

Department of Education

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM ACCOUNT

Fiscal Year 2011 Budget Request

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COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM

For Federal administrative expenses to carry out activities related to existing facility loans pursuant to section 121 of the Higher Education Act of 1965, \$461,000.¹ (*Department of Education Appropriations Act, 2010.*)

NOTE

Each language provision that is followed by a footnote reference is explained in the Analysis of Language Provisions and Changes document which follows the appropriation language.

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Analysis of Language Provisions and Changes

Language Provision	Explanation
¹ For Federal administrative expenses to carry out activities related to existing facility loans pursuant to section 121 of the Higher Education Act of 1965, \$461,000.	In accordance with the Federal Credit Reform Act of 1990, this language appropriates funds to service existing facilities loans obligations. Section 121 of the Higher Education Act extends the legal requirements of the program authorities, which have expired.

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**Amounts Available for Obligation
(\$000s)**

	2009	2010	2011
Discretionary appropriation	\$461	\$461	\$461
Mandatory appropriation	<u>770</u>	<u>318</u>	<u>0</u>
Subtotal, discretionary and mandatory appropriation	1,231	779	461
Unobligated balance expiring	<u>-3</u>	<u>0</u>	<u>0</u>
Total, direct obligations	1,228	779	461

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Obligations by Object Classification
(\$000s)

	2009	2010	2011
Full-time permanent.....	\$291	\$284	\$292
Awards.....	5	6	5
Benefits.....	<u>63</u>	<u>57</u>	<u>58</u>
Subtotal, personnel.....	359	347	355
Travel.....	0	2	3
Rent to GSA.....	18	27	28
Communications.....	3	1	0
Advisory and assistance services.....	42	0	0
Other services.....	0	0	1
Training.....	0	1	1
Goods/Services from Government.....	2	44	46
Information technology services/contracts...	34	38	26
Supplies.....	0	1	1
Subsidies for credit program.....	<u>770</u>	<u>318</u>	<u>0</u>
Total.....	1,228	779	461

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Summary of Changes
(\$000s)

2010	\$461
2011	<u>461</u>
Net change	0

	<u>2010 base</u>	<u>Change from base</u>
Increases:		
<u>Built in:</u>		
Increase in personnel compensation primarily for the enacted 2 percent 2010 and proposed 1.4 percent 2011 pay raises	\$347	+\$8
<u>Program:</u>		
Increase in travel	2	+1
Increase in rent to GSA	27	+1
Increase in other services	0	+1
Increase in goods/services from Government	44	<u>+2</u>
Subtotal, increases		+13
Decreases:		
<u>Program:</u>		
Decrease in communications	1	-1
Decrease in IT services/contracts	38	<u>-12</u>
Subtotal, decreases		-13
Net change		0

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**Authorizing Legislation
(\$000s)**

Activity	2010 Authorized	2010 Estimate	2011 Authorized	2011 Request
Federal administration (<i>Federal Credit Reform Act of 1990, section 505(e) and Higher Education Act, section 212</i>)	<u>Indefinite</u>	<u>\$461</u>	<u>Indefinite</u>	<u>\$461</u>
Total definite authorization				
Total appropriation		461		461

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**Appropriations History
(\$000s)**

	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
2002	\$762	\$762	\$762	\$762
2003	787	762	762	757
2004	774	774	774	769
2005	578	578	578	573
2006	573	573	573	567
2007	486	N/A ¹	N/A ¹	571
2008	481	481	481	473
2009	461	461 ²	461 ²	461
2010	461	461	461 ³	461
2011	461			

¹ This account operated under a full-year continuing resolution (P.L. 110-5). House and Senate allowance amounts are shown as N/A (Not Available) because neither body passed a separate appropriations bill.

² The levels for the House and Senate reflect action on the regular annual 2009 appropriations bill, which proceeded in the 110th Congress only through the House Subcommittee and the Senate Committee.

³ The level for the Senate allowance reflects Committee action only.

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(Federal Credit Reform Act of 1990, section 505(e) and Higher Education Act, section 121)

FY 2011 Authorization (\$000s): Indefinite

Budget Authority (\$000s):

	<u>2010</u>	<u>2011</u>	<u>Change</u>
Personnel costs	\$347	\$355	+\$8
Non-personnel costs	<u>114</u>	<u>106</u>	<u>-8</u>
Total	461	461	0
Full-time equivalent	3	3	0

PROGRAM DESCRIPTION

Funds for this activity pay the Federal costs of administering the College Housing and Academic Facilities Loans (CHAFL), College Housing Loans (CHL), and Higher Education Facilities Loans (HEFL) programs. Prior to fiscal year 1994, these programs provided financing for the construction, reconstruction, and renovation of housing, academic, and other educational facilities. Although no new loans have been awarded since fiscal year 1993, costs for administering the outstanding loans will continue through fiscal year 2030.

The major administrative costs for these programs are the personnel compensation and benefits for full-time equivalent employees (FTE). The FTE funded through this account are responsible for the day-to-day administration of the CHAFL, CHL, and HEFL programs. The non-personnel costs include administrative overhead, and loan servicing. In accordance with Federal Credit Reform requirements, loan servicing costs for CHL and HEFL are paid from their respective collections.

Funding levels for the past 5 fiscal years were:

	(\$000s)
2006.....	\$567
2007.....	571
2008.....	473
2009.....	461
2010.....	461

FY 2011 BUDGET REQUEST

For fiscal year 2011, the Administration requests level funding of \$461,000 for Federal administration of the facilities loans programs. Between 1950 and 1993, the College Housing Loans, Higher Education Facilities Loans, and College Housing and Academic Facilities Loans programs helped to ensure that postsecondary institutions were able to make the capital improvements they needed to maintain and increase their ability to provide a high-quality

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education. Since 1994, no new loans have been made, and the Department's role has been to manage the outstanding loans.

For presentation purposes, the full-time equivalent employees (FTE) and administrative costs associated with this account are also included under the justification materials in the Salaries and Expenses Overview.

PROGRAM OUTPUT MEASURES (\$000s)

	<u>2009</u>	<u>2010</u>	<u>2011</u>
College Housing and Academic Facilities Loans:			
Number of outstanding loans	54	54	54
Outstanding principal	\$75,168	\$72,145	\$69,122
College Housing Loans:			
Number of outstanding loans	222	204	204
Outstanding principal	\$127,448	\$113,402	\$99,316
Higher Education Facilities Loans:			
Number of outstanding loans	22	22	22
Outstanding principal	<u>\$12,299</u>	<u>\$11,211</u>	<u>\$10,123</u>
Total number of outstanding loans	298	280	280
Total outstanding principal	\$214,915	\$196,758	\$178,561

PROGRAM PERFORMANCE INFORMATION

The software application used for tracking loan activity provides the Department with access to real-time data for administering the facilities loan programs. It also provides more data than were previously available for managing loan delinquencies and defaults, and for projecting future collection totals and outstanding balances. This has resulted in greater program efficiencies and more accurate budgetary projections. Continued efforts will be made to increase program efficiencies and reduce loan delinquencies and defaults.