

## **Analysis of Budget Request**

**Appropriation:** A51 - Student Loan Authority - Cash Operations

**Funding Sources:** 157 - Student Loan Authority - Cash

The Arkansas Student Loan Authority was created for the purpose of originating and acquiring student loans, and providing Arkansas' students financial assistance by purchasing loans made by local lenders to higher education students. The process provides liquidity to banks so additional loans may be made to students in need. Funding is based upon Trust Indentures which allow the Authority to draw the cost of loan servicing plus 70 basis points or 0.7% of the outstanding loan balance on a monthly basis for program administration and general and administrative costs.

Funding for the Agency is derived from bond issues.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency requests Base Level appropriation for the 2011-2013 biennium.

Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

## Appropriation Summary

**Appropriation:** A51 - Student Loan Authority - Cash Operations

**Funding Sources:** 157 - Student Loan Authority - Cash

Commitment Item		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	385,691	384,260	393,874	381,160	399,109	399,109	381,160	408,630	408,630
<b>#Positions</b>		<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
Personal Services Matching	5010003	100,104	105,355	104,333	104,960	107,956	107,956	104,960	109,737	109,737
Operating Expenses	5020002	95,173	225,997	240,397	225,997	225,997	225,997	225,997	225,997	225,997
Conference & Travel Expenses	5050009	20,072	22,839	22,839	22,839	22,839	22,839	22,839	22,839	22,839
Professional Fees	5060010	4,697,667	7,694,289	9,354,289	7,694,289	7,694,289	7,694,289	7,694,289	7,694,289	7,694,289
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	13,500	13,500	0	0	0	0	0	0
<b>Total</b>		<b>5,298,707</b>	<b>8,446,240</b>	<b>10,129,232</b>	<b>8,429,245</b>	<b>8,450,190</b>	<b>8,450,190</b>	<b>8,429,245</b>	<b>8,461,492</b>	<b>8,461,492</b>
<b>Funding Sources</b>										
Fund Balance	4000005	703,754	429,514		429,514	429,514	429,514	900,269	879,324	879,324
Bond Proceeds	4000125	5,024,467	8,446,240		8,900,000	8,900,000	8,900,000	8,900,000	8,900,000	8,900,000
Total Funding		5,728,221	8,875,754		9,329,514	9,329,514	9,329,514	9,800,269	9,779,324	9,779,324
Excess Appropriation/(Funding)		(429,514)	(429,514)		(900,269)	(879,324)	(879,324)	(1,371,024)	(1,317,832)	(1,317,832)
<b>Grand Total</b>		<b>5,298,707</b>	<b>8,446,240</b>		<b>8,429,245</b>	<b>8,450,190</b>	<b>8,450,190</b>	<b>8,429,245</b>	<b>8,461,492</b>	<b>8,461,492</b>

The FY11 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2009-2011 biennium.