

AGENDA ITEM 5.

ISAC FISCAL YEAR 2005 BUDGET UPDATE

Submitted for: Information

Summary: Governor Blagojevich addressed the Illinois General Assembly on February 18, 2004 and presented his request for the Fiscal Year 2005 State Budget. The budget again reflects several cuts to state programs as a result of the state's continuing stagnant economic condition. However, the Governor reiterated his strong support for student financial aid within his request for appropriations to programs administered by the Illinois Student Assistance Commission (ISAC). Rather than seeing decreased funding, most line items in the Governor's budget match the funding levels received in the Fiscal Year 2004 ISAC budget. Specifically, the Monetary Award Program (MAP) and the Silas Purnell Illinois Incentive for Access Grant Program are funded at the same levels received in FY2004.

Four ISAC programs that reflect an increase or decrease in funding, per the Governor's request, are:

- College Savings Bond Bonus Incentive Grant (\$0 funding in FY2005 compared to \$650,000 in FY2004);
- Teacher/Child Care Loan Repayment Program (\$500,000 in FY2005 compared to \$2,700,000 in FY2004);
- Police/Fire/Correctional Officer Dependents Program (\$350,000 in FY2005 compared to \$275,000 in FY2004); and
- Robert C. Byrd Scholarship Program (\$1,400,000 in FY2005 compared to \$1,800,000 in FY2005).

In previous years, the Commission has considered and approved a budget request for the following fiscal year as a starting point for discussions with the Illinois Board of Higher Education, as well as the Governor and General Assembly as they collectively move through the appropriations process, culminating in a final budget around the first of June. This year, that process was modified, and ISAC worked directly with the Governor's office during their preparations for his budget address.

ISAC is scheduled to testify on the Fiscal Year 2005 budget request to the Senate Appropriations Committee on April 27 and to the House Appropriations Committee on April 29. The General Assembly has indicated plans to adjourn with a final budget on May 21.

Action requested: None