

## **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 support Arkansas' student 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 80 basis points or 0.8% of the outstanding loan balance on a monthly basis for loan servicing, program administration, and general and administrative costs; and participation in loan administration under the Health Care and Education Reconciliation Act of 2010. ASLA is a self-sufficient agency which does not receive any state revenue dollars.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases. The Base Level request for Regular Salaries includes board member stipend payments.

The Agency requests Base Level appropriation for the 2015-2017 Biennium.

The 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

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

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	341,813	362,005	655,930	365,877	365,877	365,877	365,877	365,877	365,877
<b>#Positions</b>		<b>4</b>	<b>5</b>	<b>12</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
Personal Services Matching	5010003	96,551	105,323	203,016	107,010	107,010	107,010	107,010	107,010	107,010
Operating Expenses	5020002	72,785	205,717	212,217	205,717	205,717	205,717	205,717	205,717	205,717
Conference & Travel Expenses	5050009	17,192	22,839	22,839	22,839	22,839	22,839	22,839	22,839	22,839
Professional Fees	5060010	2,175,780	3,113,389	3,713,389	3,113,389	3,113,389	3,113,389	3,113,389	3,113,389	3,113,389
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>2,704,121</b>	<b>3,809,273</b>	<b>4,807,391</b>	<b>3,814,832</b>	<b>3,814,832</b>	<b>3,814,832</b>	<b>3,814,832</b>	<b>3,814,832</b>	<b>3,814,832</b>
<b>Funding Sources</b>										
Fund Balance	4000005	64,802	65,151		409,120	409,120	409,120	527,530	527,530	527,530
Federal Revenue	4000020	0	220,000		200,000	200,000	200,000	200,000	200,000	200,000
Cash Fund	4000045	2,704,470	3,933,242		3,733,242	3,733,242	3,733,242	3,533,242	3,533,242	3,533,242
<b>Total Funding</b>		<b>2,769,272</b>	<b>4,218,393</b>		<b>4,342,362</b>	<b>4,342,362</b>	<b>4,342,362</b>	<b>4,260,772</b>	<b>4,260,772</b>	<b>4,260,772</b>
Excess Appropriation/(Funding)		(65,151)	(409,120)		(527,530)	(527,530)	(527,530)	(445,940)	(445,940)	(445,940)
<b>Grand Total</b>		<b>2,704,121</b>	<b>3,809,273</b>		<b>3,814,832</b>	<b>3,814,832</b>	<b>3,814,832</b>	<b>3,814,832</b>	<b>3,814,832</b>	<b>3,814,832</b>