

Department of Education
COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM ACCOUNT
Fiscal Year 2014 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, \$459,000.¹

NOTES

A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 112-175).

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.

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, \$459,000.</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.

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM ACCOUNT

Amounts Available for Obligation
(dollars in thousands)

Appropriation and Adjustments	2012	2013	2014
Discretionary appropriation:.....			
Appropriation	\$460	\$459	\$459
Across-the-board reduction (P.L. 112-74)	-1	0	0
Across-the-board increase (P.L. 112-175).....	<u>0</u>	<u>+3</u>	<u>0</u>
Subtotal, discretionary appropriation	459	462	459
Mandatory appropriation	<u>167</u>	<u>0</u>	<u>0</u>
Subtotal, discretionary and mandatory appropriation...	<u>626</u>	<u>462</u>	<u>459</u>
Total, direct obligations	626	462	459

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM ACCOUNT

Authorizing Legislation
(dollars in thousands)

Activity	2013 Authorized	2013 Estimate	2014 Authorized	2014 Request
Federal administration (<i>Federal Credit Reform Act of 1990, section 505(e) and Higher Education Act, section 212</i>)	Indefinite	\$459	Indefinite	\$459
Reestimate of existing loan subsidies (Federal Credit Reform Act of 1990, section 504 (f)) (Mandatory)	<u>Indefinite</u>	<u>167</u>	<u>Indefinite</u>	<u>0</u>
Total definite authorization				
Total discretionary appropriation		459		459
Total appropriation including 0.612 percent ATB increase		462		459
Total mandatory appropriation		167		0

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM ACCOUNT

Appropriations History (dollars in thousands)

Year	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	461	461 ⁴	461 ³	460 ⁵
2012	478	460 ⁶	460 ⁶	459
2013	459	459 ⁷	459 ⁷	459 ⁸
2014	459			

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 Committee action only.

⁵ The level for appropriation reflects the Department of Defense and Full-Year Continuing Appropriations Act 2011 (P.L. 112-10).

⁶ The level for the House allowance reflects an introduced bill; the level for the Senate allowance reflects Senate Committee action only.

⁷ The level for the House and Senate allowances reflect action on the regular annual 2013 appropriations bill, which proceeded in the 112th Congress only through the House Subcommittee and the Senate Committee.

⁸ The amount shown includes the 0.612 percent across-the-board increase provided by P.L. 112-175, in effect through March 27, 2013.

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM ACCOUNT

Federal administration

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

(dollars in thousands)

FY 2014 Authorization: Indefinite

Budget Authority:

	<u>2013</u>	<u>2014</u>	<u>Change</u>
Personnel costs	\$332	\$348	+\$16
New loan subsidy costs	<u>127</u>	<u>111</u>	<u>-16</u>
Total	459	459	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:

	(dollars in thousands)
2009	\$461
2010	461
2011	460
2012	459
2013	459

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM ACCOUNT

Federal administration

FY 2014 BUDGET REQUEST

For fiscal year 2014, the Administration requests \$459,000 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 (dollars in thousands)

<u>Measures</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
College Housing and Academic Facilities Loans (CHAFL):			
Number of outstanding loans	40	40	39
Outstanding principal	\$47,126	\$39,358	\$35,809
College Housing Loans (CHL):			
Number of outstanding loans	164	142	131
Outstanding principal	\$72,519	\$56,342	\$47,091
Higher Education Facilities Loans (HEFL):			
Number of outstanding loans	8	3	3
Outstanding principal	\$8,717	\$6,478	\$5,834
Total number of outstanding loans	212	185	173
Total outstanding principal	\$147,435	\$126,743	\$106,051