution to State Employees' Retirement Fund	2,804,579	1,800,193	3,368,878
State contribution to Social Security	376,478	258,816	521,690
State contribution for employees' group insurance	1,283,760	1,014,402	1,938,714
Contractual services	5,515,041	8,148,172	7,804,404
Collection agency fees	3,294,694	3,370,778	5,678,751
Travel	98,251	124,606	114,873
Commodities	32,615	25,895	43,916
Printing	26,813	34,336	41,122
Equipment	355,625	141,538	104,090
Telecommunications	307,263	274,550	291,059
Operation of automotive equipment	2,259	3,133	3,008
Reimbursement to Illinois Designated Account Purchase Program for expenses incurred	4,749	27,023	13,372
Total expenses	19,263,130	18,760,695	27,099,280
Lapsed balances	\$ 41,790,570	\$ 42,293,005	\$ 36,954,420
ISAC Contracts and Grants Fund - 677:			
Appropriations/Expenditure Authority (net after transfers)	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
Expenditures:			
Costs to support outreach and training activities	-	-	19,240
Lapsed balances	\$ 10,000,000	\$ 10,000,000	\$ 9,980,760
Federal Student Incentive Trust Fund - 701:			
Appropriations/Expenditure Authority (net after transfers)	\$ 13,300,000	\$ 13,300,000	\$ 13,300,000
Expenditures:			
Federal grant programs	2,333,683	2,783,957	1,418,636
John R. Justice Student Loan	113,444	1,175	55,714
Total expenditures	2,447,127	2,785,132	1,474,350
Lapsed balances	\$ 10,852,873	\$ 10,514,868	\$ 11,825,650

(Continued)

Illinois Student Assistance Commission

Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances - Continued
Years Ended June 30, 2020, 2019 and 2018

	2020 P.A. 101-0007	2019 P.A. 100-0586	2018 P.A. 100-0021
National Guard and Naval Militia Grant Fund - 721:			
Appropriations/Expenditure Authority (net after transfers)	\$ 20,000	\$ 20,000	\$ 20,000
Expenditures:			
Illinois National Guard and Naval Militia scholarships	-	-	-
Lapsed balances	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>
IL Future Teacher Corps Scholarships Fund - 753:			
Appropriations/Expenditure Authority (net after transfers)	\$ 100,000	\$ 100,000	\$ 100,000
Expenditures:			
Golden Apple Scholars of Illinois	40,129	65,579	67,961
Lapsed balances	<u>\$ 59,871</u>	<u>\$ 34,421</u>	<u>\$ 32,039</u>
Total All Appropriated Funds			
Appropriations/Expenditure Authority (net after transfers)	\$ 779,674,900	\$ 725,039,800	\$ 731,028,900
Expenditures	607,770,813	560,893,891	567,442,096
Lapsed balances	<u>\$ 171,904,087</u>	<u>\$ 164,145,909</u>	<u>\$ 163,586,804</u>
Nonappropriated Funds:			
Illinois Prepaid Tuition Fund - 557:			
Lump sum expenses for operations	\$ 147,803,476	\$ 153,400,384	\$ 153,064,458
ISAC Loan Purchase Program Payroll Fund - 773:			
Illinois Designated Account Purchase Program expenditures	575,972	664,468	612,826
Total - All Nonappropriated Funds	<u>\$ 148,379,448</u>	<u>\$ 154,064,852</u>	<u>\$ 153,677,284</u>
Total - All Funds			
Expenditures	<u>\$ 756,150,261</u>	<u>\$ 714,958,743</u>	<u>\$ 721,119,380</u>

Note 1: Expenditure Authority, appropriations, expenditures and lapsed balances were obtained from the State Comptroller's records as of September 30, 2019, and have been reconciled to Commission records.

Note 2: Expenditure amounts are vouchers approved for payment by the Commission and submitted to the State Comptroller for payment to the vendor.

(Concluded)

State of Illinois
 Illinois Student Assistance Commission
 Comparative Schedule of Net Expenditures by Major Activity
 Years Ended June 30, 2020, 2019 and 2018
 (Amounts expressed in thousands)

Schedule 4

	Fiscal Year		
	2020	2019	2018
	P.A. 101-0007	P.A. 100-0586	P.A. 100-0021
<u>EXPENDITURE STATISTICS</u>			
All State Treasury Funds			
Total Operations Expenditures:	\$ 19,263	\$ 18,761	\$ 27,099
Percentage of Total Expenditures:	3.2%	3.3%	4.8%
Personal Services	5,161	3,537	7,175
Other Payroll Costs	4,465	3,073	5,829
All Other Operating Expenditures	9,637	12,151	14,095
Total Awards and Grants Expenditures:	\$ 588,508	\$ 542,133	\$ 540,343
Percentage of Total Expenditures:	96.8%	96.7%	95.2%
GRAND TOTAL - ALL EXPENDITURES:	\$ 607,771	\$ 560,894	\$ 567,442

* Appropriated funds

State of Illinois
 Illinois Student Assistance Commission
 Comparative Schedule of Cash Receipts and
 Reconciliation of Cash Receipts to
 Deposits Remitted to the State Comptroller
 For the Years Ended June 30, 2020, 2019 and 2018
 (Amounts expressed in thousands)

Schedule 5

	2020	2019	2018
General Revenue Fund - 001			
Miscellaneous	\$ 2,138	\$ 2,102	\$ 2,446
Total cash receipts per Agency	2,138	2,102	2,446
Less - In transit at End of Year	-	-	-
Plus - In transit at Beginning of Year	-	-	-
Total cash receipts per State Comptroller's Records	<u>\$ 2,138</u>	<u>\$ 2,102</u>	<u>\$ 2,446</u>
Education Assistance Fund - 007			
Miscellaneous	\$ -	\$ -	\$ -
Total cash receipts per Agency	-	-	-
Less - In transit at End of Year	-	-	-
Plus - In transit at Beginning of Year	-	-	-
Total cash receipts per State Comptroller's Records	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Federal Congressional Teacher Scholarship Fund - 092			
Repayments and reimbursements of loans	\$ -	\$ -	\$ -
Total cash receipts per Agency	-	-	-
Less - In transit at End of Year	-	-	-
Plus - In transit at Beginning of Year	-	-	-
Total cash receipts per State Comptroller's Records	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ISAC Accounts Receivable Fund - 242			
Repayments and reimbursements of loans	\$ 98	\$ 99	\$ 130
Total cash receipts per Agency	98	99	130
Less - In transit at End of Year	-	-	-
Plus - In transit at Beginning of Year	-	-	-
Total cash receipts per State Comptroller's Records	<u>\$ 98</u>	<u>\$ 99</u>	<u>\$ 130</u>
Illinois Prepaid Tuition Trust Fund - 557			
Proceeds from sale of tuition contracts	\$ 148,457	\$ 152,950	\$ 152,448
Total cash receipts per Agency	148,457	152,950	152,448
Less - In transit at End of Year	-	-	-
Plus - In transit at Beginning of Year	-	-	-
Total cash receipts per State Comptroller's Records	<u>\$ 148,457</u>	<u>\$ 152,950</u>	<u>\$ 152,448</u>

(Continued)

State of Illinois
 Illinois Student Assistance Commission
 Comparative Schedule of Cash Receipts and
 Reconciliation of Cash Receipts to
 Deposits Remitted to the State Comptroller (Continued)
 For the Years Ended June 30, 2020, 2019 and 2018
 (Amounts expressed in thousands)

Schedule 5

	2020	2019	2018
Federal Student Loan Fund - 663			
Federal government	\$ 28,488	\$ 41,874	\$ 35,903
Collections on defaulted student loans	9,211	12,196	13,476
Repurchased student loans	49,840	47,794	83,055
Miscellaneous	228	166	364
Total cash receipts per Agency	87,767	102,030	132,798
Less - In transit at End of Year	(7,546)	(9,623)	(15,585)
Plus - In transit at Beginning of Year	9,623	15,585	11,692
Total cash receipts per State Comptroller's Records	<u>\$ 89,844</u>	<u>\$ 107,992</u>	<u>\$ 128,905</u>
Student Loan Operation Fund - 664			
Portfolio maintenance fee	\$ 1,523	\$ 1,711	\$ 1,937
Federal direct consolidation fee	5,263	5,981	9,734
Federal student loan	8,395	8,358	13,221
Interfund payments	1,714	1,924	2,359
Miscellaneous	1,814	1,992	2,752
Total cash receipts per Agency	18,709	19,966	30,003
Less - In transit at End of Year	(19,318)	(19,124)	(19,594)
Plus - In transit at Beginning of Year	19,124	19,594	18,739
Total cash receipts per State Comptroller's Records	<u>\$ 18,515</u>	<u>\$ 20,436</u>	<u>\$ 29,148</u>
ISAC Contracts and Grants Fund - 677			
Miscellaneous	\$ -	\$ -	\$ 2
Total cash receipts per Agency	-	-	2
Less - In transit at End of Year	-	-	-
Plus - In transit at Beginning of Year	-	-	-
Total cash receipts per State Comptroller's Records	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>
Federal Student Incentive Trust Fund - 701			
Federal government	\$ 2,060	\$ 2,784	\$ 1,476
Total cash receipts per Agency	2,060	2,784	1,476
Less - In transit at End of Year	-	(323)	(115)
Plus - In transit at Beginning of Year	323	115	21
Total cash receipts per State Comptroller's Records	<u>\$ 2,383</u>	<u>\$ 2,576</u>	<u>\$ 1,382</u>
Illinois Designated Account Purchase Program - 1174			
Interfund payments	\$ 576	\$ 665	\$ 614
Total cash receipts per Agency	576	665	614
Less - In transit at End of Year	-	-	-
Plus - In transit at Beginning of Year	-	-	-
Total cash receipts per State Comptroller's Records	<u>\$ 576</u>	<u>\$ 665</u>	<u>\$ 614</u>

(Continued)

State of Illinois
Illinois Student Assistance Commission
Comparative Schedule of Cash Receipts and
Reconciliation of Cash Receipts to
Deposits Remitted to the State Comptroller (Continued)
For the Years Ended June 30, 2020, 2019 and 2018
(Amounts expressed in thousands)

Schedule 5

	<u>2020</u>	<u>2019</u>	<u>2018</u>
GRAND TOTAL - ALL FUNDS			
Federal government	\$ 30,548	\$ 44,658	\$ 37,379
Collections on defaulted student loans	9,211	12,196	13,476
Repurchased student loans	49,840	47,794	83,055
Repayments and reimbursements of loans	98	99	130
Portfolio maintenance fee	1,523	1,711	1,937
Federal direct consolidation fee	5,263	5,981	9,734
Federal student loan	8,395	8,358	13,221
Interfund payments	2,290	2,589	2,973
Proceeds from sale of tuition contracts	148,457	152,950	152,448
Miscellaneous	<u>4,180</u>	<u>4,260</u>	<u>5,564</u>
Total cash receipts per Agency	259,805	280,596	319,917
Less - In transit at End of Year	(26,864)	(29,070)	(35,294)
Plus - In transit at Beginning of Year	<u>29,070</u>	<u>35,294</u>	<u>30,452</u>
Total cash receipts per State Comptroller's Records - All Funds	<u>\$ 262,011</u>	<u>\$ 286,820</u>	<u>\$ 315,075</u>

(Concluded)

State of Illinois
 Illinois Student Assistance Commission
 Schedule of Changes in State Property
 Two Years Ended June 30, 2020 and 2019
 (Amounts expressed in thousands)

Schedule 6

	Balance			Balance			Balance
	July 1, 2018	Additions	Deletions	June 30, 2019	Additions	Deletions	June 30, 2020
Governmental activities:							
Capital assets not being depreciated:							
Land	\$ 2,700	\$ -	\$ -	\$ 2,700	\$ -	\$ -	\$ 2,700
Capital assets being depreciated:							
Buildings	19,229	-	-	19,229	-	-	19,229
Equipment	51	-	(27)	24	-	-	24
Total capital assets being depreciated	19,280	-	(27)	19,253	-	-	19,253
Less accumulated depreciation:							
Buildings	(12,315)	(502)	-	(12,817)	(504)	-	(13,321)
Equipment	(51)	-	27	(24)	-	-	(24)
Total accumulated depreciation	(12,366)	(502)	27	(12,841)	(504)	-	(13,345)
Total capital assets being depreciated, net	6,914	(502)	-	6,412	(504)	-	5,908
Governmental activities capital assets, net	\$ 9,614	\$ (502)	\$ -	\$ 9,112	\$ (504)	\$ -	\$ 8,608
Business-type activities:							
<i>Illinois Designated Account Purchase Program Fund:</i>							
Capital assets being depreciated:							
Equipment	\$ 224	\$ -	\$ (19)	\$ 205	\$ -	\$ -	\$ 205
Less accumulated depreciation:							
Equipment	(224)	-	19	(205)	-	-	(205)
Total capital assets being depreciated, net	-	-	-	-	-	-	-
<i>Nonmajor Enterprise Funds:</i>							
Capital assets being depreciated:							
Equipment and automobiles	855	106	(13)	948	-	-	948
Internally generated software	3,357	-	-	3,357	-	-	3,357
Total capital assets being depreciated	4,212	106	(13)	4,305	-	-	4,305
Less accumulated depreciation:							
Equipment and automobiles	(439)	(96)	13	(522)	(81)	-	(603)
Internally generated software	(1,930)	(336)	-	(2,266)	(336)	-	(2,602)
Total accumulated depreciation	(2,369)	(432)	13	(2,788)	(417)	-	(3,205)
Total capital assets being depreciated, net	1,843	(326)	-	1,517	(417)	-	1,100
Business-type activities capital assets, net	\$ 1,843	\$ (326)	\$ -	\$ 1,517	\$ (417)	\$ -	\$ 1,100

Note: The above information has been reconciled to reports (Form C-15) submitted to the Office of the Comptroller.

State of Illinois
 Illinois Student Assistance Commission
 Schedule of Investment Management Fees
 Year Ended June 30, 2020

Schedule 7

Investment Manager	Investment Management Fees	Percentage of Portfolio
<u>Traditional Investment Managers</u>		
Garcia Hamilton	\$ 126,100	0.20%
State Street Global Advisors	26,424	0.04%
Rhumblin Advisors	13,256	0.01%
T Rowe Price	215,018	0.29%
Total	<u>\$ 380,798</u>	
<u>Alternative Investment Managers Advisory Fees</u>		
Ativo ACWi ex US LP	240,401	0.51%
DFA	162,340	0.32%
DDJ Strategic Fund	117,038	0.39%
Neuberger Berman	129,594	1.09%
Pinnacle	276,250	18.93%
SCM PG	245,358	0.86%
Total	<u>\$ 1,170,981</u>	

In addition, investment manager fees of \$2,973,029 were netted from investment gains.

Funds were withdrawn from Pinnacle in SFY 20. The Pinnacle portfolio at 6/30/20 was an audit holdback.

State of Illinois
 Illinois Student Assistance Commission
 Schedule of Investment Management Fees
 Year Ended June 30, 2019

Schedule 7

Investment Manager	Investment Management Fees	Percentage of Portfolio
<u>Traditional Investment Managers</u>		
Garcia Hamilton	\$ 132,171	0.19%
State Street Global Advisors	27,785	0.03%
Rhumblin Advisors	16,844	0.01%
T Rowe Price	223,477	0.28%
Total	<u>\$ 400,277</u>	
<u>Alternative Investment Managers Advisory Fees</u>		
Ativo ACWi ex US LP	288,232	0.44%
DFA	203,703	0.35%
DDJ Strategic Fund	325,568	0.90%
Neuberger Berman	298,035	1.12%
Pinnacle	350,032	1.22%
SCM PG	345,071	0.91%
Total	<u>\$ 1,810,641</u>	

In addition, investment manager fees of \$7,488,977 were netted from investment gains.

**State of Illinois
Illinois Student Assistance Commission**

**Analysis of Operations
Years Ended June 30, 2020 and 2019**

Agency Functions and Planning Program (Unaudited)

Commission Organization

The Illinois Student Assistance Commission (Commission) is a part of the executive branch of government of the State of Illinois. The Commission operates under a budget approved by the General Assembly in which resources are appropriated for the use of the Commission. Activities of the Commission are subject to the authority of the Office of the Governor, the State's Chief Executive Officer, and other departments of the executive branch of government (such as the Department of Central Management Services, the Governor's Office of Management and Budget, the State Treasurer's Office, and the State Comptroller's Office) as defined by the Illinois General Assembly. All funds appropriated to the Commission and all other cash received are under the custody and control of the State Treasurer, with the exception of the Illinois Designated Account Purchase Program (IDAPP).

The Commission was established through the Higher Education Student Assistance Act in 1957. The agency is governed by the Commission, a board of ten persons appointed by the Governor, who serve without compensation for a term of six years, except for one member who serves for a term of two years. It employs and provides direction to an Executive Director who is responsible for overseeing and implementing the Commission's day-to-day operations. The Commission's operations office is at 1755 Lake Cook Road in Deerfield, with additional offices located at 500 West Monroe in Springfield and 100 West Randolph in Chicago.

The Commission was created to establish and administer a system of financial assistance through student loans and loan guarantees; scholarships and grant awards; and a prepaid tuition program for residents of the State to enable them to attend qualified public or private institutions of their choice within Illinois. The Commission fulfills this purpose by administering the following programs:

Monetary Award Program

This program was created to provide financial assistance to qualifying students who are residents of the State and enrolled at an approved post-secondary institution in Illinois. The monetary awards are granted on the basis of student financial need and the availability of funds. The grant provided up to \$5,340 in Fiscal Year 2020 for the payment of tuition and mandatory fees. The program is usually funded by the General Fund appropriation. In January 2020, the Commission implemented the alternative application process to serve students that qualify for MAP under The Retention of Illinois Students & Equity (RISE) Act. This allows eligible undocumented students and transgender students who are disqualified from federal financial aid to apply for all forms of state financial aid.

Illinois Veteran Grant

The Illinois Veteran Grant (IVG) Program pays eligible tuition and mandatory fees at all Illinois public universities or public community colleges for veterans. Qualified applicants may use this grant at the undergraduate or graduate level for the equivalent of four academic years of full-time enrollment.

This grant is an entitlement program and is awarded to eligible applicants regardless of the funding level. If funds appropriated for the Commission are insufficient to reimburse public post-secondary institutions for all recipients, the obligation to pay is transferred to the institution. This program was not funded in Fiscal Year 2020 and 2019.

**State of Illinois
Illinois Student Assistance Commission**

**Analysis of Operations
Years Ended June 30, 2020 and 2019**

Agency Functions and Planning Program (Unaudited) (Continued)

Illinois National Guard Grant

The Illinois National Guard (ING) Grant pays tuition and eligible fees at all Illinois public universities or public community colleges to members of the Illinois National Guard. This grant can be used for either undergraduate or graduate enrollment for the equivalent of four academic years of full-time enrollment. The ING Grant is an entitlement program and is awarded to eligible recipients regardless of the funding level. If funds appropriated for the Commission are insufficient to reimburse public post-secondary institutions for all recipients, the obligation to pay is transferred to the institution where the guard member attends school. This program was not funded in Fiscal Year 2020 and 2019.

Golden Apple Scholars of Illinois

The Golden Apple Scholars of Illinois Program encourages academically talented Illinois students, especially minority students, to pursue teaching careers, especially in teacher shortage disciplines or at hard-to-staff schools.

The privately-operated Golden Apple program provides grants towards tuition and fees that must be repaid by recipients who do not subsequently fulfill a work requirement; Golden Apple also provides mentoring and support services and the opportunity to attend summer institutes on teaching.

Minority Teachers Scholarship Program

The Minority Teachers of Illinois (MTI) Scholarship Program encourages academically talented minority students to pursue careers as teachers at nonprofit Illinois preschool, elementary and secondary schools. The program also aims to provide minority children with access to a greater number of positive minority role models.

Scholars receive financial assistance of up to \$5,000 to attend a course of study which, upon completion, qualifies the student to be certified as a preschool, elementary or secondary school teacher by the Illinois State Board of Education, including alternative teacher certification; and in exchange the recipient pledges to teach full time (one year for each year in which scholarship assistance was received) in a nonprofit Illinois public, private, or parochial preschool, elementary or secondary school with at least 30% minority enrollment.

**State of Illinois
Illinois Student Assistance Commission**

**Analysis of Operations
Years Ended June 30, 2020 and 2019**

Agency Functions and Planning Program (Unaudited) (Continued)

Grant Program for Dependents of Police, Fire or Correctional Officers (Dependents Grant)

The Dependents Grant provides that the spouse or child of an Illinois police, fire officer or correctional officer who was killed or became at least 90 percent disabled in the line of duty, may be eligible for this grant. This grant provides assistance toward college tuition and mandatory fees for undergraduate or graduate study at a Commission approved Illinois college.

Illinois Teacher Loan Repayment Program

The Illinois Teachers Loan Repayment Program provides awards to encourage academically talented Illinois students to teach in Illinois schools in low-income areas. If the teaching obligations are met by a Federal Stafford loan borrower who has qualified for the federal government's loan forgiveness programs, Illinois may provide an additional matching award of up to \$5,000 to the qualifying teacher to repay their student loan debt.

Nurse Educator Loan Repayment Program

In an effort to address the shortage of nurses and the lack of instructors to staff courses teaching nursing in Illinois, the Nurse Educator Loan Repayment Program encourages longevity and career change opportunities. The program is intended to pay eligible loans to add an incentive to nurse educators in maintaining their teaching careers within the State of Illinois. The annual awards to qualified nurse educators may be up to \$5,000 to repay their student loan debt, and may be received for up to a maximum of four years.

Veterans' Home Medical Providers' Loan Repayment Act

The Veterans' Home Medical Providers' Loan Repayment Act provides for the payment of eligible educational loans as an incentive for physicians, certified nurse practitioners, registered professional nurses, certified nursing assistants or licensed practical nurses in a State of Illinois Veterans' Home to pursue and continue their careers at State of Illinois veterans' homes. The annual award to qualified registered professionals may be up to \$5,000 to repay their student loan debt. This award may be received for up to a maximum of four years.

Special Education Teacher Tuition Waiver

This program is for teachers or academically talented students pursuing a career in special education as a nonprofit public, private or parochial preschool, elementary or secondary school teacher in Illinois. This program provides exemptions from paying tuition and mandatory fees at eligible institutions, for up to four calendar years. Awards are not subject to annual appropriations by the Illinois General Assembly and the Governor.

**State of Illinois
Illinois Student Assistance Commission**

**Analysis of Operations
Years Ended June 30, 2020 and 2019**

Agency Functions and Planning Program (Unaudited) (Continued)

Illinois State Scholars

The Illinois State Scholar program is awarded to high school seniors based on ACT or SAT test scores and the sixth semester class rank, class size and unweighted Grade Point Average.

Each student designated as a State Scholar receives a congratulatory letter, a Certificate of Achievement and statewide recognition in the news media. To be honored as a State Scholar in Illinois is an outstanding accomplishment that will be a highlight of the recipient's academic record.

AIM HIGH Grant Program

In an effort to increase enrollment of Illinois residents at Illinois public universities, increase overall retention of Illinois college students in Illinois, and encourage Illinois residents to attain a college degree, State appropriated funds are to be used to enable Illinois public universities to establish a merit-based, means-tested award program known as the Aspirational Institutional Match Helping Illinois Grow Higher Education Grant Pilot Program (AIM HIGH) to make college more affordable at their campuses while reducing the amount of student loan debt. Each eligible public university campus must match those funds with non-loan financial aid for eligible students and maintain or exceed levels of financial aid to Illinois residents from Fiscal Year 2018. The Commission is responsible for administering the distribution of AIM HIGH grant funds to the public universities in compliance the AIM HIGH Program and Grant Agreement.

Ancillary Award Programs

The following Ancillary Award programs, funded by the General Revenue Fund, supplement the scholarship and grant programs listed above:

- Silas Purnell Illinois Incentive for Access Program (IIA)*
- Bonus Incentive Grant*
- Student to Student Program of Matching Grants*
- Merit Recognition Scholarships*
- Teach Illinois Scholarship Program*
- Public Interest Attorney Loan Repayment Program*
- Child Welfare Student Loan Forgiveness Program*
- Community College Transfer Grant Program*
- Grant for a Person Raised by a Grandparent*
- Grant for Program Participants in SIU-C Achieve Program*
- Grant Program for Exonerees
- Grant Program for Medical Assistants in Training*
- Police Job Training Program*
- Community Behavioral Health Care Professional Loan Repayment Program*

* These programs were not funded in Fiscal Year 2020 and 2019.

**State of Illinois
Illinois Student Assistance Commission**

**Analysis of Operations
Years Ended June 30, 2020 and 2019**

Agency Functions and Planning Program (Unaudited) (Continued)

John R. Justice Student Loan Repayment Program

The John R. Justice Student Loan Repayment Program provides for the payment of eligible educational loans (both Federal Family Education Loan Program [FFELP] and Federal Direct Loans) for state and federal public defenders and state prosecutors who agree to remain employed as public defenders and prosecutors for at least three years. The annual awards to qualified defenders and prosecutors may be up to \$4,000 (dependent on funding), up to an aggregate total of \$60,000, to repay their student loan debt. If the employment commitment is not fulfilled, any amount received must be repaid.

Optometric Education Scholarship Program

The Optometric Education Scholarship Program provides scholarship assistance to encourage eligible students to pursue a graduate degree in optometry. A total of 10 scholarships are awarded each year.

The scholarship may be used to pay tuition and mandatory fees for two semesters, or three quarters in an academic year. The award amount determined by the institution will be the lesser of \$5,000 or tuition and mandatory fees. If the obligation is not fulfilled the scholarship converts to a loan.

Federal Family Education Loan Program (FFELP)

FFELP was designed to stimulate the making of educational loans by Illinois commercial lenders to qualifying students by guaranteeing repayment of the loans through payments to lenders for defaulted loans. This program is federally funded through the United States Department of Education.

The Higher Education Act of 1965 (HEA) as amended by the Higher Education Amendments of 1998 (Pub.L. 105-244) required the agency to establish two funds for the Program's Administration, the Federal Student Loan Fund (FSLF) and the Student Loan Operating Fund (SLOF).

FSLF accounts for federal government program activities operated and maintained by the Commission. Section 422A(d) of the HEA allows the FSLF to be used primarily to pay lender claims and default aversion fees to the Commission's Student Loan Operating Fund (SLOF). The SLOF is used for the Commission's operating expenses. Resources reported in the SLOF are the State's earned activities and are administered by the Commission.

As a result of the Student Aid and Fiscal Responsibility Act (SAFRA), which was part of the Health Care and Education Reconciliation Act, no new loans have been made under the FFELP program since July 1, 2010.

**State of Illinois
Illinois Student Assistance Commission**

**Analysis of Operations
Years Ended June 30, 2020 and 2019**

Agency Functions and Planning Program (Unaudited) (Continued)

Higher Education License Plate Grant Program

Working with the Secretary of State, participating public universities, community colleges and not-for-profit private colleges and universities in Illinois can have specialized collegiate license plates issued for their schools. Of the \$75 fee charged for these specialized plates, \$25 is used to fund a grant program called the Higher Education License Plate (HELP) Grant Program. Each participating public university and community college administers its own scholarship program using the funds received directly from the license plate fees. Participating private institutions receive a grant from proceeds generated by the license plate fee deposited into the University Grant Fund, a special fund in the State Treasury.

The Commission annually seeks appropriation authority to disburse these collected funds to the participating schools. Eligibility for HELP Grants is based on student need. Grants are used to pay tuition and fees up to a maximum grant of \$2,000 per year. Funds must be used to support students who attend the institutions that generate the license plate revenue.

College Illinois!®

Legislation authorizing the Commission to administer an Illinois Prepaid Tuition Program was passed in November 1997. The Illinois Prepaid Tuition Program is administered by the Commission with advice and counsel from an investment advisory panel consisting of seven members appointed by the Commission. The purpose of this program is to provide Illinois families with an affordable tax-advantaged method to pay for college. Illinois Prepaid Tuition contracts will allow participants to prepay the cost of tuition and mandatory fees at Illinois public universities and community colleges. Benefits of the contracts can also be used at private and out-of-state colleges and universities. Contracts can be purchased in a lump sum payment or in installments. The Illinois Prepaid Tuition Program has been named *College Illinois!®*.

Illinois Designated Account Purchase Program (IDAPP)

IDAPP was a secondary market offering a variety of services primarily to lenders who originated loans guaranteed by the Commission. It is reported as a Proprietary Fund.

IDAPP facilitated lender participation in the student loan programs by reducing the overall risk and collection expenses those lenders faced. One of the major incentives offered by the Commission was that IDAPP took over servicing the loan after it was purchased from the lender. Sales of loans to the Commission gave the lenders the capital to make new and renew loans.

Capital to support IDAPP was funded through the sale of revenue notes and bonds. The capital borrowings and IDAPP's operational costs are repaid with student loan repayments (or recovery through the guarantor agencies), collection of interest and fees on student loans, and special allowances and interest received from the U.S. Department of Education.

As a result of the Student Aid and Fiscal Responsibility Act (SAFRA), which was part of the Health Care and Education Reconciliation Act, no new loans have been made under the FFELP program since July 1, 2010.

**State of Illinois
Illinois Student Assistance Commission**

**Analysis of Operations
Years Ended June 30, 2020 and 2019**

Agency Functions and Planning Program (Unaudited) (Continued)

Alternative Loan Program

In order to make post-secondary educational opportunities more accessible for qualified students, the Commission offered a program of “Alternative Loans” to supplement existing federal and state student financial assistance programs. This program has ended and no new loans have been disbursed under the program since 2010.

Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)

GEAR UP is a federal discretionary grant program designed to increase the number of low-income students who are prepared to enter and succeed in postsecondary education. GEAR UP provides grants to states and partnerships at high-need middle and high schools. State grants are competitive matching grants that must include an early intervention component designed to increase college attendance and success and raise the expectations of low-income students.

The Commission was awarded a seven-year GEAR UP grant in late 2016 of approximately \$2.65M per year. Over the course of seven years, the Commission and its program partners will use a cohort model to provide direct services to approximately 30,500 students in up to 25 middle schools and 25 high schools across Illinois.

Commission Planning Program

The Commission’s internal planning program includes several levels of planning. The Commission has established mission and departmental goals, which are a statement of its primary aims, and continuing, long-term key results areas. It serves as the focus for departmental planning and links program and organizational planning.

In addition, the Commission is required to file various reports, both quarterly and annually, with the U.S. Department of Education (DOE). These reports address the performance effectiveness of certain programs administered by DOE and provide the Commission with a useful planning mechanism.

State of Illinois
 Illinois Student Assistance Commission

Analysis of Operations
 Analysis of Significant Variations in Expenditures (Unaudited)
 Years Ended June 30, 2020 and 2019
 (Amounts expressed in thousands)
 Source: Comparative Schedule of Appropriations, Expenditures and Lapsed Balances
 Scope: \$600,000 and 20% Change

	2020	2019	Increase (Decrease) Amount	% of Change	Explanation
General Revenue Fund - 001					
Statewide outreach, training and research activities	3,482	997	2,485	249%	Increased program funding and spending authority in FY 2020. Additionally, eighty-five (85) ISACorps employees were paid from General Revenue Fund resulting in a decrease in Student Loan Operating Fund Contractual expenses
Operational expenses	3,500	1,999	1,501	75%	Increased program funding and spending authority in FY 2020
Aim High Grant Pilot Program	34,957	25,000	9,957	40%	Increased program funding and spending authority in FY 2020
Education Assistance Fund - 007					
Golden Apple Accelerators Program	750	-	750	100%	New program implemented in FY 2020
Student Loan Operation Fund - 664					
Personal services	5,161	3,537	1,624	46%	Increase due to fifty-five (55) employees being paid from Student Loan Operating Fund to accommodate the ISACorps employees move to General Revenue Fund
State contribution to State Employees' Retirement Fund	2,805	1,800	1,005	56%	Increase due to fifty-five (55) employees being paid from Student Loan Operating Fund to accommodate the ISACorps employees move to General Revenue Fund
Contractual services	5,515	8,148	(2,633)	-32%	Decrease due to eighty-five (85) ISACorps employees being paid from General Revenue Fund

State of Illinois
 Illinois Student Assistance Commission

Analysis of Operations
 Analysis of Significant Variations in Expenditures (Unaudited)
 Years Ended June 30, 2019 and 2018
 (Amounts expressed in thousands)
 Source: Comparative Schedule of Appropriations, Expenditures and Lapsed Balances
 Scope: \$600,000 and 20% Change

	2019	2018	Increase (Decrease) Amount	% of Change	Explanation
General Revenue Fund - 001					
Operational expenses	1,999	-	1,999	100%	New program funding and spending authority in FY 2019; based on cost allocation more staff were paid from General Revenue Fund and resulted in a decrease in payroll expense in the Student Loan Operating Fund
Aim High Grant Pilot Program	25,000	-	25,000	100%	New program implemented in FY 2019
Education Assistance Fund - 007					
Minority teacher scholarships	1,661	890	771	87%	Increased participation in the program following the FY 2016 year that was unfunded
Federal Student Loan Fund - 663					
Distribution necessary as the result of guarantees of loans that are uncollectible and payments pursuant to federal agreements	102,148	131,007	(28,859)	-22%	Due to a decrease in claims paid to lenders as loans that have the potential of defaulting decreases
Student Loan Operation Fund - 664					
Personal services	3,537	7,175	(3,638)	-51%	In FY19, based on cost allocation more staff were paid from General Revenue Fund and resulted in a decrease in payroll expense in the Student Loan Operation Fund
State contribution to State Employees' Retirement Fund	1,800	3,369	(1,569)	-47%	In FY19, based on cost allocation more staff were paid from General Revenue Fund and resulted in a decrease in payroll expense in the Student Loan Operation Fund
State contribution for employees' group insurance	1,014	1,939	(925)	-48%	In FY19, based on cost allocation more staff were paid from General Revenue Fund and resulted in a decrease in payroll expense in the Student Loan Operation Fund
Collection agency fees	3,371	5,679	(2,308)	-41%	Due to a decrease in collection costs as loans that have the potential of defaulting decreases
Federal Student Incentive Trust Fund - 701					
Federal grant programs	2,784	1,419	1,365	96%	Due to an increase in expenditures from the Gear Up Grant

State of Illinois
 Illinois Student Assistance Commission

Analysis of Operations
 Analysis of Significant Variations in Receipts (Unaudited)
 Years Ended June 30, 2020 and 2019
 (Amounts expressed in thousands)
 Source: Comparative Schedule of Cash Receipts
 Scope: \$600,000 and 20% Change

	2020	2019	Increase (Decrease) Amount	% of Change	Explanation
Federal Student Loan Fund - 663					
Federal government receipts	28,488	41,874	(13,386)	-32%	Due to a decrease in the number of default claims paid to lenders. No new loans have been issued since 2010, resulting in a decrease in the loan portfolio and a corresponding decrease in receipts for default claims
Collections on defaulted student loans	9,211	12,196	(2,985)	-24%	Due to a decrease in the collection on defaulted student loans
Federal Student Incentive Trust - 701					
Federal government receipts	2,060	2,784	(724)	-26%	Due to a decrease in expenditures from the Gear Up Grant

State of Illinois
 Illinois Student Assistance Commission

Analysis of Operations
 Analysis of Significant Variations in Receipts (Unaudited)
 Years Ended June 30, 2019 and 2018
 (Amounts expressed in thousands)
 Source: Comparative Schedule of Cash Receipts
 Scope: \$600,000 and 20% Change

	2019	2018	Increase (Decrease) Amount	% of Change	Explanation
Federal Student Loan Fund - 663					
Repurchased student loans	47,794	83,055	(35,261)	-42%	Due to a decrease in the number of borrowers rehabilitating loans
Student Loan Operations Fund - 664					
Federal direct consolidation fee	5,981	9,734	(3,753)	-39%	Due to a decrease in the number of borrowers consolidating loans
Federal student loan	8,358	13,221	(4,863)	-37%	Due to a decrease in the number of borrowers rehabilitating loans
Miscellaneous	1,992	2,752	(760)	-28%	Due to a decrease in revenue generated from external parties for IT services
Federal Student Incentive Trust - 701					
Federal government receipts	2,784	1,476	1,308	89%	Due to an increase in expenditures from the Gear Up Grant

State of Illinois
Illinois Student Assistance Commission

Analysis of Operations
Analysis of Significant Lapse Period Spending (Unaudited)
Fourteen Months Ended August 31, 2020
(Amounts expressed in thousands)
Source: Schedule of Appropriations, Expenditures and Lapsed Balances
Scope: \$600,000 and 20%

	Total Expenditures	Lapse Period Expenditures	Percent of Total	Explanation
General Revenue Fund - 001				
Aim High Grant Pilot Program	34,957	34,957	100%	FY20 spending appropriation for the program was passed after June 30, 2020

State of Illinois
Illinois Student Assistance Commission

Analysis of Operations
Analysis of Significant Lapse Period Spending (Unaudited)
Fourteen Months Ended August 31, 2019
(Amounts expressed in thousands)

Source: Schedule of Appropriations, Expenditures and Lapsed Balances
Scope: \$600,000 and 20%

	Total Expenditures	Lapse Period Expenditures	Percent of Total	Explanation
General Revenue Fund - 001				
Aim High Grant Pilot Program	25,000	13,374	53%	FY19 spending appropriation for the program was passed after June 30, 2019

State of Illinois
Illinois Student Assistance Commission

Analysis of Operations
Average Number of Employees (Unaudited)
Years Ended June 30, 2020, 2019 and 2018

The average number of full-time equivalent employees shown below was computed by the Commission using employment listings at the end of each month.

Division	2020	2019	2018	Increase / (Decrease)	
				2020	2019
Executive	19	21	24	(2)	(3)
Communications and Marketing	3	3	4	-	(1)
College Illinois! Marketing and Operations	2	3	5	(1)	(2)
College Access and Outreach	24	20	21	4	(1)
Program Services and Compliance	32	32	32	-	-
Business and Financial Services					
Claims and Collections	5	6	7	(1)	(1)
Accounting Services	36	37	37	(1)	-
Management Information Services	37	36	37	1	(1)
Human Resources	6	6	6	-	-
Administrative Services	10	10	11	-	(1)
Total full-time employees*	174	174	184	-	(10)
Full-time equivalent part-time employees*	10	11	10	(1)	1
ISACorps	75	87	78	(12)	9
IDAPP	4	4	5	-	(1)
Total Employees	263	276	277	(13)	(1)

*Source: Monthly Personnel Listing Report - for years ended June 30, 2020, 2019 and 2018.

State of Illinois
 Illinois Student Assistance Commission
 Annual Cost Statistics - By Activity (Unaudited)
 Two Years Ended June 30, 2020 and 2019

Program	2020 Recipients/Students Dollars Awarded Average Award	2019 Recipients/Students Dollars Awarded Average Award	2018 Recipients/Students Dollars Awarded Average Award	2020 % Change	2019 % Change	Description/Highlights
Higher Ed License Plate Program (HELP)	383 \$95,750 \$250	385 \$96,350 \$250	387 \$96,700 \$250	-0.52% -0.62% -0.10%	-0.52% -0.36% 0.16%	A grant program funded by fees charged by the Secretary of State for specialized collegiate license plates.
Illinois National Guard Grant Program	2,007 \$11,814,447 \$5,887	2,086 \$12,691,726 \$6,084	2,155 \$11,981,191 \$5,560	-3.79% -6.91% -3.24%	-3.20% 5.93% 9.42%	An entitlement program for members of the Illinois National Guard and Naval Militia. Program has not been funded since FY12. Awards reflect student beneficiaries and school waived amounts.
AIM HIGH	4,203 \$12,349,016 \$2,938	0 \$0 \$0	0 \$0 \$0	100.00% 100.00% 100.00%	0.00% 0.00% 0.00%	This program started in FY18 and was designed to help increase Illinois college student retention, improve Illinois college affordability, and slow student outmigration, as well as enhance enrollment at Illinois public universities.
IL Teachers and Child Care Providers Loan Repayment Program	95 \$437,425 \$4,604	95 \$439,900 \$4,631	97 \$439,777 \$4,534	0.00% -0.56% -0.58%	-2.06% 0.03% 2.14%	A matching grant program to the federal Teacher Loan Forgiveness Program for teachers and child care providers.
John R. Justice Student Loan Repayment Program	24 \$56,025 \$2,334	27 \$57,422 \$2,127	26 \$56,890 \$2,188	-11.11% -2.43% 9.73%	3.85% 0.94% -2.80%	A grant program to repay eligible education loans of Public Defenders or Public Prosecutors who maintain their career in Illinois.
Nurse Educator Loan Repayment Program	53 \$262,314 \$4,949	54 \$264,000 \$4,889	57 \$264,000 \$4,632	-1.85% -0.64% 1.24%	-5.26% 0.00% 5.56%	A grant program to repay eligible education loans of nurse educators who maintain their career in Illinois.
Veterans' Home Medical Providers' Loan Repayment Act (formerly Veterans Home Nursing Loan Repayment Program)	6 \$26,107 \$4,351	6 \$26,400 \$4,400	7 \$26,400 \$3,771	0.00% -1.11% -1.11%	-14.29% 0.00% 16.67%	A grant program to repay eligible education loans of nurse educators who maintain their career in Illinois Veterans' Homes.
Illinois Veterans' Grant	3,173 \$15,167,322 \$4,780	3,387 \$15,361,123 \$4,535	4,116 \$18,708,254 \$4,545	-6.32% -1.26% 5.40%	-17.71% -17.89% -0.22%	An entitlement program for Illinois veterans. Program has not been funded since FY12. Awards reflect student beneficiaries and school waived amounts.

Information was obtained from the Commission's Data Book.

(Continued)

State of Illinois
Illinois Student Assistance Commission
Annual Cost Statistics - By Activity (Unaudited) - Continued
Two Years Ended June 30, 2020 and 2019

Program	2020 Recipients/Students Dollars Awarded Average Award	2019 Recipients/Students Dollars Awarded Average Award	2018 Recipients/Students Dollars Awarded Average Award	2020 % Change	2019 % Change	Description/Highlights
Monetary Award Program	138,921 \$442,869,089 \$3,188	128,865 \$392,242,956 \$3,044	129,517 \$392,476,945 \$3,030	7.80% 12.91% 4.73%	-0.50% -0.06% 0.45%	A need-based grant program to Illinois residents who attend approved Illinois colleges. Fifth largest need-based program in the nation.
Police/Fire Officers' Survivor Program and Grant Program for Dependents of Correctional Officers	61 \$722,984 \$11,852	70 \$853,451 \$12,192	71 \$943,559 \$13,290	-12.86% -15.29% -2.79%	-1.41% -9.55% -8.26%	This program pays tuition for spouses and children of police and firefighters killed in the line of duty, as well as spouses and children of correctional officers killed or permanently disabled in the line of duty.
Golden Apple Scholars of Illinois	687 \$2,511,080 \$3,655	573 \$2,184,760 \$3,813	544 \$2,039,941 \$3,750	19.90% 14.94% -4.14%	5.33% 7.10% 1.68%	A scholarship program for recruiting students into teaching careers.
Minority Teachers of Illinois Scholarship Program	364 \$1,698,954 \$4,667	353 \$1,658,456 \$4,698	189 \$890,335 \$4,711	3.12% 2.44% -0.65%	86.77% 86.27% -0.27%	This program awards up to \$5,000 to minority students who agree to teach for at least one year, under specified conditions.
Optometric Education Scholarship Program	10 \$47,500 \$4,750	10 \$50,000 \$5,000	10 \$50,000 \$5,000	0.00% -5.00% -5.00%	0.00% 0.00% 0.00%	A scholarship program for students pursuing a graduate optometry degree in Illinois.
Grant Program for Exonerates	1 \$5,804 \$5,804	N/A N/A N/A	N/A N/A N/A	100.00% 100.00% 100.00%	N/A N/A N/A	This program started in FY20 and provides direct grant assistance to an individual who was received a pardon from the Governor of the State of Illinois.
Illinois State Scholar Program	17,577	21,366	20,115	-17.73%	6.22%	An honorary program (no monetary value) to recognize academic achievement in high school.
Illinois Special Education Teacher Tuition Waiver Program	248	248	236	0.00%	5.08%	This program provides an exemption from tuition and fees at eligible Illinois public universities for students pursuing a career in special education in Illinois.

Information was obtained from the Commission's Data Book.

(Concluded)