

Department of Education
COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM ACCOUNT

Fiscal Year 2012 Budget Request

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COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM ACCOUNT

For Federal administrative expenses to carry out activities related to existing facility loans

pursuant to section 121 of the Higher Education Act of 1965, \$478,000 .¹

NOTES

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.

A regular 2011 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111-322, Dec. 22, 2010; 124 Stat 3518) that provides funding through March 4, 2011. The amounts included for fiscal year 2011 in this budget reflect the annualized levels provided by the continuing resolution.

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM ACCOUNT

Analysis of Language Provisions and Changes

Language Provision	Explanation
<u>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, \$478,000.</u>	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.

NOTE

A regular 2011 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111-322, Dec. 22, 2010; 124 Stat 3518) that provides funding through March 4, 2011. The amounts included for fiscal year 2011 in this budget reflect the annualized levels provided by the continuing resolution.

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM ACCOUNT

Amounts Available for Obligation
(\$000s)

	2010	2011 CR	2012
Discretionary appropriation	\$461	0	\$478
Annualized CR (PL 111-322)	<u>0</u>	<u>\$461</u>	<u>0</u>
Subtotal, discretionary appropriation	461	461	478
Mandatory appropriation	<u>318</u>	<u>1,286</u>	<u>0</u>
Subtotal, discretionary and mandatory appropriation	779	1,747	478
Unobligated balance expiring	<u>-20</u>	<u>0</u>	<u>0</u>
Total, direct obligations	759	1,747	478

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM ACCOUNT

Obligations by Object Classification
(\$000s)

	2010	2011 CR	2012
Full-time permanent.....	\$275	\$295	\$297
Awards.....	6	5	5
Benefits.....	64	64	65
Subtotal, compensation.....	<u>345</u>	<u>364</u>	<u>367</u>
Travel.....	0	3	3
Rental Payments to GSA.....	29	29	25
Communications.....	1	0	0
Other Services.....	41	1	0
Training/Tuition/Contracts.....	0	1	1
Goods/Services from Gov't.....	1	38	57
IT Services/Contracts.....	20	24	24
Supplies.....	0	1	1
Other Equipment.....	4	0	0
Subsidies for credit programs.....	<u>318</u>	<u>1,286</u>	<u>0</u>
Total, obligations.....	759	1,747	478

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM ACCOUNT

Summary of Changes
(\$000s)

2011 CR	\$461
2012	<u>478</u>
Net change.....	+17

	<u>2011 CR base</u>	<u>Change from base</u>
Increases:		
<u>Built-in:</u>		
Increase in personnel compensation	\$295	+\$2
Increase in benefits for the Department's share of health, retirement, and other benefits	64	+1
<u>Program:</u>		
Increase in goods/services from government	38	<u>+19</u>
Subtotal, increases		+22
Decreases:		
<u>Built-in:</u>		
Decrease in Rental Payment to GSA	29	-4
<u>Program:</u>		
Decrease in other services	1	<u>-1</u>
Subtotal, decreases		-5
Net change		+17

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM ACCOUNT

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

Activity	2011 Authorized	2011 CR	2012 Authorized	2012 Request
Federal administration (<i>Federal Credit Reform Act of 1990, section 505(e) and Higher Education Act, section 212</i>)	Indefinite	\$461	Indefinite	\$478
Reestimate of existing loan subsidies (<i>Federal Credit Reform Act of 1990, section 504(f)</i>) (<i>Mandatory</i>)	<u>Indefinite</u>	<u>1,286</u>	<u>Indefinite</u>	<u>0</u>
Total discretionary appropriation		461		478
Total mandatory appropriation		1,286		0

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COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM

Appropriations History
(\$000s)

	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
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 CR	461	461 ⁴	461 ⁵	461 ⁶
2012	478			

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.

⁴ The level for the House allowance reflects the House-passed full-year continuing resolution.

⁵ The level for the Senate allowance reflects Committee action only.

⁶ The level for appropriation reflects the continuing resolution (P.L. 111-322) passed December 22, 2010.

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM

Federal administration

(Federal Credit Reform Act of 1990, sections 504(f) and 505(e)
and Higher Education Act, section 121)

FY 2012 Authorization (\$000s)

Federal administration: Indefinite
Reestimate of existing loan subsidies: Indefinite

Budget Authority (\$000s):

	<u>2011 CR</u>	<u>2012</u>	<u>Change</u>
Personnel costs	\$364 ¹	\$367	+\$3
Non-personnel costs	<u>97¹</u>	<u>111</u>	<u>+14</u>
Total, discretionary appropriation	461 ¹	478	+17
Mandatory appropriation	1,286	0	-1,286
Full-time equivalent	3	3	0

¹ Funding levels in FY 2011 represent the annualized continuing resolution levels of the 4th Continuing Appropriations Act, 2011 (P.L. 111-322).

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.

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM

Federal administration

Funding levels for the past 5 fiscal years were:

	(\$000s)
2007	\$571
2008	473
2009	461
2010	461
2011 CR.....	461

FY 2012 BUDGET REQUEST

For fiscal year 2012, the Administration requests \$478,000 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 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>2010</u>	<u>2011 CR</u>	<u>2012</u>
College Housing and Academic Facilities Loans:			
Number of outstanding loans	49	49	49
Outstanding principal	\$63,412	\$60,389	\$57,366
College Housing Loans:			
Number of outstanding loans	190	190	190
Outstanding principal	\$99,032	\$84,946	\$70,860
Higher Education Facilities Loans:			
Number of outstanding loans	14	14	14
Outstanding principal	<u>\$10,124</u>	<u>\$9,036</u>	<u>\$7,948</u>
Total number of outstanding loans	253	253	253
Total outstanding principal	\$172,568	\$154,371	\$136,174

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM

Federal administration

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.