

DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

Federal Funds

EDUCATION FOR THE DISADVANTAGED

For carrying out title I of the Elementary and Secondary Education Act of 1965 ("ESEA"), section 6201 of the America COMPETES Act, and section 418A of the Higher Education Act of 1965, **[\$15,755,083,000]** \$16,617,059,000, of which **[\$7,639,035,000]** \$8,409,108,000 shall become available on July 1, **[2008]** 2009, and shall remain available through September 30, **[2009]** 2010, and of which \$7,934,756,000 shall become available on October 1, **[2008]** 2009, and shall remain available through September 30, **[2009]** 2010, for academic year **[2008–2009]** 2009–2010: *Provided*, That **[\$6,835,271,000]** \$6,597,946,000 shall be for basic grants under section 1124: *Provided further*, That up to \$4,000,000 of these funds shall be available to the Secretary of Education on October 1, **[2007]** 2008, to obtain annually updated local educational-agency-level census poverty data from the Bureau of the Census: *Provided further*, That \$1,365,031,000 shall be for concentration grants under section 1124A: *Provided further*, That **[\$2,967,949,000]** \$3,373,975,000 shall be for targeted grants under section 1125: *Provided further*, That \$2,967,949,000 shall be for education finance incentive grants under section 1125A: *Provided further*, That **[\$9,330,000]** \$9,167,000 shall be to carry out sections 1501 and 1503: *Provided further*, That \$1,634,000 shall be available for a comprehensive school reform clear-**inghouse**. (*Department of Education Appropriations Act, 2008.*)

Program and Financing (in millions of dollars)

Identification code 91–0900–0–1–501	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Grants to local educational agencies	12,833	13,369	14,305
00.02 School improvement grants .....	.....	616	491
00.03 Reading first State grants	1,023	464	1,000
00.04 Early reading first	118	113	113
00.05 Striving readers	26	64	100
00.06 Even start	88	69	.....
00.07 Literacy through school libraries	19	19	19
00.08 State agency programs	439	445	452
00.09 Comprehensive school reform	2	2	.....
00.10 Evaluation	9	9	9
00.11 Migrant education projects	34	33	33
00.12 Math Now .....	.....	.....	95
10.00 Total new obligations	14,591	15,203	16,617
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	129	265	.....
22.00 New budget authority (gross)	14,725	14,938	16,617
22.10 Resources available from recoveries of prior year obligations	2	.....	.....
23.90 Total budgetary resources available for obligation	14,856	15,203	16,617
23.95 Total new obligations	–14,591	–15,203	–16,617
24.40 Unobligated balance carried forward, end of year	265	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	7,342	7,821	8,682
40.33 Appropriation permanently reduced (P.L. 110–161) .....	.....	–266	.....
43.00 Appropriation (total discretionary)	7,342	7,555	8,682
55.00 Advance appropriation	7,383	7,383	7,935
70.00 Total new budget authority (gross)	14,725	14,938	16,617
Change in obligated balances:			
72.40 Obligated balance, start of year	10,803	10,866	11,034
73.10 Total new obligations	14,591	15,203	16,617
73.20 Total outlays (gross)	–14,487	–15,035	–15,306
73.40 Adjustments in expired accounts (net)	–39	.....	.....
73.45 Recoveries of prior year obligations	–2	.....	.....

74.40	Obligated balance, end of year	10,866	11,034	12,345
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	2,380	6,069	6,521
86.93	Outlays from discretionary balances	12,107	8,966	8,785
87.00	Total outlays (gross)	14,487	15,035	15,306
Net budget authority and outlays:				
89.00	Budget authority	14,725	14,938	16,617
90.00	Outlays	14,487	15,035	15,306

Summary of Budget Authority and Outlays

(in millions of dollars)				
	2007 actual	2008 est.	2009 est.	
Enacted/requested:				
Budget Authority	14,725	14,938	16,617	
Outlays	14,487	15,035	15,306	
Legislative proposal, not subject to PAYGO:				
Budget Authority			300	
Outlays			6	
Total:				
Budget Authority	14,725	14,938	16,917	
Outlays	14,487	15,035	15,312	

SUMMARY OF PROGRAM LEVEL

(in millions of dollars)				
	2007–2008 Academic Year	2008–2009 Academic Year	2009–2010 Academic Year	
New Budget Authority	7,342	7,555	8,682	
Advance appropriation	7,383	7,383	7,935	
Total program level	14,726	14,938	16,617	
Change in advance appropriation from the previous year	0	0	0	

Note: Additional authorizing language is sought for \$16,488,725,000 in this account.

Grants to local educational agencies.—Funds are allocated through four formulas—Basic Grants, Concentration Grants, Targeted Grants and Education Finance Incentive Grants—for local programs that provide extra academic support to help raise the achievement of eligible students in high-poverty schools or, in the case of schoolwide programs, help all students in high-poverty schools to meet challenging State academic standards. States must annually assess all students in at least reading, mathematics, and science. School districts must identify for improvement, and provide assistance to, participating schools that for two consecutive years do not make adequate yearly progress toward ensuring that all students reach the proficient level on the State assessments in reading and mathematics by 2014. Districts must provide students attending such schools the choice of attending another public school that is not identified for improvement. After three or more years of a school not making adequate yearly progress, low-income students who remain in the school may obtain supplemental educational services from a public- or private-sector provider. Schools that do not improve are subject to progressively stronger interventions and, after six years of not making adequate yearly progress, reconstitution under a restructuring plan. Fiscal year 2009 funds would be expended under a reauthorization proposal to expand the benefits of the program to more high school students, refine accountability systems, include science in accountability determinations, and give students in low-performing schools more options.

EDUCATION FOR THE DISADVANTAGED—Continued

School improvement grants.—Funds support grants to States to assist schools identified as in need of improvement because they have not met their student achievement goals for at least two consecutive years. Activities may include the development and implementation of school improvement plans, professional development for teachers and staff, corrective actions such as instituting a new curriculum, and the provision of public school choice and supplemental educational services.

Reading first State grants.—Funds provide assistance to State and local educational agencies in establishing reading programs for students in grades K–3 that are grounded in scientifically based reading research, in order to ensure that every student can read at grade level or above by the end of third grade.

Early reading first.—Competitive grants provide assistance to support local efforts to enhance the school readiness of young children, particularly those from low-income families, through scientific, research-based strategies and professional development that are designed to enhance the verbal skills, phonological awareness, letter knowledge, pre-reading skills, and early language development of children ages three through five. For the reauthorization of ESEA, the Department is proposing amendments to strengthen partnerships between preschool providers and institutions of higher education that provide professional development to early childhood educators.

Striving readers.—Funds support the development, implementation, and evaluation of scientifically based reading interventions for middle school or high school students reading significantly below grade level. The program complements the Reading First program, which improves reading in elementary schools.

Math now for elementary school and middle school students.—Funds support competitive grants to improve instruction in mathematics for students in kindergarten through 9th grade.

Literacy through school libraries.—Funds support competitive grants to local educational agencies to provide students with increased access to up-to-date school library materials and certified professional library media specialists.

State agency migrant program.—Funds support formula grants to States for educational services to children of migratory farmworkers and fishers, with resources and services focused on children who have moved within the past 36 months.

State agency neglected and delinquent program.—Funds support formula grants to States for educational services to children and youth through age 21 in local and State-run institutions for neglected or delinquent youths, and adult correction facilities.

Evaluation.—Funds support a series of impact studies designed to identify effective reading interventions in Title I and studies of the implementation of key No Child Left Behind Act requirements, including assessments, accountability systems, school improvement requirements, public school choice, and supplemental educational services.

Migrant education projects.—Funds support grants to institutions of higher education and nonprofit organizations that assist migrant students in earning a high school equivalency certificate or in completing their first year of college.

Object Classification (in millions of dollars)			
Identification code 91–0900–0–1–501	2007 actual	2008 est.	2009 est.
Direct obligations:			
24.0 Printing and reproduction	3	3	3
25.1 Advisory and assistance services	2	2	4
25.2 Other services	45	46	53

25.3 Other purchases of goods and services from Government accounts	3	4	4
41.0 Grants, subsidies, and contributions	14,538	15,148	16,553
99.9 Total new obligations	14,591	15,203	16,617

EDUCATION FOR THE DISADVANTAGED
(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)			
Identification code 91–0900–2–1–501	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Pell grants for kids			300
10.00 Total new obligations			300
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			300
23.95 Total new obligations			–300
24.40 Unobligated balance carried forward, end of year			
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation			300
Change in obligated balances:			
73.10 Total new obligations			300
73.20 Total outlays (gross)			–6
74.40 Obligated balance, end of year			294
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			6
Net budget authority and outlays:			
89.00 Budget authority			300
90.00 Outlays			6

The resources in this schedule are proposed for later transmittal under proposed legislation to revise and reauthorize programs currently authorized under the Elementary and Secondary Education Act.

Pell Grants for Kids.—Funds would support competitive grants to States, municipalities, local educational agencies (LEAs), and public or private nonprofit organizations for scholarships to enable low-income students in grades K–12 enrolled in persistently low-performing schools to attend a private or out-of-district public school.

Object Classification (in millions of dollars)			
Identification code 91–0900–2–1–501	2007 actual	2008 est.	2009 est.
Direct obligations:			
25.1 Advisory and assistance services			3
41.0 Grants, subsidies, and contributions			297
99.9 Total new obligations			300

IMPACT AID

For carrying out programs of financial assistance to federally affected schools authorized by title VIII of the Elementary and Secondary Education Act of 1965, **[\$1,262,778,000]** *\$1,240,718,000*, of which **[\$1,125,192,000]** *\$1,105,535,000* shall be for basic support payments under section 8003(b), **[\$49,466,000]** *\$48,602,000* shall be for payments for children with disabilities under section 8003(d), **[\$17,820,000]** *\$17,509,000* shall be for construction under section 8007(b) and shall remain available through September 30, **[2009,]** **[\$65,350,000]** *2010, \$64,208,000* shall be for Federal property payments under section 8002, and **[\$4,950,000]** *\$4,864,000*, to remain available until expended, shall be for facilities maintenance under section 8008: *Provided*, That for purposes of computing the amount of a payment for an eligible local educational agency under section 8003(a) for school year **[2007–2008]** *2008–2009*, children enrolled in a school of such agency that would otherwise be eligible for pay-

ment under section 8003(a)(1)(B) of such Act, but due to the deployment of both parents or legal guardians, or a parent or legal guardian having sole custody of such children, or due to the death of a military parent or legal guardian while on active duty (so long as such children reside on Federal property as described in section 8003(a)(1)(B)), are no longer eligible under such section, shall be considered as eligible students under such section, provided such students remain in average daily attendance at a school in the same local educational agency they attended prior to their change in eligibility status. (*Department of Education Appropriations Act, 2008.*)

Program and Financing (in millions of dollars)

Identification code 91-0102-0-1-501	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Basic support payments	1,092	1,106	1,106
00.02 Payments for children with disabilities	49	49	49
00.91 Direct Program by Activities—Subtotal (1 level)	1,141	1,155	1,155
01.01 Facilities maintenance	8	5	5
02.01 Construction	18	18	18
03.01 Payments for Federal property	64	64	64
10.00 Total new obligations (object class 41.0)	1,231	1,224	1,242
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	6	3	20
22.00 New budget authority (gross)	1,228	1,241	1,241
23.90 Total budgetary resources available for obligation	1,234	1,244	1,261
23.95 Total new obligations	-1,231	-1,224	-1,242
24.40 Unobligated balance carried forward, end of year	3	20	19
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,228	1,263	1,241
40.33 Appropriation permanently reduced (P.L. 110-161)		-22	
43.00 Appropriation (total discretionary)	1,228	1,241	1,241
Change in obligated balances:			
72.40 Obligated balance, start of year	379	446	281
73.10 Total new obligations	1,231	1,224	1,242
73.20 Total outlays (gross)	-1,163	-1,389	-1,287
73.40 Adjustments in expired accounts (net)	-1		
74.40 Obligated balance, end of year	446	281	236
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1,020	1,099	1,099
86.93 Outlays from discretionary balances	143	290	188
87.00 Total outlays (gross)	1,163	1,389	1,287
Net budget authority and outlays:			
89.00 Budget authority	1,228	1,241	1,241
90.00 Outlays	1,163	1,389	1,287

Note: Additional authorizing language is sought for all of the resources requested in this account.

Impact Aid helps to replace the lost local revenue that would otherwise be available to educate federally connected children. The presence of certain students living on Federal property, such as students who are military dependents or who reside on Indian lands, can place a financial burden on local educational agencies that educate them. The property on which the children live and their parents work is exempt from local property taxes, denying local educational agencies access to the primary source of revenue used by most communities to finance education.

Basic support payments.—Payments will be made on behalf of approximately 1.0 million federally connected students enrolled in about 1,240 local educational agencies to assist them in meeting their operation and maintenance costs. Average per-student payments will be approximately \$1,100.

Payments for children with disabilities.—Payments in addition to those provided under the Individuals with Disabilities Education Act will be provided on behalf of approximately 55,000 federally connected students with disabilities in about

900 local educational agencies. Average per-student payments will be approximately \$900.

Facilities maintenance.—Funds will be used to provide emergency repairs for school facilities that serve military dependents and are owned by the Department of Education. Funds will also be used to transfer the facilities to local educational agencies.

Construction.—Approximately 20 construction grants will be awarded competitively to the highest need impact aid districts for emergency repairs and modernization of school facilities.

Payments for Federal property.—Payments will be made to approximately 200 local educational agencies in which real property owned by the Federal Government represents 10 percent or more of the assessed value of real property in the local educational agency.

SCHOOL IMPROVEMENT PROGRAMS

For carrying out school improvement activities authorized by *parts A and B of title II, part B of title IV, [subparts 6 and] subpart 9 of part D of title V, and parts A and B of title VII, and parts B and C of title VII* of the Elementary and Secondary Education Act of 1965 (“ESEA”); the McKinney-Vento Homeless Assistance Act; section 203 of the Educational Technical Assistance Act of 2002; the Compact of Free Association Amendments Act of 2003; and the Civil Rights Act of 1964, **[\$5,383,119,000] \$4,566,323,000**, of which **[\$3,763,355,000] \$3,023,879,000** shall become available on July 1, **[2008] 2009**, and remain available through September 30, **[2009] 2010**, and of which \$1,435,000,000 shall become available on October 1, **[2008] 2009**, and shall remain available through September 30, **[2009] 2010**, for academic year **[2008–2009] 2009–2010: Provided, That [funds made available to carry out part B of title VII of the ESEA may be used for construction, renovation and modernization of any elementary school, secondary school, or structure related to an elementary school or secondary school, run by the Department of Education of the State of Hawaii, that serves a predominantly Native Hawaiian student body: Provided further, That from the funds referred to in the preceding proviso, not less than \$1,250,000 shall be for a grant to the Department of Education of the State of Hawaii for the activities described in such proviso, and \$1,250,000 shall be for a grant to the University of Hawaii School of Law for a Center of Excellence in Native Hawaiian law: Provided further, That funds made available to carry out part C of title VII of the ESEA may be used for construction: Provided further, That up to 100 percent of the funds available to a State educational agency under part D of title II of the ESEA may be used for subgrants described in section 2412(a)(2)(B) of such Act: Provided further,] \$408,732,000 shall be for State assessments and related activities authorized under sections 6111 and 6112 of the ESEA: Provided further, That **[\$58,129,000] \$57,113,000** shall be available to carry out section 203 of the Educational Technical Assistance Act of 2002: Provided further, That **[\$33,707,000] \$25,655,000** shall be available to carry out part D of title V of the ESEA: Provided further, That no funds appropriated under this heading may be used to carry out section 5494 under the ESEA: Provided further, That **[\$18,001,000] \$17,687,000** shall be available to carry out the Supplemental Education Grants program for the Federated States of Micronesia and the Republic of the Marshall Islands: Provided further, That up to 5 percent of these amounts may be reserved by the Federated States of Micronesia and the Republic of the Marshall Islands to administer the Supplemental Education Grants programs and to obtain technical assistance, oversight and consultancy services in the administration of these grants and to reimburse the United States Departments of Labor, Health and Human Services, and Education for such services: Provided further, That **[\$2,400,000] at least \$7,360,000** of the funds available for the Foreign Language Assistance Program shall be available for 5-year grants to local educational agencies that would work in partnership with one or more institutions of higher education to establish or expand articulated programs of study in languages critical to United States national security that will enable successful students to advance from elementary school through college to achieve a superior level of proficiency in those languages. (*Department of Education Appropriations Act, 2008.*)**

SCHOOL IMPROVEMENT PROGRAMS—Continued

Program and Financing (in millions of dollars)

Identification code 91-1000-0-1-501	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Improving teacher quality State grants	2,877	2,964	2,835
00.02 Early childhood educator professional development	15		
00.03 Mathematics and science partnerships	179	184	179
00.04 Educational technology State grants	272	274	
00.05 21st Century learning opportunities	979	1,093	800
00.06 State grants for innovative programs	99	1	
00.07 Javits gifted and talented education	8	7	
00.08 Foreign language assistance	24	26	25
00.09 State assessments	406	418	409
00.10 Education for homeless children and youth	62	64	64
00.11 Education for Native Hawaiians	34	33	
00.12 Alaska Native education equity	34	33	
00.13 Training and advisory services	7	7	7
00.14 Rural education	169	173	172
00.15 Supplemental education grants	18	18	18
00.16 Comprehensive centers	56	57	57
10.00 Total new obligations	5,239	5,352	4,566
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	46	63	
22.00 New budget authority (gross)	5,255	5,289	4,566
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	5,302	5,352	4,566
23.95 Total new obligations	-5,239	-5,352	-4,566
24.40 Unobligated balance carried forward, end of year	63		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	3,820	3,948	3,131
40.33 Appropriation permanently reduced (P.L. 110-161)		-94	
43.00 Appropriation (total discretionary)	3,820	3,854	3,131
55.00 Advance appropriation	1,435	1,435	1,435
70.00 Total new budget authority (gross)	5,255	5,289	4,566
Change in obligated balances:			
72.40 Obligated balance, start of year	6,712	6,366	6,346
73.10 Total new obligations	5,239	5,352	4,566
73.20 Total outlays (gross)	-5,483	-5,372	-5,233
73.40 Adjustments in expired accounts (net)	-101		
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	6,366	6,346	5,679
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	796	967	952
86.93 Outlays from discretionary balances	4,687	4,405	4,281
87.00 Total outlays (gross)	5,483	5,372	5,233
Net budget authority and outlays:			
89.00 Budget authority	5,255	5,289	4,566
90.00 Outlays	5,483	5,372	5,233

SUMMARY OF PROGRAM LEVEL

(in millions of dollars)

	2007-2008 Academic Year	2008-2009 Academic Year	2009-2010 Academic Year
New Budget Authority	3,820	3,854	3,131
Advance Appropriation	1,435	1,435	1,435
Total program level	5,255	5,289	4,566
Change in advance appropriation over previous year	0	0	0

Note: Additional authorizing language is sought for \$4,484,534,000 in this account.

Improving teacher quality:

Improving teacher quality State grants.—Funds support State and school district activities to prepare, train, and recruit high-quality teachers to improve student achievement.

Mathematics and science partnerships.—Funds support State and local efforts to improve students' academic achievement in mathematics and science by promoting strong teaching skills for elementary and secondary school teachers. These efforts may include the integration of teaching methods based on scientifically based research and technology into the curriculum.

Other Activities:

21st Century learning opportunities (formerly 21st Century community learning centers).—Funds in this revised program support formula grants to States, which award subgrants to public or private organizations to provide scholarships for extended learning opportunities to low-income students in under-performing schools.

Foreign language assistance.—Funds support competitive grants to States and school districts to create innovative model programs providing for the establishment, improvement, or expansion of foreign language study for elementary and secondary school students.

State assessments.—Funds support formula and competitive grants to States to develop and implement the assessments, and related accountability efforts, that States use to test children in reading, mathematics, and science.

Education for homeless children and youth.—Funds support formula grants to States to provide educational and support services that enable homeless children and youth to attend and achieve success in school.

Training and advisory services.—Funds support grants to regional equity assistance centers that provide technical assistance to school districts in addressing educational equity related to issues of race, gender, and national origin.

Rural education.—Funds support formula grants under two programs: Small, Rural Schools Achievement and Rural and Low-Income Schools. The Small, Rural Schools Achievement program provides rural local educational agencies with small enrollments with additional formula funds and flexibility in the use of other Federal formula funds. Funds under the Rural and Low-Income Schools program, which targets rural local educational agencies that serve concentrations of poor students, are allocated by formula to States, which in turn allocate funds to eligible local educational agencies within the States.

Supplemental education grants.—Funds support grants to the Federated States of Micronesia and to the Republic of the Marshall Islands in place of grant programs discontinued by the Compact of Free Association Amendments Act of 2003.

Comprehensive centers.—Funds support 21 comprehensive centers that focus on building State capacity to help school districts and schools meet the requirements of the No Child Left Behind Act.

Object Classification (in millions of dollars)

Identification code 91-1000-0-1-501	2007 actual	2008 est.	2009 est.
Direct obligations:			
25.1 Advisory and assistance services	10	10	9
25.2 Other services	25	26	22
41.0 Grants, subsidies, and contributions	5,204	5,316	4,535
99.9 Total new obligations	5,239	5,352	4,566

INDIAN EDUCATION

For expenses necessary to carry out, to the extent not otherwise provided, title VII, part A of the Elementary and Secondary Education Act of 1965, [\$121,690,000] \$119,564,000. (Department of Education Appropriations Act, 2008.)

Program and Financing (in millions of dollars)

Identification code 91-0101-0-1-501	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Grants to local educational agencies	96	97	97
00.02 Special programs for Indian children	19	19	19
00.03 National activities	4	4	4
10.00 Total new obligations	119	120	120
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	119	120	120
23.95 Total new obligations	-119	-120	-120
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	119	122	120
40.33 Appropriation permanently reduced (P.L. 110-161)		-2	
43.00 Appropriation (total discretionary)	119	120	120
Change in obligated balances:			
72.40 Obligated balance, start of year	140	136	139
73.10 Total new obligations	119	120	120
73.20 Total outlays (gross)	-118	-117	-118
73.40 Adjustments in expired accounts (net)	-5		
74.40 Obligated balance, end of year	136	139	141
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	8	6	6
86.93 Outlays from discretionary balances	110	111	112
87.00 Total outlays (gross)	118	117	118
Net budget authority and outlays:			
89.00 Budget authority	119	120	120
90.00 Outlays	118	117	118

Note: Additional authorizing language is sought for all of the resources requested in this account.

The Indian Education programs support the efforts of local educational agencies and tribal schools to improve teaching and learning for the Nation's American Indian and Alaska Native Children.

Grants to local educational agencies.—Formula grants support local educational agencies in their efforts to reform elementary and secondary school programs that serve Indian students, with the goal of ensuring that such programs assist participating students in meeting the same academic standards as all other students. In 2007, the Department made 1,237 formula grants to local educational agencies and tribal schools serving more than 474,000 students.

Special programs for Indian children.—The Department makes competitive awards for demonstration projects in early childhood education and college preparation, as well as professional development grants for training Native American teachers and administrators for employment in school districts with concentrations of Indian students.

National activities.—Funds support research, evaluation, data collection, and related activities.

Object Classification (in millions of dollars)

Identification code 91-0101-0-1-501	2007 actual	2008 est.	2009 est.
Direct obligations:			
25.1 Advisory and assistance services	1	1	1
25.2 Other services	3	3	3
41.0 Grants, subsidies, and contributions	115	116	116
99.9 Total new obligations	119	120	120

READING EXCELLENCE

Program and Financing (in millions of dollars)

Identification code 91-0011-0-1-501	2007 actual	2008 est.	2009 est.
Change in obligated balances:			
72.40 Obligated balance, start of year	6		
73.40 Adjustments in expired accounts (net)	-6		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

This program has been replaced by the Reading First program in the Education for the Disadvantaged account. Amounts in these schedules reflect balances that are spending out from prior-year appropriations.

EDUCATION REFORM

Program and Financing (in millions of dollars)

Identification code 91-0500-0-1-501	2007 actual	2008 est.	2009 est.
Change in obligated balances:			
72.40 Obligated balance, start of year	5		
73.20 Total outlays (gross)	-1		
73.40 Adjustments in expired accounts (net)	-4		
74.40 Obligated balance, end of year			
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	1		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	1		

Programs in this account have been transferred to the School Improvement Programs account or discontinued. Amounts in this schedule reflect balances that are spending out from prior-year appropriations.

OFFICE OF INNOVATION AND IMPROVEMENT

Federal Funds

INNOVATION AND IMPROVEMENT

For carrying out activities authorized by [part G of title I, subpart 5 of part A and] parts C and D of title II, and parts B, C, and D of title VI, and section 1504] of the Elementary and Secondary Education Act of 1965 ("ESEA"), [\$1,003,040,000] and by part II of subtitle A of title VI of the America COMPETES Act, \$857,517,000: Provided, That [\$9,821,000 shall be provided to the National Board for Professional Teaching Standards to carry out section 2151(c) of the ESEA: Provided further, That] from funds for subpart 4, part C of title II of the ESEA, up to 3 percent shall be available to the Secretary for technical assistance and dissemination of information: Provided further, That [\$357,059,000] \$252,300,000 shall be available to carry out part D of title V of the ESEA: [Provided further, That \$100,573,000 of the funds for subpart 1, part D of title V of the ESEA shall be available for the projects and in the amounts specified in the explanatory statement described in section 4 (in the matter preceding division A of this consolidated Act):] Provided further, That [\$99,000,000] \$200,000,000 of the funds for subpart 1, part D of title V of the ESEA shall be for competitive grants to local educational agencies, including charter schools that are local educational agencies, or States, or partnerships of: (1) a local educational agency, a State, or both; and (2) at least one non-profit organization to develop and implement performance-based teacher and principal compensation systems in high-need schools: Provided further, That such performance-based compensation systems must consider gains in student academic achievement as well as classroom evaluations conducted multiple times during each school year among other factors and provide educators with incentives to take on addi-

INNOVATION AND IMPROVEMENT—Continued

tional responsibilities and leadership roles: *Provided further*, That up to 5 percent of such funds for competitive grants shall be available for technical assistance, training, peer review of applications, program outreach and evaluation activities: *Provided further*, That of the funds available for part B of title V of the ESEA, the Secretary shall use up to **[\$24,783,000]** \$82,642,000 to carry out activities under section 5205(b) and under subpart 2, and shall use not less than \$190,000,000 to carry out other activities authorized under subpart 1: *Provided further*, That funds available for part II of subtitle A of title VI of the America COMPETES Act shall first be used for grants under section 1704 of the ESEA and for continuation grants under section 1705 of the ESEA. (Department of Education Appropriations Act, 2008.)

Program and Financing (in millions of dollars)

Identification code 91-0204-0-1-501	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Teacher incentive fund	94	97	200
00.02 Troops-to-teachers	15	14	14
00.03 Transition to teaching	44	44	44
00.04 National writing project	21	23	
00.05 Teaching American history	120	118	50
00.06 School leadership	15	14	
00.07 Advanced credentialing	17	10	
School choice and flexibility:			
00.08 Charter schools grants	215	211	236
00.09 Credit enhancement for charter school facilities	37		37
00.10 Voluntary public school choice	26	26	26
00.11 Magnet schools assistance	107	105	105
00.12 Advanced placement	37	44	70
00.13 Close Up fellowships	1	2	
00.14 Ready-to-learn-television	24	24	24
00.15 Academies for American history and civics	2	2	
00.16 FIE programs of national significance	16	122	52
00.17 Reading is fundamental/Inexpensive book distribution	25	25	
00.18 Star schools	12		
00.19 Ready to teach	11	11	
00.20 Exchanges with historic whaling and trading partners	9	9	
00.21 Excellence in economic education	1	1	
00.22 Mental health integration in schools	1	5	
00.23 Foundations for learning	5	1	
00.24 Arts in education	35	37	
00.25 Parental information and resource centers	40	39	
00.26 Womens educational equity	2	2	
01.00 Total direct program	932	986	858
09.01 DC School Choice	14	15	18
10.00 Total new obligations	946	1,001	876
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	94		
22.00 New budget authority (gross)	852	1,001	876
23.90 Total budgetary resources available for obligation	946	1,001	876
23.95 Total new obligations	-946	-1,001	-876
24.40 Unobligated balance carried forward, end of year			
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	838	1,003	858
40.33 Appropriation permanently reduced (P.L. 110-161)		-17	
43.00 Appropriation (total discretionary)	838	986	858
58.00 Spending authority from offsetting collections: Offsetting collections (cash)	14	15	18
70.00 Total new budget authority (gross)	852	1,001	876
Change in obligated balances:			
72.40 Obligated balance, start of year	1,535	1,617	1,304
73.10 Total new obligations	946	1,001	876
73.20 Total outlays (gross)	-860	-1,314	-805
73.40 Adjustments in expired accounts (net)	-4		
74.40 Obligated balance, end of year	1,617	1,304	1,375
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	28	50	44
86.93 Outlays from discretionary balances	832	1,264	761

87.00	Total outlays (gross)	860	1,314	805
Offsets:				
Against gross budget authority and outlays:				
88.40	Offsetting collections (cash) from: Non-Federal sources	-14	-15	-18
Net budget authority and outlays:				
89.00	Budget authority	838	986	858
90.00	Outlays	846	1,299	787

Summary of Budget Authority and Outlays

(in millions of dollars)

	2007 actual	2008 est.	2009 est.
Enacted/requested:			
Budget Authority	838	986	858
Outlays	846	1,299	787
Legislative proposal, not subject to PAYGO:			
Budget Authority			10
Outlays			1
Total:			
Budget Authority	838	986	868
Outlays	846	1,299	788

Note: Additional authorizing language is sought for \$787,517,000 in this account.

Recruiting and training high-quality teachers and principals:

Teacher incentive fund.—Funds support the development of performance-based compensation systems that reward teachers and principals who are raising student achievement and closing the achievement gap.

Troops-to-teachers.—Funds assist eligible members of the armed forces to obtain certification as teachers and to become highly qualified teachers.

Transition to teaching.—Funds support competitive grants to establish programs to recruit and retain mid-career professionals and recent college graduates as teachers in high-need schools.

Teaching American history.—Funds support competitive grants to school districts for activities to improve history instruction and provide professional development for teachers of American history.

School choice and flexibility:

Charter schools grants.—Funds support competitive grants to State educational agencies and charter schools to support the planning, design, initial implementation, and dissemination of information regarding charter schools. These schools are created by teachers, parents, and members of the community, and may receive waivers from certain local, State, and Federal regulations. A portion of the funding supports State efforts to assist charter schools in obtaining facilities.

Credit enhancement for charter school facilities.—Funds support competitive grants to State and local governments, nonprofit entities, and public and nonprofit consortia, to assist charter schools in acquiring, leasing, and renovating school facilities.

Voluntary public school choice.—Funds support competitive grants to State and local educational agencies to implement programs that provide students, particularly students who attend low-performing schools, with expanded public school choice options.

Magnet schools assistance.—Funds support competitive grants to local educational agencies to establish and operate magnet school programs that are part of an approved desegregation plan.

Other activities:

Advanced placement.—Funds support competitive grants to State educational agencies, local educational agencies, and national nonprofit educational entities to expand access for low-income individuals to Advanced Placement (AP) or International Baccalaureate (IB) courses, and grants to States to

pay test fees for low-income students who are enrolled in AP or IB courses.

Ready-to-learn television.—Funds support the development, distribution, and production of educational video programming and accompanying materials and services for preschool and elementary school children and their parents to facilitate student academic achievement.

FIE programs of national significance.—Funds support nationally significant projects to improve the quality of elementary and secondary education in order to help all children meet challenging State content and student achievement standards.

Object Classification (in millions of dollars)			
Identification code 91-0204-0-1-501	2007 actual	2008 est.	2009 est.
Direct obligations:			
25.1 Advisory and assistance services	3	3	3
25.2 Other services	48	51	45
41.0 Grants, subsidies, and contributions	880	931	810
99.0 Direct obligations	931	985	858
99.0 Reimbursable obligations	13	15	18
99.5 Below reporting threshold	2	1	
99.9 Total new obligations	946	1,001	876

INNOVATION AND IMPROVEMENT
(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)			
Identification code 91-0204-2-1-501	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Adjunct Teacher Corps			10
10.00 Total new obligations (object class 41.0)			10
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			10
23.95 Total new obligations			-10
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation			10
Change in obligated balances:			
73.10 Total new obligations			10
73.20 Total outlays (gross)			-1
74.40 Obligated balance, end of year			9
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			1
Net budget authority and outlays:			
89.00 Budget authority			10
90.00 Outlays			1

The resources in this schedule are proposed for later transmittal under proposed legislation to revise and reauthorize programs currently authorized under the Elementary and Secondary Education Act.

Adjunct teacher corps.—Funds would support partnerships between school districts and appropriate public and/or private institutions to enable well-qualified professionals to teach specific high-school courses in the core academic subjects, particularly mathematics and science.

D of title V] of the Elementary and Secondary Education Act of 1965 ["(ESEA)", \$705,733,000] \$281,963,000, of which \$300,000,000 \$100,000,000 shall become available on July 1, [2008] 2009, and remain available through September 30, [2009] 2010: *Provided*, That \$300,000,000 \$100,000,000 shall be available for subpart 1 of part A of title IV and \$222,519,000 \$181,963,000 shall be available for subpart 2 of part A of title IV, of which [not less than \$1,500,000] \$5,000,000, to remain available until expended, shall be for the Project School Emergency Response to Violence ("Project SERV") program to provide education-related services to local educational agencies and to institutions of higher education in which the learning environment has been disrupted due to a violent or traumatic crisis: *Provided further*, That Project SERV funds appropriated in previous fiscal years may be used to provide services to local educational agencies and to institutions of higher education in which the learning environment has been disrupted due to a violent or traumatic crisis: *Provided further*, That \$150,729,000 shall be available to carry out part D of title V of the ESEA: *Provided further*, That of the funds available to carry out subpart 3 of part C of title II, up to \$12,072,000 may be used to carry out section 2345 and \$2,950,000 shall be used by the Center for Civic Education to implement a comprehensive program to improve public knowledge, understanding, and support of the Congress and the State legislatures]. (*Department of Education Appropriations Act, 2008.*)

Program and Financing (in millions of dollars)			
Identification code 91-0203-0-1-501	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 State grants	344	299	100
00.02 National activities	147	143	182
00.03 Alcohol abuse reduction	32	32	
00.04 Mentoring program	49	49	
00.91 Subtotal, Safe and drug-free schools and communities	572	523	282
01.01 Character education	24	24	
02.01 Elementary and secondary school counseling	35	48	
03.01 Physical education program	73	76	
04.01 Civic education	29	32	
06.00 Total direct program	733	703	282
09.00 Reimbursable program	73	73	73
10.00 Total new obligations	806	776	355
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	5	10	
22.00 New budget authority (gross)	811	766	355
23.90 Total budgetary resources available for obligation	816	776	355
23.95 Total new obligations	-806	-776	-355
24.40 Unobligated balance carried forward, end of year	10		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	738	706	282
40.33 Appropriation permanently reduced (P.L. 110-161)		-13	
43.00 Appropriation (total discretionary)	738	693	282
58.00 Spending authority from offsetting collections: Offsetting collections (cash)	73	73	73
70.00 Total new budget authority (gross)	811	766	355
Change in obligated balances:			
72.40 Obligated balance, start of year	1,257	1,233	1,161
73.10 Total new obligations	806	776	355
73.20 Total outlays (gross)	-827	-848	-778
73.40 Adjustments in expired accounts (net)	-3		
74.40 Obligated balance, end of year	1,233	1,161	738
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	23	15	7
86.93 Outlays from discretionary balances	804	833	771
87.00 Total outlays (gross)	827	848	778
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-73	-73	-73

OFFICE OF SAFE AND DRUG-FREE SCHOOLS

Federal Funds

SAFE SCHOOLS AND CITIZENSHIP EDUCATION

For carrying out activities authorized by [subpart 3 of part C of title II,] part A of title IV [, and subparts 2, 3, and 10 of part

SAFE SCHOOLS AND CITIZENSHIP EDUCATION—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 91-0203-0-1-501	2007 actual	2008 est.	2009 est.
Net budget authority and outlays:			
89.00 Budget authority	738	693	282
90.00 Outlays	754	775	705

Note: Additional authorizing language is sought for all of the resources requested in this account.

Safe and drug-free schools and communities:

State grants.—Funds provide formula grants to State educational agencies to provide local educational agencies with training, technical assistance, and information regarding effective models for the creation of safe, healthy, drug-free, and secure schools.

National programs.—Funds support programs and activities in the areas of (1) emergency management planning, (2) preventing violence and drug use, including student drug testing, (3) school culture and climate, including character education, and (4) other needs related to improving students' learning environment to enable those students to meet challenging academic standards.

Object Classification (in millions of dollars)

Identification code 91-0203-0-1-501	2007 actual	2008 est.	2009 est.
Direct obligations:			
24.0 Printing and reproduction	1	1	1
25.1 Advisory and assistance services	4	4	4
25.2 Other services	12	12	12
25.3 Other purchases of goods and services from Government accounts	3	3	3
41.0 Grants, subsidies, and contributions	713	683	262
99.0 Direct obligations	733	703	282
99.0 Reimbursable obligations	73	73	73
99.9 Total new obligations	806	776	355

OFFICE OF ENGLISH LANGUAGE ACQUISITION

Federal Funds

ENGLISH LANGUAGE ACQUISITION

For carrying out part A of title III of the Elementary and Secondary Education Act of 1965, [\$712,848,000] \$730,000,000, which shall become available on July 1, [2008] 2009, and shall remain available through September 30, [2009] 2010, except that 6.5 percent of such amount shall be available on October 1, [2007] 2008, and shall remain available through September 30, [2009] 2010, to carry out activities under section 3111(c)(1)(C). (Department of Education Appropriations Act, 2008.)

Program and Financing (in millions of dollars)

Identification code 91-1300-0-1-501	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 English language acquisition grants	666	710	730
10.00 Total new obligations	666	710	730
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	7	10	
22.00 New budget authority (gross)	669	700	730
23.90 Total budgetary resources available for obligation	676	710	730
23.95 Total new obligations	-666	-710	-730
24.40 Unobligated balance carried forward, end of year	10		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	669	712	730

40.33 Appropriation permanently reduced (P.L. 110-161)		-12	
43.00 Appropriation (total discretionary)	669	700	730

Change in obligated balances:

72.40 Obligated balance, start of year	983	915	827
73.10 Total new obligations	666	710	730
73.20 Total outlays (gross)	-729	-798	-641
73.40 Adjustments in expired accounts (net)	-5		
74.40 Obligated balance, end of year	915	827	916

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	5	35	37
86.93 Outlays from discretionary balances	724	763	604
87.00 Total outlays (gross)	729	798	641

Net budget authority and outlays:

89.00 Budget authority	669	700	730
90.00 Outlays	729	798	641

Note: Additional authorizing language is sought for all of the resources requested in this account.

Language acquisition State grants.—This program provides formula grants to States to improve services for limited English proficient and immigrant students. States are accountable for demonstrating that limited English proficient students are learning English and meeting the same high State standards as all other students. The statute also authorizes national activities including professional development and evaluation, and requires funding for a national information clearinghouse on English language acquisition.

Object Classification (in millions of dollars)

Identification code 91-1300-0-1-501	2007 actual	2008 est.	2009 est.
Direct obligations:			
25.5 Research and development contracts	2	2	2
41.0 Grants, subsidies, and contributions	664	708	728
99.9 Total new obligations	666	710	730

OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

Federal Funds

SPECIAL EDUCATION

For carrying out the Individuals with Disabilities Education Act ("IDEA") [and the Special Olympics Sport and Empowerment Act of 2004, \$12,181,473,000], \$12,335,943,000, of which [\$5,084,406,000] \$4,446,820,000 shall become available on July 1, [2008] 2009, and shall remain available through September 30, [2009] 2010, and of which [\$6,856,444,000] \$7,647,444,000 shall become available on October 1, [2008] 2009, and shall remain available through September 30, [2009] 2010, for academic year [2008-2009] 2009-2010: [Provided, That \$13,000,000 shall be for Recording for the Blind and Dyslexic, Inc., to support activities under section 674(c)(1)(D) of the IDEA: Provided further, That \$1,500,000 shall be for the recipient of funds provided by Public Law 105-78 under section 687(b)(2)(G) of the IDEA (as in effect prior to the enactment of the Individuals with Disabilities Education Improvement Act of 2004) to provide information on diagnosis, intervention, and teaching strategies for children with disabilities:] Provided [further], That the amount for section 611(b)(2) of the IDEA shall be equal to the lesser of the amount available for that activity during fiscal year [2007] 2008, increased by the amount of inflation as specified in section 619(d)(2)(B) of the IDEA, or the percentage increase in the funds appropriated under section 611(i) of the IDEA: Provided further, That nothing in section 674(e) of the IDEA shall be construed to establish a private right of action against the National Instructional Materials Access Center for failure to perform the duties of such center or otherwise authorize a private right of action related to the performance of such center: Provided further, That \$7,500,000 shall be available to support the 2009 Special Olympics World Winter Games]. (Department of Education Appropriations Act, 2008.)

Program and Financing (in millions of dollars)

Identification code 91-0300-0-1-501	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
State grants:			
00.01 Grants to States	10,822	9,582	10,493
00.02 Preschool grants	378	377	374
00.03 Grants for infants and families	442	445	436
00.91 Subtotal, State grants	11,642	10,404	11,303
National activities:			
01.01 State personnel development	50	23	48
01.02 Technical assistance and dissemination	49	48	48
01.03 Personnel preparation	90	88	88
01.04 Parent information centers	26	26	26
01.05 Technology and media services	38	39	31
01.91 Subtotal, National activities	253	224	241
02.00 Total Direct Program	11,895	10,628	11,544
02.01 Special Olympics education programs	12		
10.00 Total new obligations	11,895	10,640	11,544
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	171	79	
22.00 New budget authority (gross)	11,803	10,561	11,544
23.90 Total budgetary resources available for obligation	11,974	10,640	11,544
23.95 Total new obligations	-11,895	-10,640	-11,544
24.40 Unobligated balance carried forward, end of year	79		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	6,379	5,325	4,688
40.33 Appropriation permanently reduced (P.L. 110-161)		-188	
43.00 Appropriation (total discretionary)	6,379	5,137	4,688
55.00 Advance appropriation	5,424	5,424	6,856
70.00 Total new budget authority (gross)	11,803	10,561	11,544
Change in obligated balances:			
72.40 Obligated balance, start of year	9,212	9,317	8,185
73.10 Total new obligations	11,895	10,640	11,544
73.20 Total outlays (gross)	-11,778	-11,772	-11,938
73.40 Adjustments in expired accounts (net)	-12		
74.40 Obligated balance, end of year	9,317	8,185	7,791
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	3,208	4,385	5,429
86.93 Outlays from discretionary balances	8,570	7,387	6,509
87.00 Total outlays (gross)	11,778	11,772	11,938
Net budget authority and outlays:			
89.00 Budget authority	11,803	10,561	11,544
90.00 Outlays	11,778	11,772	11,938

SUMMARY OF GRANTS TO STATES PROGRAM LEVEL

(In millions of dollars)

	2007-2008 academic year	2008-2009 academic year	2009-2010 academic year
Current Budget Authority	\$5,359	\$4,091	\$3,638
Advance appropriation	5,424	6,856	7,647
Total program level	10,783	10,948	11,285

Change in advance appropriation from the previous year 0 +1,432 +791

State Grants:

Grants to States.—Formula grants are provided to States to assist them in providing special education and related services to children with disabilities ages 3 through 21.

Preschool grants.—Formula grants provide additional funds to States to further assist them in providing special education and related services to children with disabilities ages 3 through 5 served under the Grants to States program.

The goal of both of these programs is to improve results for children with disabilities by assisting State and local edu-

cational agencies to provide children with disabilities with access to high quality education that will help them meet challenging standards and prepare them for employment and independent living.

Grants for infants and families.—Formula grants are provided to assist States to implement statewide systems of coordinated, comprehensive, multi-disciplinary interagency programs to provide early intervention services to children with disabilities, birth through age 2, and their families.

The goal of this program is to help States provide a comprehensive system of early intervention services that will enhance child and family outcomes.

National activities.—These activities include personnel preparation, technical assistance, and other activities to support State efforts to improve results for children with disabilities under the State Grants programs.

The goal of National Activities is to link States, school systems, and families to best practices to improve results for infants, toddlers, and children with disabilities.

Performance data related to program goals include:

Status of Exiting Students Percent of students with disabilities aged 14-21 leaving school:	2003-2004 actual	2004-2005 actual	2005-2006 actual
	Graduated with a diploma	54.2	54.4	56.5
Graduated through certification	13.1	15.5	15.3
Dropped out of school/not known to continue	30.9	28.3	26.2
Reached maximum age for services/other	1.8	1.8	1.9

Object Classification (in millions of dollars)

Identification code 91-0300-0-1-501	2007 actual	2008 est.	2009 est.
Direct obligations:			
25.1 Advisory and assistance services	6	6	6
41.0 Grants, subsidies, and contributions	11,888	10,634	11,538
99.0 Direct obligations	11,894	10,640	11,544
99.5 Below reporting threshold	1		
99.9 Total new obligations	11,895	10,640	11,544

REHABILITATION SERVICES AND DISABILITY RESEARCH

For carrying out, to the extent not otherwise provided, the Rehabilitation Act of 1973, the Assistive Technology Act of 1998, and the Helen Keller National Center Act, **[\$3,283,929,000] \$3,218,264,000**, of which **[\$1,000,000] \$2,874,043,000** shall be **[awarded to the American Academy of Orthotists and Prosthetists for activities that further the purposes of the grant received by the Academy for the period beginning October 1, 2003, including activities to meet the demand for orthotic and prosthetic provider services and improve patient care: Provided, That \$3,155,000 of the funds for section 303 of the Rehabilitation Act of 1973 shall be available for the projects and in the amounts specified in the explanatory statement described in section 4 (in the matter preceding division A of this consolidated Act)] for grants for vocational rehabilitation services under Title I of the Rehabilitation Act of 1973. (Department of Education Appropriations Act, 2008.)**

Program and Financing (in millions of dollars)

Identification code 91-0301-0-1-506	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Vocational rehabilitation State grants	2,837	2,874	2,874
00.02 Client assistance State grants	12	11	11
00.03 Training	38	38	38
00.04 Demonstration and training programs	9	10	9
00.05 Migrant and seasonal farmworkers	2	2	
00.06 Recreational programs	3	2	
00.07 Protection and advocacy of individual rights	16	16	16
00.08 Projects with industry	17	19	
00.09 Supported employment State grants	30	29	
00.10 Independent living	130	128	128
00.11 Program improvement	1	1	1
00.12 Evaluation	1	1	2

REHABILITATION SERVICES AND DISABILITY RESEARCH—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 91-0301-0-1-506	2007 actual	2008 est.	2009 est.
00.13 Helen Keller National Center	9	8	8
00.14 National Institute on Disability and Rehabilitation Research	107	106	106
00.15 Assistive technology	30	30	25
01.00 Total direct program	3,242	3,275	3,218
09.01 Reimbursable program	2	2	2
10.00 Total new obligations	3,244	3,277	3,220
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	3,244	3,279	3,221
23.95 Total new obligations	-3,244	-3,277	-3,220
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	405	410	244
40.33 Appropriation permanently reduced (P.L. 110-161)		-7	
43.00 Appropriation (total discretionary)	405	403	244
58.00 Spending authority from offsetting collections: Offsetting collections (cash)	2	2	2
Mandatory:			
60.00 Appropriation	2,837	2,874	2,975
70.00 Total new budget authority (gross)	3,244	3,279	3,221
Change in obligated balances:			
72.40 Obligated balance, start of year	1,396	1,430	1,102
73.10 Total new obligations	3,244	3,277	3,220
73.20 Total outlays (gross)	-3,177	-3,605	-3,260
73.40 Adjustments in expired accounts (net)	-33		
74.40 Obligated balance, end of year	1,430	1,102	1,062
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	77	283	172
86.93 Outlays from discretionary balances	334	406	143
86.97 Outlays from new mandatory authority	1,966	2,012	2,082
86.98 Outlays from mandatory balances	800	904	863
87.00 Total outlays (gross)	3,177	3,605	3,260
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-2	-2	-2
Net budget authority and outlays:			
89.00 Budget authority	3,242	3,277	3,219
90.00 Outlays	3,175	3,603	3,258

Vocational rehabilitation State grants.—The basic State grants program provides Federal matching funds to State vocational rehabilitation (VR) agencies to assist individuals with physical or mental impairments to become gainfully employed. Services are tailored to the specific needs of the individual. Priority is given to serving those with the most significant disabilities. Current law requires that between 1.0 percent and 1.5 percent of the funds appropriated for the VR State grants program be set aside for Grants for Indians.

The program performance measures for this program are based on State VR agency performance indicators developed pursuant to Section 106 of the Rehabilitation Act. One of these indicators measures the percentage of general and combined State VR agencies that assist at least 55.8 percent of individuals receiving services to achieve an employment outcome. In 2006, 82 percent of the agencies met this performance criterion. Another indicator measures the percentage of general and combined State VR agencies that assist at least 85 percent of individuals with employment outcomes to achieve competitive employment. In 2006, 96 percent of general and combined agencies met this performance criterion. These outcome data are based on the approximately 352,140 individuals whose service records were closed in 2006 after receiving services.

The 2009 Budget reflects a multi-year Administration effort to reform job training programs, target resources to programs with documented effectiveness, and eliminate funding for duplicative and overlapping programs. Consistent with this crosscutting reform, the budget eliminates funding for three programs (Supported Employment State Grants, Projects with Industry, and the Migrant and Seasonal Farmworkers program). The services provided by these programs can continue to be provided by the larger Vocational Rehabilitation State Grants program.

Client assistance State grants.—Formula grants are made to States to provide assistance in informing and advising clients and applicants of benefits available under the Rehabilitation Act and, if requested, to pursue legal or administrative remedies to ensure the protection of the rights of individuals with disabilities.

Training.—Grants are made to States and public or non-profit agencies and organizations, including institutions of higher education, to increase the number of skilled personnel available for employment in the field of rehabilitation and to upgrade the skills of those already employed.

Demonstration and training programs.—Grants are made for programs that expand and improve the provision of rehabilitation services or that further the purposes of the Rehabilitation Act.

Protection and advocacy of individual rights.—Formula grants are made to State protection and advocacy systems to protect the legal and human rights of individuals with disabilities.

Independent living.—Grants are awarded to States and non-profit agencies to assist individuals with significant disabilities in their achievement of self-determined independent living goals. Grants are also awarded to provide support services to older blind individuals to increase their ability to care for their own needs.

Program improvement.—Funds are used to promote broad-based planning and coordination, improve accountability, and enhance the Department's ability to address critical areas of national significance in achieving the goals of the Rehabilitation Act. Examples of program improvement activities include technical assistance, dissemination, and performance measurement activities.

Evaluation.—Studies are conducted to evaluate the impact and effectiveness of various programs authorized under the Rehabilitation Act.

Helen Keller National Center for Deaf-Blind Youths and Adults.—The Center provides services to deaf-blind youths and adults and provides training and technical assistance to professional and allied personnel at its national headquarters center and through its regional representatives and affiliate agencies.

National Institute on Disability and Rehabilitation Research.—The Institute carries out a comprehensive and coordinated program of rehabilitation research and related activities. Through grants and contracts, it supports the conduct and dissemination of research and development aimed at improving the lives of individuals with disabilities. The Institute also promotes the development and utilization of new technologies to assist these individuals in achieving greater independence and integration into society.

Assistive technology.—Formula grants are made to States to implement comprehensive Statewide programs designed to maximize the ability of individuals with disabilities of all ages to obtain assistive technology. States conduct activities that include alternative financing programs, device reutilization programs, device loan programs, and device demonstrations. Funds also support national technical assistance activities.

Object Classification (in millions of dollars)

Identification code 91-0301-0-1-506	2007 actual	2008 est.	2009 est.
Direct obligations:			
25.1 Advisory and assistance services	8	10	10
25.2 Other services	2	1	1
41.0 Grants, subsidies, and contributions	3,232	3,264	3,207
99.0 Direct obligations	3,242	3,275	3,218
99.0 Reimbursable obligations	2	2	2
99.9 Total new obligations	3,244	3,277	3,220

00.01 Operations	56	58	58
00.02 Construction		2	1
10.00 Total new obligations (object class 41.0)	56	60	59

Budgetary resources available for obligation:

22.00 New budget authority (gross)	56	60	59
23.95 Total new obligations	-56	-60	-59

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	56	61	59
40.33 Appropriation permanently reduced (P.L. 110-161)		-1	
43.00 Appropriation (total discretionary)	56	60	59

Change in obligated balances:

72.40 Obligated balance, start of year		2	5
73.10 Total new obligations	56	60	59
73.20 Total outlays (gross)	-58	-55	-59
74.40 Obligated balance, end of year		5	5

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	56	55	55
86.93 Outlays from discretionary balances	2		4
87.00 Total outlays (gross)	58	55	59

Net budget authority and outlays:

89.00 Budget authority	56	60	59
90.00 Outlays	58	55	59

SPECIAL INSTITUTIONS FOR PERSONS WITH DISABILITIES

AMERICAN PRINTING HOUSE FOR THE BLIND

For carrying out the Act of March 3, 1879, **[\$22,000,000]** \$21,616,000. (Department of Education Appropriations Act, 2008.)

Program and Financing (in millions of dollars)

Identification code 91-0600-0-1-501	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Direct program activity	18	22	22
10.00 Total new obligations (object class 41.0)	18	22	22
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	18	22	22
23.95 Total new obligations	-18	-22	-22
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	18	22	22
Change in obligated balances:			
72.40 Obligated balance, start of year	4	4	4
73.10 Total new obligations	18	22	22
73.20 Total outlays (gross)	-18	-22	-22
74.40 Obligated balance, end of year	4	4	4
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	14	21	21
86.93 Outlays from discretionary balances	4	1	1
87.00 Total outlays (gross)	18	22	22
Net budget authority and outlays:			
89.00 Budget authority	18	22	22
90.00 Outlays	18	22	22

This residential program provides postsecondary technical and professional education for people who are deaf to prepare them for employment, provides training, and conducts applied research into employment-related aspects of deafness. In 2007, the Federal appropriation represented 79 percent of the Institute's operating budget. The request includes funds for a variety of construction projects. The request also includes funds for the Endowment Grant program.

GALLAUDET UNIVERSITY

For the Kendall Demonstration Elementary School, the Model Secondary School for the Deaf, and the partial support of Gallaudet University under titles I and II of the Education of the Deaf Act of 1986, **[\$115,400,000]** \$119,384,000, of which \$6,000,000 shall be for construction and shall remain available until expended: Provided, That from the total amount available, the University may at its discretion use funds for the endowment program as authorized under section 207. (Department of Education Appropriations Act, 2008.)

Program and Financing (in millions of dollars)

Identification code 91-0602-0-1-502	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Operations	107	113	113
00.02 Construction			6
10.00 Total new obligations (object class 41.0)	107	113	119
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	107	113	119
23.95 Total new obligations	-107	-113	-119
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	107	115	119
40.33 Appropriation permanently reduced (P.L. 110-161)		-2	
43.00 Appropriation (total discretionary)	107	113	119
Change in obligated balances:			
72.40 Obligated balance, start of year			7
73.10 Total new obligations	107	113	119
73.20 Total outlays (gross)	-107	-106	-114
74.40 Obligated balance, end of year		7	12

The Federal appropriation supports: the production and distribution of free educational materials for students below the college level who are blind, research related to developing and improving products, and advisory services to consumer organizations on the availability and use of materials. In 2007, the portion of the Federal appropriation allocated to educational materials represented approximately 64.2 percent of the Printing House's total sales. The full appropriation represented approximately 66.4 percent of the Printing House's total budget.

NATIONAL TECHNICAL INSTITUTE FOR THE DEAF

For the National Technical Institute for the Deaf under titles I and II of the Education of the Deaf Act of 1986, **[\$60,757,000]** \$59,195,000, of which **[\$1,705,000]** \$1,175,000 shall be for construction and shall remain available until expended: Provided, That from the total amount available, the Institute may at its discretion use funds for the endowment program as authorized under section 207 of such Act. (Department of Education Appropriations Act, 2008.)

Program and Financing (in millions of dollars)

Identification code 91-0601-0-1-502	2007 actual	2008 est.	2009 est.
Obligations by program activity:			

GALLAUDET UNIVERSITY—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 91-0602-0-1-502	2007 actual	2008 est.	2009 est.
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	107	106	107
86.93 Outlays from discretionary balances			7
87.00 Total outlays (gross)	107	106	114
Net budget authority and outlays:			
89.00 Budget authority	107	113	119
90.00 Outlays	107	106	114

This institution provides undergraduate and continuing education programs for persons who are deaf, and graduate programs related to deafness for students who are deaf and students who are hearing. The University also conducts basic and applied research and provides public service programs for persons who are deaf and persons who work with them.

Gallaudet operates two elementary and secondary education programs on the main campus of the University. The Kendall Demonstration Elementary School serves students who are deaf from infancy through age 15, and the Model Secondary School for the Deaf (MSSD) serves high school age students who are deaf. Both schools also develop and disseminate information on effective educational techniques and strategies for teachers and professionals working with students who are deaf or hard of hearing.

In 2007, the appropriation for Gallaudet represented 61.0 percent of the total revenue for university-level programs and 97.8 percent of the revenue related to the elementary and secondary schools. In addition, the University receives other Federal funds such as student financial aid, vocational rehabilitation, Endowment Grant program income, and competitive grants and contracts. The request includes \$6,000,000 for construction related to a soil stabilization problem affecting the MSSD dormitories and classroom building. The request also includes funds for the Endowment Grant program.

OFFICE OF VOCATIONAL AND ADULT EDUCATION

Federal Funds

CAREER, TECHNICAL, AND ADULT EDUCATION

For carrying out, to the extent not otherwise provided, [the Carl D. Perkins Career and Technical Education Act of 2006,] the Adult Education and Family Literacy Act, [subpart 4 of part D of title V of the Elementary and Secondary Education Act of 1965 ("ESEA") and title VIII-D of the Higher Education Amendments of 1998, \$1,976,166,000, of which \$4,077,000] \$574,590,000, which shall become available on [October 1, 2007 and remain available until September 30, 2009, of which \$1,181,089,000 shall become available on] July 1, [2008] 2009, and shall remain available through September 30, [2009, and of which \$791,000,000 shall become available on October 1, 2008, and shall remain available through September 30, 2009] 2010: *Provided*, That of the amount provided for Adult Education State Grants, \$67,896,000 shall be made available for integrated English literacy and civics education services to immigrants and other limited English proficient populations: *Provided further*, That of the amount reserved for integrated English literacy and civics education, notwithstanding section 211 of the Adult Education and Family Literacy Act, 65 percent shall be allocated to States based on a State's absolute need as determined by calculating each State's share of a 10-year average of the United States Citizenship and Immigration Services data for immigrants admitted for legal permanent residence for the 10 most recent years, and 35 percent allocated to States that experienced growth as measured by the average of the 3 most recent years for which United States Citizenship and Immigration Services data for immigrants admitted for legal permanent residence are available, except that no State shall be allocated an amount less than \$60,000: *Provided further*, That of the amounts made avail-

able for the Adult Education and Family Literacy Act, [\$7,000,000] \$14,000,000 shall be for national leadership activities under section 243 and [\$6,583,000] \$6,468,000 shall be for the National Institute for Literacy under section 242 .[: *Provided further*, That \$81,532,000 shall be available to support the activities authorized under subpart 4 of part D of title V of the ESEA, of which up to 5 percent shall become available October 1, 2007, and shall remain available through September 30, 2009, for evaluation, technical assistance, school networks, peer review of applications, and program outreach activities, and of which not less than 95 percent shall become available on July 1, 2008, and remain available through September 30, 2009, for grants to local educational agencies: *Provided further*, That funds made available to local educational agencies under this subpart shall be used only for activities related to establishing smaller learning communities within large high schools or small high schools that provide alternatives for students enrolled in large high schools]. (*Department of Education Appropriations Act, 2008.*)

Program and Financing (in millions of dollars)

Identification code 91-0400-0-1-501	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 State grants	1,181	1,164	791
00.02 National programs	9	18	
00.04 Tech prep education State grants	104	103	
00.91 Total, Career and technical education	1,294	1,285	791
01.01 State grants	564	565	554
01.02 National leadership activities	10	15	14
01.03 National Institute for Literacy	6	13	7
01.91 Total, adult education	580	593	575
02.01 Smaller learning communities	94	174	
03.01 State grants for incarcerated youth offenders	23	22	
10.00 Total new obligations	1,991	2,074	1,366
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	131	132	
22.00 New budget authority (gross)	1,992	1,942	1,366
23.90 Total budgetary resources available for obligation	2,123	2,074	1,366
23.95 Total new obligations	-1,991	-2,074	-1,366
24.40 Unobligated balance carried forward, end of year	132		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,201	1,185	575
40.33 Appropriation permanently reduced (P.L. 110-161)		-34	
43.00 Appropriation (total discretionary)	1,201	1,151	575
55.00 Advance appropriation from prior year	791	791	791
70.00 Total new budget authority (gross)	1,992	1,942	1,366
Change in obligated balances:			
72.40 Obligated balance, start of year	1,762	1,792	1,739
73.10 Total new obligations	1,991	2,074	1,366
73.20 Total outlays (gross)	-1,956	-2,127	-1,877
73.40 Adjustments in expired accounts (net)	-5		
74.40 Obligated balance, end of year	1,792	1,739	1,228
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	620	651	583
86.93 Outlays from discretionary balances	1,336	1,476	1,294
87.00 Total outlays (gross)	1,956	2,127	1,877
Net budget authority and outlays:			
89.00 Budget authority	1,992	1,942	1,366
90.00 Outlays	1,956	2,127	1,877

Adult education:

State programs.—Funds support formula grants to States to help eliminate functional illiteracy among the Nation's adults, to assist adults in obtaining a high school diploma or its equivalent, and to promote family literacy. A portion of the funds is reserved for formula grants to States to pro-

vide English literacy and civics education for immigrants and other limited English proficient adults.

National Institute for Literacy.—Funds support the Institute’s national leadership activities to improve and expand the Nation’s system for delivery of literacy services.

National leadership activities.—Funds support discretionary activities to evaluate the effectiveness of Federal, State, and local adult education programs, and to test and demonstrate methods of improving program quality.

Object Classification (in millions of dollars)

Identification code 91-0400-0-1-501	2007 actual	2008 est.	2009 est.
Direct obligations:			
11.3 Personnel compensation: Other than full-time permanent	1	1	1
25.1 Advisory and assistance services	1	6	2
25.2 Other services	6	12	16
25.5 Research and development contracts	11	5	.....
41.0 Grants, subsidies, and contributions	1,970	2,048	1,345
99.0 Direct obligations	1,989	2,072	1,364
99.5 Below reporting threshold	2	2	2
99.9 Total new obligations	1,991	2,074	1,366

Employment Summary

Identification code 91-0400-0-1-501	2007 actual	2008 est.	2009 est.
Direct:			
1001 Civilian full-time equivalent employment	14	16	16

OFFICE OF POSTSECONDARY EDUCATION

Federal Funds

HIGHER EDUCATION

For carrying out, to the extent not otherwise provided, titles [II,] III, IV, V, VI, and VII of the Higher Education Act of 1965 (“HEA”), [section 1543 of the Higher Education Amendments of 1992,] the Mutual Educational and Cultural Exchange Act of 1961, [title VIII of the Higher Education Amendments of 1998, part I of subtitle A of title VI of the America COMPETES Act, and section 117 of the Carl D. Perkins Career and Technical Education Act of 2006,] and subtitle C of title VI of the America COMPETES Act, [\$2,057,801,000] \$1,733,684,000: Provided, That [\$9,699,000] \$9,844,000, to remain available through September 30, [2009] 2010, shall be available to fund fellowships for academic year [2009–2010] 2010–2011 under subpart 1 of part A of title VII of the HEA, under the terms and conditions of such subpart 1: Provided further, That [\$620,000] \$1,609,000 is for data collection and evaluation activities for programs under the HEA, including such activities needed to comply with the Government Performance and Results Act of 1993: Provided further, That notwithstanding any other provision of law, funds made available in this Act to carry out title VI of the HEA and section 102(b)(6) of the Mutual Educational and Cultural Exchange Act of 1961 may be used to support visits and study in foreign countries by individuals who are participating in advanced foreign language training and international studies in areas that are vital to United States national security and who plan to apply their language skills and knowledge of these countries in the fields of government, the professions, or international development: Provided further, That of the funds referred to in the preceding proviso up to 1 percent may be used for program evaluation, national outreach, and information dissemination activities[: Provided further, That the funds provided for title II of the HEA shall be allocated notwithstanding section 210 of such Act: Provided further, That \$100,668,000 of the funds for part B of title VII of the Higher Education Act of 1965 shall be available for the projects and in the amounts specified in the explanatory statement described in section 4 (in the matter preceding division A of this consolidated Act)]. (Department of Education Appropriations Act, 2008.)

Program and Financing (in millions of dollars)

Identification code 91-0201-0-1-502	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Strengthening institutions	79	78	78
00.02 Strengthening tribally controlled colleges and universities	24	53	30
00.03 Strengthening Alaska Native and Native Hawaiian-serving institutions	12	26	15
00.04 Strengthening historically black colleges and universities	238	323	238
00.05 Strengthening historically black graduate institutions	58	57	57
00.06 Minority science and engineering improvement	9	9	9
00.07 Strengthening predominantly Black institutions .....	.....	15	15
00.08 Strengthening Asian American and Native American Pacific Islander-serving institutions .....	.....	5	5
00.09 Strengthening Native American-serving nontribal institutions .....	.....	5	5
00.91 Subtotal, aid for institutional development	420	571	452
Other aid for institutions:			
01.01 Developing Hispanic-serving institutions	95	193	174
01.02 International education and foreign language studies	106	109	110
01.03 Fund for the Improvement of Postsecondary Education	22	120	37
01.04 Demonstration projects to ensure quality higher education for students with disabilities	7	7	.....
01.05 Interest subsidy grants	1	1	.....
01.06 Tribally controlled postsecondary vocational and technical institutions	7	8	.....
01.91 Subtotal, other aid for institutions	238	438	321
Assistance for students:			
02.01 Federal TRIO programs	828	885	885
02.02 Gaining early awareness and readiness for undergraduate programs (GEAR UP)	303	303	303
02.03 Byrd honors scholarships	40	40	.....
02.04 Javits fellowships	10	10	10
02.05 Graduate assistance in areas of national need	30	29	33
02.06 Thurgood Marshall legal educational opportunity	3	3	.....
02.07 B.J. Stupak Olympic scholarships	1	1	.....
02.08 Child care access means parents in school	16	16	16
02.91 Subtotal, assistance for students	1,231	1,287	1,247
03.01 Teachers for a competitive tomorrow .....	.....	2	.....
03.02 Teacher quality enhancement	60	34	.....
03.03 GPRA data/HEA program evaluation	1	1	2
03.04 Underground railroad program	2	2	.....
03.05 Advancing America through foreign language partnerships .....	.....	24	.....
03.06 College access challenge grant program .....	.....	66	66
03.07 Hurricane aid for postsecondary institutions	30	.....	.....
03.91 Subtotal, other higher education activities	93	105	92
10.00 Total new obligations	1,982	2,401	2,112
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	14	13	12
22.00 New budget authority (gross)	1,981	2,400	2,112
23.90 Total budgetary resources available for obligation	1,995	2,413	2,124
23.95 Total new obligations	-1,982	-2,401	-2,112
24.40 Unobligated balance carried forward, end of year	13	12	12
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,981	2,058	1,734
40.33 Appropriation permanently reduced (P.L. 110-161) .....	.....	-36	.....
43.00 Appropriation (total discretionary)	1,981	2,022	1,734
Mandatory:			
60.00 Appropriation .....	.....	378	378
70.00 Total new budget authority (gross)	1,981	2,400	2,112
Change in obligated balances:			
72.40 Obligated balance, start of year	2,746	2,719	3,028
73.10 Total new obligations	1,982	2,401	2,112
73.20 Total outlays (gross)	-1,951	-2,092	-2,318
73.40 Adjustments in expired accounts (net)	-58	.....	.....
74.40 Obligated balance, end of year	2,719	3,028	2,822
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	46	101	87

HIGHER EDUCATION—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 91-0201-0-1-502	2007 actual	2008 est.	2009 est.
86.93 Outlays from discretionary balances	1,905	1,972	1,955
86.97 Outlays from new mandatory authority		19	19
86.98 Outlays from mandatory balances			257
87.00 Total outlays (gross)	1,951	2,092	2,318
Net budget authority and outlays:			
89.00 Budget authority	1,981	2,400	2,112
90.00 Outlays	1,951	2,092	2,318

Aid for institutional development:

Strengthening institutions.—Funds support planning and development grants for improving academic programs and financial management at schools that enroll high proportions of disadvantaged students and have low per-student expenditures.

Strengthening tribally controlled colleges and universities.—Mandatory (College Cost Reduction and Access Act) funds support grants to American Indian tribally controlled colleges and universities with scarce resources to enable them to improve and expand their capacity to serve Indian students.

Strengthening Alaska Native and Native Hawaiian-serving institutions.—Mandatory (College Cost Reduction and Access Act) funds support Alaska Native and Native Hawaiian-serving institutions to enable them to improve and expand their capacity to serve Alaska Native and Native Hawaiian students.

Strengthening historically Black colleges and universities.—Discretionary and mandatory (College Cost Reduction and Access Act) funds support grants to help historically Black undergraduate institutions to improve and expand their capacity to serve students, and to strengthen management and fiscal operations.

Strengthening historically Black graduate institutions.—Funds support grants to help historically Black graduate institutions to improve and expand their capacity to serve students, and to strengthen management and fiscal operations.

Minority science and engineering improvement.—Funds support grants to predominantly minority institutions to help them make long-range improvements in science and engineering education and to increase the participation of minorities in scientific and technological careers.

Strengthening predominantly Black institutions.—Mandatory (College Cost Reduction and Access Act) funds support grants to predominantly Black institutions for programs in any of the following areas: science, technology, engineering, or mathematics; health education; internationalization or globalization; teacher preparation; or improving educational outcomes of African American males.

Strengthening Asian American and Native American Pacific Islander-serving institutions.—Mandatory (College Cost Reduction and Access Act) funds support grants to help Asian American and Native American Pacific Islander-serving institutions to improve and expand their capacity to serve students, and to strengthen management and fiscal operations.

Strengthening Native American-serving nontribal institutions.—Mandatory (College Cost Reduction and Access Act) funds support grants to help Native American-serving nontribal institutions to improve and expand their capacity to serve Native American students.

Other aid for institutions:

Developing Hispanic-serving institutions.—Discretionary funds support Hispanic-serving institutions to enable them to improve and expand their capacity to serve students. Mandatory (College Cost Reduction and Access Act) funds provide additional support for activities to increase the number of Hispanic and other low income students attaining degrees

in the fields of science, technology, engineering, or mathematics (STEM); and to develop model transfer and articulation agreements between 2-year Hispanic-serving institutions and 4-year institutions in STEM fields.

International education and foreign language studies programs.—Funds promote the development and improvement of domestic and overseas international and foreign language programs, and an Institute for International Public Policy.

Fund for the improvement of postsecondary education.—Funds support a broad range of postsecondary reform and improvement projects, as well as international consortia programs.

Interest subsidy grants.—Balances from prior year appropriations meet mandatory interest subsidy costs of construction loan commitments made prior to 1974.

Assistance for students:

Federal TRIO programs.—Discretionary funds support postsecondary education outreach and student support services to help individuals from disadvantaged backgrounds prepare for, enter, and complete college and graduate studies. Mandatory (College Cost Reduction and Access Act) funds provide additional support for the TRIO Upward Bound program.

Gaining early awareness and readiness for undergraduate programs.—Funds support early college preparation and awareness activities at the State and local levels to ensure that low-income elementary and secondary school students are prepared for and pursue postsecondary education.

Javits fellowships.—Funds support fellowships to students of superior ability who have financial need and who are pursuing doctoral degrees in the arts, humanities, and social sciences.

Graduate assistance in areas of national need.—Funds support fellowships to graduate students of superior ability who have financial need for study in areas of national need.

Child care access means parents in school.—Funds support a program designed to bolster the participation of low-income parents in postsecondary education through the provision of campus-based child care services.

Other activities:

GPRA data/HEA program evaluation.—Funds support data collection and evaluation activities for programs under the Higher Education Act of 1965, including such activities needed to comply with the Government Performance and Results Act of 1993.

Advancing America through foreign language partnerships.—Funds support an initiative to establish fully articulated language programs of study in languages critical to U.S. national security through grants to institutions of higher education for partnerships with school districts for language learning from kindergarten through high school and into advanced language learning at the postsecondary education level.

College access challenge grant program.—Mandatory (College Cost Reduction and Access Act) funds support partnerships among Federal, State and local government entities, and philanthropic organizations through matching challenge grants aimed at increasing the number of underrepresented students who enter and remain in postsecondary education.

Object Classification (in millions of dollars)

Identification code 91-0201-0-1-502	2007 actual	2008 est.	2009 est.
Direct obligations:			
25.1 Advisory and assistance services	4	4	5
25.2 Other services	4	8	6
25.3 Other purchases of goods and services from Government accounts	2	2	2
25.7 Operation and maintenance of equipment	1	1	1
41.0 Grants, subsidies, and contributions	1,971	2,386	2,098
99.9 Total new obligations	1,982	2,401	2,112

HOWARD UNIVERSITY

For partial support of Howard University, **[\$237,392,000]** \$233,245,000, of which not less than **[\$3,526,000]** \$3,600,000 shall be for a matching endowment grant pursuant to the Howard University Endowment Act (Public Law 98-480) and shall remain available until expended. (Department of Education Appropriations Act, 2008.)

Program and Financing (in millions of dollars)

Identification code 91-0603-0-1-502	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 General support	215	204	204
00.02 Howard University Hospital	29	29	29
10.00 Total new obligations (object class 41.0)	244	233	233
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	11	4	4
22.00 New budget authority (gross)	237	233	233
23.90 Total budgetary resources available for obligation	248	237	237
23.95 Total new obligations	-244	-233	-233
24.40 Unobligated balance carried forward, end of year	4	4	4
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	237	237	233
40.33 Appropriation permanently reduced (P.L. 110-161)		-4	
41.00 Transferred to other accounts	-4		
42.00 Transferred from other accounts	4		
43.00 Appropriation (total discretionary)	237	233	233
Change in obligated balances:			
72.40 Obligated balance, start of year			10
73.10 Total new obligations	244	233	233
73.20 Total outlays (gross)	-244	-223	-233
74.40 Obligated balance, end of year		10	10
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	233	219	219
86.93 Outlays from discretionary balances	11	4	14
87.00 Total outlays (gross)	244	223	233
Net budget authority and outlays:			
89.00 Budget authority	237	233	233
90.00 Outlays	244	223	233

Howard University is a private, nonprofit educational institution consisting of 12 schools and colleges. Federal funds are used to provide partial support for university programs as well as for the teaching hospital facilities. In 2007, Federal funding represented approximately 50 percent of the university's revenue.

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, **[\$481,000]** \$461,000.

HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING PROGRAM ACCOUNT

Notwithstanding the limitations contained in section 344(a) of the Higher Education Act of 1965, the aggregate principal amount of outstanding bonds insured under the Historically Black College and University Capital Financing Program is authorized to equal but not exceed \$725,000,000, which may be used for loans to public and private historically Black colleges and universities without regard to paragraphs (1) and (2) of section 344(a).

For the cost of guaranteed loans, \$10,000,000, as authorized pursuant to title III, Part D of the Higher Education Act of 1965: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed

\$100,000,000. In addition, for administrative expenses to carry out the Historically Black College and University Capital Financing Program entered into pursuant to part D of title III of the Higher Education Act of 1965, **[\$188,000]** \$354,000. (Department of Education Appropriations Act, 2008.)

Program and Financing (in millions of dollars)

Identification code 91-0241-0-1-502	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Direct loan subsidy	304		10
00.05 Reestimates of direct loan subsidy	11	2	
00.06 Interest on reestimates of direct loan subsidy	3	16	
00.09 Federal administration	1	1	1
10.00 Total new obligations	319	19	11
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	319	19	11
23.95 Total new obligations	-319	-19	-11
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	305	1	11
Mandatory:			
60.00 Appropriation	14	18	
70.00 Total new budget authority (gross)	319	19	11
Change in obligated balances:			
73.10 Total new obligations	319	19	11
73.20 Total outlays (gross)	-319	-19	-11
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	305	1	11
86.97 Outlays from new mandatory authority	14	18	
87.00 Total outlays (gross)	319	19	11
Net budget authority and outlays:			
89.00 Budget authority	319	19	11
90.00 Outlays	319	19	11

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 91-0241-0-1-502	2007 actual	2008 est.	2009 est.
Direct loan levels supportable by subsidy budget authority:			
115002 Historically Black Colleges and Universities	67		61
115003 HBCU Hurricane Supplemental	400		
115999 Total direct loan levels	467		61
Direct loan subsidy (in percent):			
132002 Historically Black Colleges and Universities	0.00	0.00	16.31
132003 HBCU Hurricane Supplemental	76.14	0.00	0.00
132999 Weighted average subsidy rate	65.22	0.00	16.31
Direct loan subsidy budget authority:			
133002 Historically Black Colleges and Universities			10
133003 HBCU Hurricane Supplemental	304		
133999 Total subsidy budget authority	304		10
Direct loan subsidy outlays:			
134002 Historically Black Colleges and Universities			10
134003 HBCU Hurricane Supplemental	304		
134999 Total subsidy outlays	304		10
Direct loan upward reestimates:			
135002 Historically Black Colleges and Universities	14	2	
135003 HBCU Hurricane Supplemental		16	
135999 Total upward reestimate budget authority	14	18	
Direct loan downward reestimates:			
137001 College housing and academic facilities loans		-2	
137002 Historically Black Colleges and Universities		-1	
137003 HBCU Hurricane Supplemental		-17	
137999 Total downward reestimate budget authority		-20	
Administrative expense data:			
3510 Budget authority	1	1	1
3590 Outlays from new authority	1	1	1

HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING PROGRAM ACCOUNT—Continued

As required by the Federal Credit Reform Act of 1990, this account records the subsidy costs associated with the direct loans obligated and loan guarantees committed in 1992 and beyond, as well as any administrative expenses for the College Housing and Academic Facilities Loans Program and the Historically Black College and University Capital Financing Program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis. These programs are administered separately but consolidated in the President's budget for presentation purposes.

College Housing and Academic Facilities Loans Program.—Funds for this activity pay the Federal costs for administering the College Housing and Academic Facilities Loans (CHAFL), College Housing Loans (CHL), and Higher Education Facilities Loans (HEFL) programs. Prior to 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 remain through 2030.

Historically Black College and University Capital Financing Program.—The Historically Black College and University (HBCU) Capital Financing Program provides HBCUs with access to capital financing for the repair, renovation, and construction of classrooms, libraries, laboratories, dormitories, instructional equipment, and research instrumentation. The Higher Education Amendments of 1992 granted the Department authority to enter into insurance agreements with a private for-profit Designated Bonding Authority to guarantee no more than \$375,000,000 in outstanding principal and unpaid accrued interest combined. The bonding authority issues the loans and maintains an escrow account in which five percent of each institution's principal is deposited. The program has now surpassed the statutory loan cap. The Administration's proposal for fiscal year 2009 would increase the loan cap to \$725 million. Analysis has shown that the program can no longer be operated as a zero subsidy program. As a result, the Administration's proposal would include \$10 million in loan subsidy, allowing the program to guarantee an estimated \$61 million in new loans in fiscal year 2009. The Administration will work with the Designated Bonding Authority to target available loan authority at those HBCUs whose financial status restricts their access to traditional sources of capital financing, such as bank loans and bond financing. The Administration is committed to working with Congress to identify and implement any legislative changes as necessary to target the new loan authority in this manner. In addition, the Administration's proposal provides increased funds for Federal administrative activities. These additional funds will allow the Department to expand the technical assistance activities that it provides to HBCUs to increase their financial stability and knowledge.

Object Classification (in millions of dollars)				
Identification code 91-0241-0-1-502	2007 actual	2008 est.	2009 est.	
41.0 Direct obligations: Grants, subsidies, and contributions	318	18	10	
99.5 Below reporting threshold	1	1	1	
99.9 Total new obligations	319	19	11	

Employment Summary				
Identification code 91-0241-0-1-502	2007 actual	2008 est.	2009 est.	
Direct:				
1001 Civilian full-time equivalent employment	4	4	4	

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)				
Identification code 91-4252-0-3-502	2007 actual	2008 est.	2009 est.	
Obligations by program activity:				
00.02 Interest paid to Treasury	1	1	1	
08.04 Payment of interest on downward reestimates to receipt account		2		
10.00 Total new obligations	1	3	1	
Budgetary resources available for obligation:				
22.00 New financing authority (gross)	1	3	1	
23.95 Total new obligations	-1	-3	-1	
New financing authority (gross), detail:				
Mandatory:				
Spending authority from offsetting collections:				
69.00 Offsetting collections (cash)	4	2	2	
69.47 Portion applied to repay debt	-3	1	-1	
69.90 Spending authority from offsetting collections (total mandatory)	1	3	1	
Change in obligated balances:				
73.10 Total new obligations	1	3	1	
73.20 Total financing disbursements (gross)	-1	-3	-1	
Outlays (gross), detail:				
87.00 Total financing disbursements (gross)	1	3	1	
Offsets:				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00 Federal sources			-1	
88.40 Interest repayments	-1	-1	-1	
88.40 Principal repayments	-3	-1	-1	
88.90 Total, offsetting collections (cash)	-4	-2	-2	
Net financing authority and financing disbursements:				
89.00 Financing authority	-3	1	-1	
90.00 Financing disbursements	-3	1	-1	

Status of Direct Loans (in millions of dollars)				
Identification code 91-4252-0-3-502	2007 actual	2008 est.	2009 est.	
Cumulative balance of direct loans outstanding:				
1210 Outstanding, start of year	18	15	15	
1251 Repayments: Repayments and prepayments	-3			
1290 Outstanding, end of year	15	15	15	

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in fiscal years 1992 and 1993. The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)				
Identification code 91-4252-0-3-502	2006 actual	2007 actual		
ASSETS:				
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross		19	16	
1402 Interest receivable		1		
1405 Allowance for subsidy cost (-)		-3	-3	
1499 Net present value of assets related to direct loans		17	13	
1999 Total assets		17	13	
LIABILITIES:				
2103 Federal liabilities: Debt		17	13	
2999 Total liabilities		17	13	
4999 Total liabilities and net position		17	13	

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 91-0242-0-1-502	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.02 Interest paid to Treasury	7	7	7
10.00 Total new obligations (object class 43.0)	7	7	7
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1		
22.00 New budget authority (gross)	7	7	7
22.40 Capital transfer to general fund	-1		
23.90 Total budgetary resources available for obligation	7	7	7
23.95 Total new obligations	-7	-7	-7
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	2	2	2
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	41	28	27
69.27 Capital transfer to general fund	-27	-20	-19
69.47 Portion applied to repay debt	-9	-3	-3
69.90 Spending authority from offsetting collections (total mandatory)	5	5	5
70.00 Total new budget authority (gross)	7	7	7
Change in obligated balances:			
72.40 Obligated balance, start of year	1	1	1
73.10 Total new obligations	7	7	7
73.20 Total outlays (gross)	-7	-7	-7
74.40 Obligated balance, end of year	1	1	1
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	7	7	7
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.40 Repayments of principal	-32	-19	-19
88.40 Interest received on loans	-9	-9	-8
88.90 Total, offsetting collections (cash)	-41	-28	-27
Net budget authority and outlays:			
89.00 Budget authority	-34	-21	-20
90.00 Outlays	-34	-21	-20

Status of Direct Loans (in millions of dollars)

Identification code 91-0242-0-1-502	2007 actual	2008 est.	2009 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	248	216	213
1251 Repayments: Repayments and prepayments	-32	-3	-3
1290 Outstanding, end of year	216	213	210

As required by the Federal Credit Reform Act of 1990, the College Housing and Academic Facilities Loans Liquidating Account records all cash flows to and from the Government resulting from direct loans obligated prior to 1992. This account includes loans made under the College Housing and Academic Facilities Loans, College Housing Loans, and Higher Education Facilities Loans programs, which continue to be administered separately.

Balance Sheet (in millions of dollars)

Identification code 91-0242-0-1-502	2006 actual	2007 actual
ASSETS:		
1601 Direct loans, gross	255	216
1602 Interest receivable	6	5
1699 Value of assets related to direct loans	261	221

1999 Total assets	261	221
LIABILITIES:		
Federal liabilities:		
2103 Debt	76	67
2104 Resources payable to Treasury	185	154
2999 Total liabilities	261	221
4999 Total liabilities and net position	261	221

HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 91-4255-0-3-502	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Direct loan awards	467		61
00.02 Interest paid to Treasury	7	10	11
00.91 Direct Program by Activities—Subtotal (1 level)	474	10	72
08.02 Payment of downward reestimate		18	
10.00 Total new obligations	474	28	72
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		319	
22.00 New financing authority (gross)	793	28	83
22.60 Portion applied to repay debt		-319	-4
23.90 Total budgetary resources available for obligation	793	28	79
23.95 Total new obligations	-474	-28	-72
24.40 Unobligated balance carried forward, end of year	319		7
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	467		61
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	337	37	35
69.47 Portion applied to repay debt	-11	-9	-13
69.90 Spending authority from offsetting collections (total mandatory)	326	28	22
70.00 Total new financing authority (gross)	793	28	83
Change in obligated balances:			
72.40 Obligated balance, start of year	11	308	135
73.10 Total new obligations	474	28	72
73.20 Total financing disbursements (gross)	-177	-201	-159
74.40 Obligated balance, end of year	308	135	48
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	177	201	159
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-319	-18	-10
88.40 Interest repayments	-7	-10	-12
88.40 Principal repayments	-11	-9	-13
88.90 Total, offsetting collections (cash)	-337	-37	-35
Net financing authority and financing disbursements:			
89.00 Financing authority	456	-9	48
90.00 Financing disbursements	-160	164	124

Status of Direct Loans (in millions of dollars)

Identification code 91-4255-0-3-502	2007 actual	2008 est.	2009 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	216		100
1142 Unobligated direct loan limitation (-)	251		-39
1150 Total direct loan obligations	467		61
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	155	314	497

HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING
DIRECT LOAN FINANCING ACCOUNT—Continued

Status of Direct Loans (in millions of dollars)—Continued

Identification code 91-4255-0-3-502	2007 actual	2008 est.	2009 est.
1231 Disbursements: Direct loan disbursements	170	192	147
1251 Repayments: Repayments and prepayments	-11	-9	-13
1290 Outstanding, end of year	314	497	631

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Federal Government resulting from direct loans obligated in fiscal year 1996 and beyond. The Federal Financing Bank (FFB) purchases bonds issued by the HBCU Designated Bonding Authority. Under the policies governing Federal credit programs, bonds purchased by the FFB and supported by the Department of Education with a letter of credit create the equivalent of a Federal direct loan. HBCU bonds are also available for purchase by the private sector, and these will be treated as loan guarantees. However, the Department anticipates that all HBCU loans will be financed by the FFB. The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 91-4255-0-3-502	2006 actual	2007 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	22	319
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	155	314
1402 Interest receivable	3	5
1499 Net present value of assets related to direct loans	158	319
1999 Total assets	180	638
LIABILITIES:		
Federal liabilities:		
2102 Interest payable	3	5
2103 Debt	155	314
2201 Non-Federal liabilities: Undisbursed direct loans	22	319
2999 Total liabilities	180	638
4999 Total liabilities and net position	180	638

OFFICE OF FEDERAL STUDENT AID

Federal Funds

STUDENT FINANCIAL ASSISTANCE

(INCLUDING [RESCISSION] CANCELLATION)

For carrying out [subparts] subpart 1[, 3, and 4] of part A and[,] part C [and part E] of title IV of the Higher Education Act of 1965, [\$16,114,317,000] \$17,831,551,000, which shall remain available through September 30, [2009] 2010.

The maximum Pell Grant for which a student shall be eligible during award year [2008-2009] 2009-2010 shall be [\$4,241] \$4,310.

Of the unobligated funds available under section 401A(e)(1)(C) of the Higher Education Act of 1965, [\$525,000,000] \$652,000,000 are [rescinded] hereby permanently cancelled. (Department of Education Appropriations Act, 2008.)

Program and Financing (in millions of dollars)

Identification code 91-0200-0-1-502	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
01.01 Federal Pell grants	14,357	15,412	15,671
02.01 Federal supplemental educational opportunity grants (SEOG)	772	759	
02.02 Federal work-study	985	982	980
02.04 Federal Perkins loans: Loan cancellations	65	64	
02.91 Campus-based activities—Subtotal (1 level)	1,822	1,805	980

03.01 Leveraging educational assistance partnership	65	64	
10.00 Total new obligations (object class 41.0)	16,244	17,281	16,651

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	2,693	2,190	3,031
22.00 New budget authority (gross)	15,542	18,122	19,922
22.10 Resources available from recoveries of prior year obligations	423		
23.90 Total budgetary resources available for obligation	18,658	20,312	22,953
23.95 Total new obligations	-16,244	-17,281	-16,651
23.98 Unobligated balance expiring or withdrawn	-224		
24.40 Unobligated balance carried forward, end of year	2,190	3,031	6,302

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	15,542	16,114	17,832
40.33 Appropriation permanently reduced (P.L. 110-161)		-33	
43.00 Appropriation (total discretionary)	15,542	16,081	17,832
Mandatory:			
60.00 Appropriation		2,041	2,090
70.00 Total new budget authority (gross)	15,542	18,122	19,922

Change in obligated balances:

72.40 Obligated balance, start of year	8,723	9,559	9,993
73.10 Total new obligations	16,244	17,281	16,651
73.20 Total outlays (gross)	-14,927	-16,847	-18,620
73.40 Adjustments in expired accounts (net)	-58		
73.45 Recoveries of prior year obligations	-423		
74.40 Obligated balance, end of year	9,559	9,993	8,024

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	4,112	4,731	5,246
86.93 Outlays from discretionary balances	10,815	11,554	11,348
86.97 Outlays from new mandatory authority		559	564
86.98 Outlays from mandatory balances		3	1,462
87.00 Total outlays (gross)	14,927	16,847	18,620

Net budget authority and outlays:

89.00 Budget authority	15,542	18,122	19,922
90.00 Outlays	14,927	16,847	18,620

Status of Direct Loans (in millions of dollars)

Identification code 91-0200-0-1-502	2007 actual	2008 est.	2009 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	322	313	304
1251 Repayments: Repayments and prepayments	-25	-25	-24
Write-offs for default:			
1263 Direct loans	-14	-13	-13
1264 Other adjustments, net (+ or -)	30	29	28
1290 Outstanding, end of year	313	304	295

Notes: Figures include, in all years, institutional matching share of defaulted notes assigned from institutions to the Education Department.

Funding from the Student Financial Assistance account and related matching funds would provide nearly 6.6 million awards totaling over \$19.4 billion in available aid in award year 2009-2010.

Federal Pell Grants.—Pell Grants are the single largest source of grant aid for postsecondary education. Funding for this program is provided from two sources: discretionary appropriations and, beginning in fiscal year 2008, mandatory funding authorized under the College Cost Reduction and Access Act of 2007. In 2008, more than 5.7 million undergraduates will receive up to \$4,241 from discretionary funding and an additional \$490 from mandatory funds to help pay for postsecondary education. Undergraduate students establish eligibility for these grants under award and need determination rules set out in the authorizing statute and the annual appropriations act.

Federal Work Study.—Federal funds are awarded by formula to qualifying institutions, which provide part-time jobs

to eligible undergraduate and graduate students. Hourly earnings under this program must be at least equal to the Federal minimum wage. Federal funding in most cases pays 75 percent of a student's hourly wages, with the remaining 25 percent paid by the employer. The Federal Work-Study program also requires participating institutions to use at least seven percent of the total funds granted to compensate students employed in community service jobs. The 2009 Budget includes \$980 million for Work-Study, which would generate \$1.2 million in new aid to nearly 800,000 students.

Funding tables.—The following tables display student aid funds available, the number of aid awards, average awards, and the unduplicated count of recipients from any Federal student aid program. The tables include aid from programs in the Student Financial Assistance account, as well as aid from the Academic Competitiveness/SMART Grant, TEACH Grant, Federal Family Education Loan, William D. Ford Direct Student Loan, and proposed Loans for Short-Term Training programs. Loan amounts reflect the capital actually loaned, not the Federal cost of these loans. The data in these tables include matching funds wherever appropriate. The 2009 data in these tables reflect the Administration's legislative proposals.

AID FUNDS AVAILABLE FOR POSTSECONDARY EDUCATION AND TRAINING

	[in thousands]		
	2007	2008	2009
Pell grants	14,381,860	16,428,110	18,180,180
Academic competitiveness grants	350,000	440,000	490,000
SMART grants	230,000	260,000	270,000
TEACH grants	0	86,000	114,000
Student loans:			
Guaranteed student loans:			
Stafford loans	21,712,624	24,049,531	24,866,360
Unsubsidized Stafford loans	21,400,361	23,384,163	24,696,064
PLUS	8,206,854	8,808,082	9,745,297
Direct student loans:			
Stafford loans	5,780,587	6,247,573	6,453,401
Unsubsidized Stafford loans	4,918,136	5,307,183	5,597,101
PLUS	2,323,383	2,548,716	2,816,018
Consolidation:			
FFEL	46,940,683	33,939,925	38,862,640
Direct Loans	3,484,288	4,116,185	4,425,596
Perkins loans	1,104,497	1,103,398	0
Loans for short-term training	0	0	362,593
Student loans, subtotal	115,871,414	109,504,756	117,825,070
Work study	1,171,225	1,171,395	1,171,395
Supplemental educational opportunity grants	975,865	958,816	0
Leveraging educational assistance partnerships	164,961	161,555	0
Total aid available	133,145,324	129,010,631	138,050,645

NUMBER OF AID AWARDS

	[in thousands]		
	2007	2008	2009
Pell grants	5,428	5,578	5,764
Academic competitiveness grants	456	559	643
SMART grants	72	79	85
TEACH grants	0	31	41
Guaranteed student loans—Stafford loans	6,044	6,458	6,653
Guaranteed student loans—Unsubsidized Stafford loans	4,715	4,988	5,218
Guaranteed student loans—PLUS	760	790	831
Guaranteed student loans—Consolidation	1,672	1,144	1,264
Direct student loans—Stafford loans	1,477	1,526	1,571
Direct student loans—Unsubsidized Stafford loans	1,052	1,086	1,133
Direct student loans—PLUS	235	245	257
Direct student loans—Consolidation	151	176	187
Perkins loans	504	504	0
Loans for short-term training	0	0	377
Work-study	792	793	793
Supplemental educational opportunity grants	1,227	1,255	0
Leveraging educational assistance partnerships	165	162	0
Total awards	24,801	25,372	24,816

AVERAGE AID AWARDS

	[in whole dollars]		
	2007	2008	2009
Pell grants	2,650	2,945	3,154

Academic competitiveness grants	768	787	762
SMART grants	3,194	3,291	3,176
TEACH grants	0	2,774	2,780
Guaranteed student loans—Stafford loans	3,592	3,724	3,738
Guaranteed student loans—Unsubsidized Stafford loans	4,538	4,688	4,733
Guaranteed student loans—PLUS	10,798	11,152	11,726
Guaranteed student loans—Consolidation	28,072	29,667	30,752
Direct student loans—Stafford loans	3,914	4,093	4,109
Direct student loans—Unsubsidized Stafford loans	4,673	4,887	4,939
Direct student loans—PLUS	9,895	10,410	10,943
Direct student loans—Consolidation	23,074	23,396	23,697
Perkins loans	2,190	2,190	0
Loans for short-term training	0	0	962
Work-study	1,478	1,478	1,478
Supplemental educational opportunity grants	764	764	0
Leveraging educational assistance partnerships	1,000	1,000	0

NUMBER OF STUDENTS AIDED

	[in thousands]		
Unduplicated student count	10,075	10,560	10,857

ADMINISTRATIVE PAYMENTS TO INSTITUTIONS

	[in thousands of dollars]		
	2006	2007	2008
Pell grants	27,140	27,890	28,820
Work-study	73,267	73,277	73,277
Supplemental educational opportunity grants	39,035	38,353	0
Perkins loans	44,180	44,136	0

ACADEMIC COMPETITIVENESS/SMART GRANT PROGRAM

Program and Financing (in millions of dollars)

Identification code 91-0205-0-1-502	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 ACG/SMART Grants	1,024	352	730
10.00 Total new obligations (object class 41.0)	1,024	352	730
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	850	395	308
22.10 Resources available from recoveries of prior year obligations		45	
22.30 Expired unobligated balance transfer to unexpired account	743	569	657
23.90 Total budgetary resources available for obligation	1,593	1,009	965
23.95 Total new obligations	-1,024	-352	-730
23.98 Unobligated balance expiring or withdrawn	-569	-657	-235
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation			-652
Mandatory:			
60.00 Appropriation	850	920	960
60.35 Appropriation permanently reduced (H.R. 2764)		-525	
62.50 Appropriation (total mandatory)	850	395	960
70.00 Total new budget authority (gross)	850	395	308
Change in obligated balances:			
72.40 Obligated balance, start of year	3	578	286
73.10 Total new obligations	1,024	352	730
73.20 Total outlays (gross)	-449	-599	-705
73.45 Recoveries of prior year obligations		-45	
74.40 Obligated balance, end of year	578	286	311
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	446	70	76
86.98 Outlays from mandatory balances	3	529	629
87.00 Total outlays (gross)	449	599	705
Net budget authority and outlays:			
89.00 Budget authority	850	395	308
90.00 Outlays	449	599	705

These need-based programs provide grants to U.S. citizens who attend school on a full-time basis. Students receiving

ACADEMIC COMPETITIVENESS/SMART GRANT PROGRAM—Continued

grants must be eligible to receive a Pell Grant and, for second-, third-, and fourth-year students, must maintain at least a 3.0 grade point average.

Academic Competitiveness Grants (ACG). These grants are awarded to first-year and second-year students who have completed a rigorous course of study in high school. Grant levels are \$750 for first-year students and \$1,300 for second-year students.

Science and Mathematics Access to Retain Talent (SMART) Grants. These grants are awarded to third-year and fourth-year students pursuing a major in mathematics, science, or a foreign language deemed critical to national security. Grant levels are \$4,000 for both third- and fourth-year students.

Taken together with other Federal student aid, grants cannot exceed a student's cost of attendance. Program funding in excess of the amount needed to fund grants in a given year can be carried over for use in subsequent years; if the mandatory funding level is insufficient to fund program grants, grant levels are reduced.

In 2009, the Administration proposes to rescind \$652 million in unobligated balances. Remaining balances are sufficient to meet estimated demand in these programs through the 2010–2011 academic year, when the authorizing statute specifies the program will sunset.

TEACH GRANT PROGRAM ACCOUNT

Program and Financing (in millions of dollars)

Identification code 91–0206–0–1–502	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 TEACH Grant subsidy		7	14
10.00 Total new obligations (object class 41.0)		7	14
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		7	14
23.95 Total new obligations		–7	–14
24.40 Unobligated balance carried forward, end of year			
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation		7	14
Change in obligated balances:			
72.40 Obligated balance, start of year			4
73.10 Total new obligations		7	14
73.20 Total outlays (gross)		–3	–11
74.40 Obligated balance, end of year		4	7
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority		3	8
86.98 Outlays from mandatory balances			3
87.00 Total outlays (gross)		3	11
Net budget authority and outlays:			
89.00 Budget authority		7	14
90.00 Outlays		3	11

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 91–0206–0–1–502	2007 actual	2008 est.	2009 est.
Direct loan levels supportable by subsidy budget authority:			
115001 TEACH Grants		57	105
115999 Total direct loan levels		57	105
Direct loan subsidy (in percent):			
132001 TEACH Grants		13.03	13.05
132999 Weighted average subsidy rate		13.03	13.05

Direct loan subsidy budget authority:			
133001 TEACH Grants		7	14
133999 Total subsidy budget authority		7	14
Direct loan subsidy outlays:			
134001 TEACH Grants		3	11
134999 Total subsidy outlays		3	11

The TEACH grant program, authorized by the College Cost Reduction and Access Act of 2007, awards annual grants of up to \$4,000 to full- or part-time undergraduate and graduate students who agree to teach mathematics, science, foreign languages, bilingual education, or special education, or reading at a high-poverty school for not less than four years within eight years of graduating. The program will begin awarding grants in the 2008–2009 award year. Students must have a grade point average of 3.25 or higher to be eligible to receive a grant. Students who fail to fulfill the service requirements must repay the grants, including interest accrued from the time of award.

Because TEACH grants turn into loans in cases where the service requirements are not fulfilled, for budget and accounting purposes the program is operated consistent with the requirements of the Federal Credit Reform Act of 1990. This program account records subsidy costs reflecting the net present value of the estimated lifetime Federal program costs for grants awarded in a given fiscal year. Under this approach the subsidy cost reflects the cost of grant awards net of expected future repayments for grants that are converted to loans. This treatment will be reexamined for the 2010 Budget, following a review of program implementation and the completion of final program regulations a different approach may ultimately be deemed more appropriate.

TEACH GRANT FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 91–4290–0–3–502	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 TEACH Grants		57	105
00.02 Interest payments to Treasury		1	4
10.00 Total new obligations		58	109
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year			3
22.00 New financing authority (gross)		61	120
22.60 Portion applied to repay debt			–3
23.90 Total budgetary resources available for obligation		61	120
23.95 Total new obligations		–58	–109
24.40 Unobligated balance carried forward, end of year		3	11
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow		57	105
69.00 Spending authority from offsetting collections: Offsetting collections (cash)		4	15
70.00 Total new financing authority (gross)		61	120
Change in obligated balances:			
72.40 Obligated balance, start of year			27
73.10 Total new obligations		58	109
73.20 Total financing disbursements (gross)		–31	–100
74.40 Obligated balance, end of year		27	36
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)		31	100
Offsets:			
Against gross financing authority and financing disbursements:			

Offsetting collections (cash) from:			
88.00	Federal sources	-3	-11
88.40	Non-Federal sources	-1	-4
88.90	Total, offsetting collections (cash)	-4	-15
Net financing authority and financing disbursements:			
89.00	Financing authority	57	105
90.00	Financing disbursements	27	85

Status of Direct Loans (in millions of dollars)

Identification code 91-4290-0-3-502	2007 actual	2008 est.	2009 est.
Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans		
1131	Direct loan obligations exempt from limitation	57	105
1150	Total direct loan obligations	57	105
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year		29
1231	Disbursements: Direct loan disbursements	30	96
1251	Repayments: Repayments and prepayments	-1	-4
1261	Adjustments: Capitalized interest		
1264	Write-offs for default: Other adjustments, net (+ or -)		
1290	Outstanding, end of year	29	121

As required by the Federal Credit Reform Act of 1990, this nonbudgetary account records all cash flows to and from the Government resulting from the TEACH Grant program. Amounts in this account are a means of financing and are not included in the budget totals.

PERKINS LOAN ASSETS

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 91-0219-4-1-502	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
01.01	Institutional Share of Perkins Collections		240
10.00	Total new obligations (object class 41.0)		240
Budgetary resources available for obligation:			
22.00	New budget authority (gross)		240
23.95	Total new obligations		-240
New budget authority (gross), detail:			
Mandatory:			
Spending authority from offsetting collections:			
69.00	Offsetting collections (cash)		1,356
69.27	Capital transfer to general fund		-1,116
69.90	Spending authority from offsetting collections (total mandatory)		240
Change in obligated balances:			
73.10	Total new obligations		240
73.20	Total outlays (gross)		-240
Outlays (gross), detail:			
86.97	Outlays from new mandatory authority		240
Offsets:			
Against gross budget authority and outlays:			
88.40	Offsetting collections (cash) from: Non-Federal sources		-1,356
Net budget authority and outlays:			
89.00	Budget authority		-1,116
90.00	Outlays		-1,116

Status of Direct Loans (in millions of dollars)

Identification code 91-0219-4-1-502	2007 actual	2008 est.	2009 est.
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year		
1251	Repayments: Repayments and prepayments		-756
Write-offs for default:			
1263	Direct loans		-54
1264	Other adjustments, net (+ or -)		8,200
1290	Outstanding, end of year		7,390

The 2009 Budget proposes to eliminate the Perkins Loan program and to recall the entire Federal portion of revolving funds held by participating institutions. The program is duplicative of the larger and more broadly available Federal Family Education Loan and Federal Direct Student Loan programs. The Perkins Loan account records amounts recalled from Perkins Loan institutions and subsequent repayments on outstanding Perkins Loans, as well as reimbursements of institutional funds to participating schools.

STUDENT AID ADMINISTRATION

For Federal administrative expenses to carry out part D of title I, and subparts 1, 3, and 4 of part A, and parts B, C, D, and E of title IV of the Higher Education Act of 1965, **[\$708,216,000]** \$714,000,000, which shall remain available until expended. (*Department of Education Appropriations Act, 2008.*)

Program and Financing (in millions of dollars)

Identification code 91-0202-0-1-502	2007 actual	2008 est.	2009 est.	
Obligations by program activity:				
00.01	Student aid administration	718	696	714
10.00	Total new obligations	718	696	714
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	718	696	714
23.95	Total new obligations	-718	-696	-714
24.40	Unobligated balance carried forward, end of year			
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	720	708	714
40.33	Appropriation permanently reduced (P.L. 110-161)		-12	
40.35	Appropriation permanently reduced	-1		
41.00	Transferred to other accounts	-1		
43.00	Appropriation (total discretionary)	718	696	714
Change in obligated balances:				
72.40	Obligated balance, start of year	44	333	400
73.10	Total new obligations	718	696	714
73.20	Total outlays (gross)	-429	-629	-688
74.40	Obligated balance, end of year	333	400	426
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	394	401	412
86.93	Outlays from discretionary balances	35	228	276
87.00	Total outlays (gross)	429	629	688
Net budget authority and outlays:				
89.00	Budget authority	718	696	714
90.00	Outlays	429	629	688

The Department of Education manages Federal student aid programs that will provide \$138 billion in Federal student aid grants and loans to 10.9 million students and parents in 2009. Primary responsibility for administering these programs lies with the Office of Postsecondary Education and the performance-based Federal Student Aid (FSA), which are both overseen by the Office of the Under Secretary. FSA was created by Congress in 1998 with a mandate to improve

STUDENT AID ADMINISTRATION—Continued

service to students and other student aid program participants, reduce student aid administration costs, and improve accountability and program integrity.

The 2009 Budget includes \$714 million for student aid administration. Most of these funds support systems maintained by private contractors to process student aid applications; provide and track aid awards to students, parents, and schools; and service the over-\$100 billion portfolio of William D. Ford Direct Student Loans.

Consistent with the 2008 Budget, the Department of Education and the Internal Revenue Service are continuing the implementation of a process to verify students' (and their parents') income, tax and certain household information appearing on their income tax return that they provided as part of their application for Federal student aid. This process is part of ongoing efforts to ensure students receive the correct amount of Federal student aid, and is a key component of the Administration's efforts to reduce erroneous payments government-wide.

Object Classification (in millions of dollars)

Identification code 91-0202-0-1-502	2007 actual	2008 est.	2009 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	94	108	111
11.3 Other than full-time permanent	4		
11.5 Other personnel compensation	2	2	2
11.9 Total personnel compensation	100	110	113
12.1 Civilian personnel benefits	25	29	30
21.0 Travel and transportation of persons	3	4	5
23.1 Rental payments to GSA	15	15	16
23.3 Communications, utilities, and miscellaneous charges	7	4	6
24.0 Printing and reproduction	7	8	8
25.1 Advisory and assistance services	6	5	4
25.2 Other services	36	50	53
25.3 Other purchases of goods and services from Government accounts	11	12	12
25.7 Operation and maintenance of equipment	503	456	464
26.0 Supplies and materials	1	1	1
31.0 Equipment	4	1	1
32.0 Land and structures		1	1
99.9 Total new obligations	718	696	714

Employment Summary

Identification code 91-0202-0-1-502	2007 actual	2008 est.	2009 est.
Direct:			
1001 Civilian full-time equivalent employment	1,050	1,140	1,140

FEDERAL STUDENT LOAN RESERVE FUND

Program and Financing (in millions of dollars)

Identification code 91-4257-0-3-502	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
01.02 Obligations, non-federal	7,978	9,162	9,674
10.00 Total new obligations (object class 42.0)	7,978	9,162	9,674
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	579	1,105	1,247
22.00 New budget authority (gross)	8,517	9,304	9,843
22.40 Capital transfer to general fund	-13		
23.90 Total budgetary resources available for obligation	9,083	10,409	11,090
23.95 Total new obligations	-7,978	-9,162	-9,674
24.40 Unobligated balance carried forward, end of year	1,105	1,247	1,416

New budget authority (gross), detail:

Mandatory:
Spending authority from offsetting collections:

69.00	Offsetting collections (cash)	8,771	9,304	9,843
69.27	Capital transfer to general fund	-254		
69.90	Spending authority from offsetting collections (total mandatory)	8,517	9,304	9,843
Change in obligated balances:				
73.10	Total new obligations	7,978	9,162	9,674
73.20	Total outlays (gross)	-7,978	-9,162	-9,673
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	7,966	9,304	9,843
86.98	Outlays from mandatory balances	12	-142	-170
87.00	Total outlays (gross)	7,978	9,162	9,673
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-7,966	-8,630	-9,118
88.40	Non-Federal sources	-805	-674	-725
88.90	Total, offsetting collections (cash)	-8,771	-9,304	-9,843
Net budget authority and outlays:				
89.00	Budget authority	-254		
90.00	Outlays	-793	-142	-170

The Higher Education Amendments of 1998 clarified that reserve funds held by public and non-profit guaranty agencies participating in the Federal Family Education Loan (FFEL) program are Federal property. These reserves are used to pay default claims from FFEL lenders and fees to support agency efforts to avert defaults. The Federal Government reimburses these reserves for default claim payments.

The following schedule reflects the balances in these guaranty agency funds. During 2008, OMB, Treasury and the Department will continue an ongoing review of the budgetary and financial presentation of these funds in the context of relevant laws and guidance.

Balance Sheet (in millions of dollars)

Identification code 91-4257-0-3-502	2006 actual	2007 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	579	1,105
1999 Total assets	579	1,105
NET POSITION:		
3300 Cumulative results of operations	579	1,105
3999 Total net position	579	1,105
4999 Total liabilities and net position	579	1,105

FEDERAL DIRECT STUDENT LOAN PROGRAM PROGRAM ACCOUNT

Program and Financing (in millions of dollars)

Identification code 91-0243-0-1-502	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Direct Loan Subsidy	265	256	385
00.03 Subsidy modification, upward		4,143	
00.05 Upward Reestimate	3,614	885	
00.06 Interest on Upward Reestimate	1,088	273	
00.09 Administrative expenses	4		
10.00 Total new obligations	4,971	5,557	385
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	28	28	3
22.00 New budget authority (gross)	4,967	5,532	385
22.10 Resources available from recoveries of prior year obligations	4		
23.90 Total budgetary resources available for obligation	4,999	5,560	388
23.95 Total new obligations	-4,971	-5,557	-385
24.40 Unobligated balance carried forward, end of year	28	3	3

New budget authority (gross), detail:			
Mandatory:			
60.00	Appropriation (indefinite)—loan subsidy	265	256 385
60.00	Appropriation—upward modification		4,143
60.00	Appropriation (indefinite)—Upward reestimate	4,702	1,158
60.36	Unobligated balance permanently reduced		-25
62.50	Appropriation (total mandatory)	4,967	5,532 385
Change in obligated balances:			
72.40	Obligated balance, start of year	517	70 18
73.10	Total new obligations	4,971	5,557 385
73.20	Total outlays (gross)	-5,391	-5,609 -402
73.40	Adjustments in expired accounts (net)	-23	
73.45	Recoveries of prior year obligations	-4	
74.40	Obligated balance, end of year	70	18 1
Outlays (gross), detail:			
86.93	Outlays from discretionary balances	212	52 17
86.97	Outlays from new mandatory authority	4,967	5,557 385
86.98	Outlays from mandatory balances	212	
87.00	Total outlays (gross)	5,391	5,609 402
Net budget authority and outlays:			
89.00	Budget authority	4,967	5,532 385
90.00	Outlays	5,391	5,609 402

Summary of Budget Authority and Outlays

(in millions of dollars)

	2007 actual	2008 est.	2009 est.
Enacted/requested:			
Budget Authority	4,967	5,532	385
Outlays	5,391	5,609	402
Legislative proposal, subject to PAYGO:			
Budget Authority			-56
Outlays			-56
Total:			
Budget Authority	4,967	5,532	329
Outlays	5,391	5,609	346

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 91-0243-0-1-502	2007 actual	2008 est.	2009 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Stafford	6,235	6,946	7,174
115002 Unsubsidized Stafford	5,562	6,047	6,378
115003 PLUS	2,560	2,701	2,984
115004 Consolidation	4,493	4,197	4,512
115999 Total direct loan levels	18,850	19,891	21,048
Direct loan subsidy (in percent):			
132001 Stafford	10.11	9.74	10.92
132002 Unsubsidized Stafford	-7.84	-10.31	-9.82
132003 PLUS	-8.13	-11.75	-11.75
132004 Consolidation	6.05	9.88	11.03
132999 Weighted average subsidy rate	1.37	0.76	1.44
Direct loan subsidy budget authority:			
133001 Stafford	630	609	705
133002 Unsubsidized Stafford	-436	-547	-550
133003 PLUS	-208	-300	-331
133004 Consolidation	272	407	488
133999 Total subsidy budget authority	258	169	312
Direct loan subsidy outlays:			
134001 Stafford	570	588	681
134002 Unsubsidized Stafford	-374	-485	-553
134003 PLUS	-175	-262	-318
134004 Consolidation	274	405	488
134999 Total subsidy outlays	295	246	298
Direct loan upward reestimates:			
135001 Stafford	382		
135002 Unsubsidized Stafford	732		
135003 PLUS	166		
135004 Consolidation	3,571		
135005 Federal Direct Student Loan Reestimates		1,158	
135999 Total upward reestimate budget authority	4,851	1,158	
Direct loan downward reestimates:			

137001 Stafford	-157	
137002 Unsubsidized Stafford	-45	
137003 PLUS	-61	
137004 Consolidation	-870	
137005 Federal Direct Student Loan Reestimates		-574
137999 Total downward reestimate budget authority	-1,133	-574

The Federal Government operates two major student loan programs: the Federal Family Education Loan (FFEL) program and the William D. Ford Federal Direct Loan (Direct Loan) program. For 2009, the President is committed to improving the efficiency of both programs and allowing institutions of higher education to choose which of these two programs best meets their needs and the needs of their students.

This summary section outlines the structure of these two programs, highlights their differences and similarities, and provides text tables displaying program cost data; loan volume, subsidy, default, and interest rates; and other descriptive information. This section also concludes with a comprehensive discussion of the Administration's policy proposals for the Federal student financial aid programs.

From its inception in 1965 through 2007, the FFEL program has provided \$735 billion in loans to postsecondary students and their parents. Since July 1, 1994, the Direct Loan program has provided \$194 billion in new and consolidation loans to students and parents. Taken together, the FFEL and Direct Loan programs will make over \$70 billion in new loans available in 2008. Because funding for these two programs is provided on a permanent indefinite basis, for budget purposes they are considered separately from other Federal student financial assistance programs. The FFEL and Direct Loan programs should be viewed in combination with these other programs, however, as part of the overall Federal effort to expand access to higher education.

Loan capital in the FFEL program is provided by private lenders. State and private nonprofit guaranty agencies act as agents of the Federal Government, providing a variety of services including collection of some defaulted loans, default avoidance activities, and counseling to schools, students, and lenders. The Government provides substantial payments to these guaranty agencies. The Government also pays interest subsidies to lenders for certain borrowers, as well as most costs associated with loan defaults and other write-offs.

The Direct Loan program was created by the Student Loan Reform Act of 1993. Under this program, the Federal Government provides loan funds to postsecondary institutions directly. The Direct Loan program began operation in academic year 1994-1995 with 7 percent of overall loan volume and is expected to account for 20 percent in academic year 2008-2009. All eligible institutions are free to participate in either the Direct Loan or FFEL program.

The Direct Loan and FFEL programs share many basic elements. Each program offers four types of loans: Stafford, Unsubsidized Stafford, PLUS, and Consolidation. Evidence of financial need is required for a student to receive a subsidized Stafford loan. The other three loan programs are available to borrowers at all income levels. Loans can be used only to meet qualified educational expenses.

For Stafford Loans made on or after July 1, 2006, and before July 1, 2008, the borrower interest rate is fixed at 6.8 percent. The College Cost Reduction and Access Act of 2007 (CCRAA) included a phased interest rate reduction for new Stafford Loans, with fixed rates dropping to 6.0 percent on July 1, 2008, 5.6 percent on July 1, 2009, 4.5 percent on July 1, 2010, and 3.4 percent on July 1, 2011. Rates for new loans originated on or after July 1, 2012, return to 6.8 percent. For most loans made immediately prior to July 1, 2006, the borrower interest rate equals the 91-day Treasury bill rate plus 1.7 percent during in-school, grace, and deferment periods, and the 91-day Treasury bill plus

FEDERAL DIRECT STUDENT LOAN PROGRAM PROGRAM ACCOUNT—
Continued

2.3 percent at all other times, with a cap of 8.25 percent, adjusted annually. Interest payments for these loans are fully subsidized by the Government while a student is in school and during grace and deferment periods. Unsubsidized Stafford loans generally carry the same borrower interest rate as Stafford loans, but have no interest subsidy. (Borrower interest rates on new Unsubsidized Stafford loans were not reduced under the CCRAA, and so will remain at a fixed 6.8 percent.) For most PLUS loans made prior to July 1, 2006, the borrower interest rate equals the 91-day Treasury bill rate plus 3.1 percent, with a cap of 9 percent and no interest subsidy. The fixed borrower interest rate on PLUS loans made on or after July 1, 2006, is 7.9 percent for Direct Loans and 8.5 percent for FFEL.

In the FFEL program, lenders may receive an interest subsidy, called a special allowance, from the Government to ensure a guaranteed rate of return on their loans. Special allowance payments vary by loan type, are determined quarterly, and are based on current borrower interest rates and market-yield formulas. For periods when the borrower interest rate exceeds the special allowance rate on loans made on or after April 1, 2006, lenders remit the difference to the government. The CCRAA reduced special allowance rates and created separate subsidy levels for for-profit and not-for-profit loan holders. For Stafford and Unsubsidized Stafford loans made on or after October 1, 2007, for example, the Federal Government must pay lenders a special allowance if the average 3-month commercial paper rate for a given quarter plus 1.79 percent for for-profit holders or 1.94 percent for not-for-profit holders is higher than the current interest rate charged to borrowers. The CCRAA also reduced the guarantee percentage paid to lenders on most defaults from 97 percent to 95 percent of unpaid loan principal. The Administration will closely monitor the effects of the CCRAA's provisions to ensure they do not cause unintended consequences, increase taxpayer costs, or upset the vital competitive balance between the Federal Family Education Loan and Direct Loan programs.

Consolidation loans allow borrowers to combine loans made under Title IV of the Higher Education Act—FFEL, Direct Loans, and Perkins Loans as well as some loans made under the Public Health Service Act. The interest rate for new FFEL and Direct Consolidation loans equals the weighted average of the interest rate on the loans consolidated, rounded up to the nearest one-eighth of one percent. Lenders may choose to offer a lower rate. Interest rates for all new FFEL and Direct Consolidation Loans are capped at 8.25 percent.

FFEL borrowers pay an origination fee to the Government equal to 3 percent of principal, and are also liable for a guaranty agency insurance premium of up to 1 percent of principal. Guaranty agencies and lenders have the option of paying some or all of a student borrower's insurance premium and origination fee. Direct Loan borrowers are charged an origination fee equal to 3 percent of principal. The Higher Education Reconciliation Act of 2005 included phased reductions that eliminate FFEL origination fees by July 1, 2010, and lower Direct Loan fees to 1 percent by the same date; the Act also required guaranty agencies to collect the insurance premium. Borrowers in both programs may be offered financial incentives to encourage prompt repayment.

Loan limits are also identical across the two programs. Loans made under both programs are discharged when borrowers die, are totally and permanently disabled, or, under some circumstances, declare bankruptcy.

Under both programs, new borrowers after October 1, 1998, who are employed as teachers in schools serving low-income populations for five consecutive, complete school years, qualify for up to \$5,000 in loan forgiveness; this benefit is increased to \$17,500 for mathematics, science, and special education

teachers considered highly qualified under criteria established in the No Child Left Behind Act of 2001. In addition, the CCRAA created a new loan forgiveness program for public-sector employees under which qualifying borrowers who have worked for 10 years while making payments on their student loan will have any remaining loan balance forgiven. This new benefit is only available in the Direct Loan program, though FFEL borrowers may access the benefit by taking out a Direct Consolidation Loan. Under the CCRAA, loan forgiveness for public-sector employees is available for all borrowers, regardless of when they took out their loans; the Budget proposes to limit eligibility to new loans originated on or after July 1, 2009. The five-year savings from this proposal are \$1.464 billion.

Borrowers under Direct Loans may choose from among five repayment plans including income-contingent repayment ("pay-as-you-can"), under which annual repayment amounts vary based on the income of the borrower and the amount borrowed, and payments can be made over 25 years. Borrowers may switch between repayment plans at any time. (Income-contingent repayment is not available to Direct PLUS borrowers). FFEL borrowers may choose from among four repayment plans. Repayment periods under standard, graduated, and income-sensitive repayment may not exceed 10 years. An extended repayment plan of up to 25 years is available for new borrowers with outstanding loans totalling more than \$30,000. FFEL borrowers may change repayment plans annually. The CCRAA created a new partial economic hardship deferment that allows qualifying student borrowers in both programs to choose an income-based repayment plan under which Stafford Loan interest payment are paid by the Federal Government for up to three years and outstanding balances are forgiven after 25 years in repayment. The interest subsidy is also available for the Stafford Loan portion of Consolidation Loans. The Budget proposes to eliminate the interest subsidy under the income-based plan, as similar subsidies are already available through economic hardship and unemployment deferments. The five-year savings from this proposal are \$457 million.

The CCRAA created a pilot program under which the rights to originate PLUS loans to parents in each state will be determined through a competitive auction. The two lowest bidders in each state will win the exclusive right to originate new PLUS loans at institutions in that State beginning on July 1, 2009. New auctions will be held every two years.

The following tables display performance indicators and program data; including projected overall Direct Loan and FFEL costs; loan volume, number of loans, and average loan amount; descriptive data, and program activity assuming passage of the President's budget and legislative request.

Federal Budget Authority and Outlays

(in thousands of dollars)

	2007	2008	2009
Program Cost:			
FFEL:			
Liquidating ¹	(491,770)	(615,033)	(553,095)
Program:			
Regular	4,098,489	2,704,947	3,292,800
Consolidation	2,751,609	(1,628,520)	(885,537)
Net Reestimate of Prior Year Costs	(3,159,611)	989,951	0
Net Modification ²	0	(2,464,349)	0
Subtotal, Program	3,690,487	(397,971)	2,407,263
Total FFEL	3,198,717	(1,013,004)	1,854,168
Direct Loans:			
Program:			
Regular	(1,702)	(148,678)	(110,959)
Consolidation	266,315	404,237	439,629
Net Reestimate of Prior Year Costs	3,717,563	584,519	0
Net Modification ²	0	4,143,273	(1,591,034)
Total, Direct Loans	3,982,176	4,983,351	(1,262,364)

Total, FFEL and Direct Loans	7,180,893	3,970,347	591,804
Program Cost Outlays:			
FFEL:			
Liquidating ¹	(661,436)	(615,033)	(553,095)
Program:			
Regular	3,620,193	2,731,020	2,702,822
Consolidation	2,759,604	(1,592,035)	(885,365)
Net Reestimate of Prior Year Costs	(3,159,611)	989,951	0
Net Modification ²	0	(2,464,349)	0
Subtotal, Program	3,220,186	(335,413)	1,817,457
Total, FFEL	2,558,750	(950,446)	1,264,362
Direct Loans:			
Program:			
Regular	21,300	405,168	442,072
Consolidation	273,493	(159,302)	(200,413)
Net Reestimate of Prior Year Costs	3,717,563	584,519	0
Net Modification ²	0	4,143,273	0
Total, Direct Loans	4,012,356	4,973,658	(1,349,375)
Total, FFEL and Direct Loans	6,571,106	4,023,212	(85,013)

¹ Liquidating account reflects loans made prior to 1992.
² Reflects the cost or savings associated with policy changes, including those contained in the College Cost Reduction and Access Act of 2007, that would affect the terms of existing loans.

Summary of Loans Available

(net commitments in millions of dollars)¹

	2007 actual	2008 est.	2009 est.
FFEL:			
Stafford	21,713	24,050	24,866
Unsubsidized Stafford	24,400	23,384	24,696
PLUS	8,207	8,808	9,745
Subtotal	51,320	56,242	59,308
Consolidation	46,941	33,940	38,863
Total, FFEL	98,261	90,182	98,170
Direct Loans:			
Stafford	5,781	6,248	6,453
Unsubsidized Stafford	4,918	5,307	5,597
PLUS	2,323	2,549	2,816
Subtotal	13,022	14,103	14,867
Consolidation	3,484	4,116	4,426
Total, Direct Loans	16,506	18,220	19,292
Total, All Loans	114,767	108,401	117,462

¹ Net commitments equal gross commitments minus loan cancellations.

Number of Loans

(in thousands)

	2007 actual	2008 est.	2009 est.
FFEL:			
Stafford	6,044	6,458	6,653
Unsubsidized Stafford	4,715	4,988	5,218
PLUS	760	790	831
Subtotal	11,519	12,235	12,702
Consolidation	1,672	1,144	1,264
Total, FFEL	13,191	13,379	13,966
Direct Loans:			
Stafford	1,477	1,526	1,571
Unsubsidized Stafford	1,052	1,086	1,133
PLUS	235	245	257
Subtotal	2,764	2,857	2,961
Consolidation	151	176	187
Total, Direct Loans	2,915	3,033	3,148
Total, All Loans	16,106	16,413	17,114

Average Loan Size (in whole dollars)

	2007 actual	2008 est.	2009 est.
FFEL:			
Stafford	3,592	3,724	3,738
Unsubsidized Stafford	4,538	4,688	4,733
PLUS	10,798	11,152	11,726
Weighted Average, without Consolidations	4,455	4,597	4,669
Consolidation	28,072	29,667	30,752
Weighted Average, FFEL	7,449	6,740	7,029

Direct Loans:			
Stafford	3,914	4,093	4,109
Unsubsidized Stafford	4,673	4,887	4,939
PLUS	9,895	10,410	10,943
Weighted Average, without Consolidations	4,711	4,936	5,020
Consolidation	23,074	23,396	23,697
Weighted Average, Direct Loans	5,663	6,007	6,128
Weighted Average, All Loans	7,126	6,605	6,864

Summary of Default Rates

	2007 est.	2008 est.	2009 est.
FFEL:			
Stafford	11.21	11.65	11.60
Unsubsidized Stafford	10.15	10.05	10.01
PLUS	4.51	4.48	4.47
Consolidation	14.34	14.50	14.45
Weighted Average, FFEL	11.92	11.61	11.62
Direct Loans:			
Stafford	11.60	11.89	11.85
Unsubsidized Stafford	10.84	10.75	10.71
PLUS	5.59	5.55	5.53
Consolidation	27.33	26.26	26.88
Weighted Average, Direct Loans	13.85	13.92	14.04

¹ Default rates displayed in this table, which reflect projected defaults over the life of a loan cohort, are used in developing program cost estimates. The Department uses other rates based on defaults occurring in the first two years of repayment to determine institutional eligibility to participate in Federal loan programs. These two-year rates tend to be lower than those included in this table.

FFEL program payments are made to lenders (interest subsidies, loan defaults and discharges) and guaranty agencies (default collection costs, administrative services). These payments are partially offset by borrower origination fees and lender fees for originations and an annual consolidation loan holder fee. In Direct Loans, cash outflows are primarily payments to Treasury. Cash inflows include principal and interest payments on outstanding Direct Loans.

The following table shows government payments to and from lenders, guaranty agencies, and borrowers for specific years, regardless of when loans were originated. These flows do not reflect long-term costs to the government, nor the value of outstanding loan assets: these are reflected in credit reform subsidy estimates. For example, defaulted FFEL loans that are repaid through consolidation produce cash revenue in the current year as the underlying loans are paid off, which is included in the table. But these consolidations also incur estimated future costs — such as subsequent re-defaults, loan discharges, and lender interest subsidy payments — that are not reflected.

The Federal Credit Reform Act of 1990 accounts for differences in the amount and timing of cash flows among direct and guaranteed loan programs to make cost estimates for these programs comparable with each other and other federal programs.

Selected Program Costs and Offsets

(in thousands of dollars)

	2007 actual	2008 est.	2009 est.
FFEL:			
Payments to lenders			
Interest benefits	3,520,115	4,215,506	4,283,168
Special allowance payments	7,728,251	4,449,541	3,077,099
Default claims	6,327,418	5,412,379	6,456,088
Loan discharges	1,090,043	1,357,311	1,512,615
Teacher loan forgiveness	36,783	227,392	230,887
Administrative payments to guaranty agencies	876,500	711,497	551,294
Fees paid to the Department of Education			
Borrower origination fees	(1,033,948)	(950,843)	(726,787)
Lender origination fees	(536,763)	(795,064)	(941,774)
Loan holder fees	(2,286,124)	(2,554,234)	(2,739,042)
Other Major Transactions			
Net default collections	(4,465,188)	(4,806,114)	(5,218,267)
Contract collection costs	103,017	88,999	86,233
Federal administrative costs	224,853	218,008	223,696
Net Cash Flow, FFEL	11,584,956	7,574,380	6,795,209
Direct Loans			
Loan disbursements to borrowers	16,048,920	18,152,570	19,236,578

FEDERAL DIRECT STUDENT LOAN PROGRAM PROGRAM ACCOUNT—
Continued

Selected Program Costs and Offsets—Continued

(in thousands of dollars)

	2007 actual	2008 est.	2009 est.
Borrower interest payments	(2,248,496)	(2,962,750)	(2,996,921)
Borrower principal payments	(11,392,475)	(11,376,407)	(12,306,593)
Borrower origination fees	(370,612)	(388,123)	(352,005)
Net default collections	(752,953)	(1,842,926)	(2,004,563)
Contract collection costs	214,891	143,343	158,320
Federal administrative costs	345,496	334,979	343,720
Net Operating Cash Flows	1,844,772	2,060,687	2,078,535
Loan capital borrowings from Treasury	(16,048,920)	(18,152,570)	(19,236,578)
Net interest payments to Treasury	4,423,886	5,876,002	6,257,024
Principal payments to Treasury	8,068,532	10,326,572	11,008,389
Subtotal Treasury activity	(3,556,502)	(1,949,995)	(1,971,165)
Net Cash Flow, Direct Loans	(1,711,730)	110,692	107,371

Details may not sum to total due to rounding.

by the College Cost Reduction and Access Act of 2007 resulted in a net decrease in FFEL program costs and an increase in Direct Loan program costs. As a result, for new loans the cost difference between FFEL and Direct Loans is smaller than in previous years.

For Consolidation Loans, Direct Loan costs are substantially higher than those in FFEL, largely because roughly half of Direct Loan consolidation volume is from underlying defaulted loans. In comparison, consolidations from default represent less than 2 percent of FFEL consolidation volume. Consolidations from default are much more likely to re-default than other consolidations, resulting in much higher Federal costs. Information on FFEL and Direct Loan consolidation costs and loan volume composition are provided below, as is a table comparing costs across programs by subsidy component.

Student Loan Program Costs: Comparative Analysis including Program and Administrative Expenses

(expressed as percentages)

	2007 est.	2008 est.	2009 est.
FFEL			
New Loans			
Stafford	17.46	15.42	16.67
Unsubsidized Stafford	-0.79	-3.73	-3.07
PLUS	-3.93	-5.96	-5.94
Subtotal, new loan subsidy	6.38	4.07	4.70
Federal administrative costs	0.55	0.55	0.55
Subtotal, new loans	6.92	4.61	5.24
Consolidation Loans			
Loan subsidy	7.76	-4.78	-2.27
Federal administrative costs	0.04	0.04	0.04
Subtotal, consolidation loans	7.80	-4.74	-2.23
New and Consolidation Loans			
Loan subsidy	6.99	1.07	2.21
Federal administrative costs	0.37	0.37	0.37
Total, FFEL	7.36	1.44	2.58
Direct Loans			
New Loans			
Stafford	10.67	9.74	10.80
Unsubsidized Stafford	-8.10	-10.31	-9.97
PLUS	-9.77	-11.75	-11.75
Subtotal, new loan subsidy	-0.06	-1.68	-1.28
Federal administrative costs	2.05	2.05	2.05
Subtotal, new loans	1.98	0.37	0.77
Consolidation Loans			
Loan subsidy	13.27	9.88	9.98
Federal administrative costs	0.27	0.27	0.27
Subtotal, consolidation loans	13.54	10.15	10.25
New and Consolidation Loans			
Loan subsidy	2.56	0.76	1.13
Federal administrative costs	1.50	1.50	1.50
Total, Direct Loans	4.06	2.26	2.64

The chart above compares total FFEL and Direct Loan costs on a subsidy rate basis: program costs calculated under the Federal Credit Reform Act of 1990 and comparably projected estimates of Federal administrative costs, including expenses related to FFEL program oversight and servicing the Direct Loan portfolio. As with any long-term projection, the comparison is based on assumed future interest rates, borrower characteristics, administrative costs, and other factors over the life of the loan cohort. To the degree actual conditions differ from projections, estimated subsidy rates will change.

Cost estimates for the two programs have changed since the 2008 President's Budget, as legislative changes enacted

Consolidation Loan Subsidy Rates and Loan Volume

(expressed as percentages)

	2007 est.	2008 est.	2009 est.
Subsidy Rates			
FFEL			
Not from default	7.75	-4.83	-2.33
From default	8.48	-1.22	0.59
Total	7.76	-4.78	-2.27
Direct Loans			
Not from default	1.44	-3.25	-4.16
From default	24.79	24.21	24.40
Total	13.27	9.88	9.98
Percent of Loan Volume			
FFEL			
Not from default	98.86	98.44	98.58
From default	1.14	1.56	1.42
Total	100.00	100.00	100.00
Direct Loans			
Not from default	49.32	52.16	50.54
From default	50.68	47.84	49.46
Total	100.00	100.00	100.00

Student Loan Program Costs: Comparative Analysis Including Program and Administrative Activities

(expressed as percentages)

	2007 est.	2008 est.	2009 est.
FFEL			
Program costs: ¹			
Interest subsidies	7.71	1.92	2.81
Net defaults	1.16	0.87	0.89
Fees	-4.96	-4.68	-4.48
Other	3.07	2.96	2.98
Total	6.99	1.07	2.21
Federal administrative costs	0.37	0.37	0.37
Total	7.36	1.44	2.58
Direct Loans			
Program costs: ¹			
Interest subsidies and income, net	-5.31	-7.39	-6.86
Net defaults	2.45	1.98	2.06
Fees	-2.47	-2.10	-1.78
Other	7.89	8.26	7.71
Total	2.56	0.76	1.13
Federal administrative costs	1.50	1.50	1.50
Total adjusted cost	4.06	2.26	2.64

¹ Fees primarily reflect borrower origination fees and, in FFEL, lender origination and consolidation loan holder fees. Other primarily reflects loan discharges due to death, disability, or bankruptcy; contract collection costs, loan forgiveness, and Direct Loan interest rate rebates.

Totals may not add due to rounding.

The Federal Credit Reform Act of 1990 requires the cost of existing loan cohorts to be reestimated to reflect changes in actual and assumed borrower behavior, interest rates, and other factors. The following table shows the impact of these reestimates in FFEL and Direct Loans.

Loan Disbursement and Subsidy Costs

Total Subsidy Costs—1992–2008

	FFEL	Direct Loans
Original Subsidy Costs	+\$78.0bil	+\$0.7bil
Cumulative Reestimates	+\$1.0bil	+\$11.1bil
Net Subsidy Costs	+\$78.9bil	+\$11.8bil
Total Disbursements	\$745.1bil	\$225.7bil

Changes in interest rate projections are a significant factor in FFEL and Direct Loan reestimates; recent declines in interest rates below historical averages have accordingly been a major driver in changes to program costs. Changes in borrower behavior (notably, prepayment of loans through consolidation and reduction in defaults) have also contributed to these reestimates. The average lifetime subsidy rate for all outstanding FFEL loans after the most recent reestimate is 10.59; the comparable Direct Loan rate is 5.25. For the oldest loan cohorts, many of the subsidy costs have been expended (e.g., in-school interest subsidies).

Object Classification (in millions of dollars)

Identification code 91–0243–0–1–502	2007 actual	2008 est.	2009 est.
Direct obligations:			
25.7 Operation and maintenance of equipment	4		
41.0 Grants, subsidies, and contributions	4,967	5,557	385
99.9 Total new obligations	4,971	5,557	385

FEDERAL DIRECT STUDENT LOAN PROGRAM PROGRAM ACCOUNT
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 91–0243–4–1–502	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Direct Loan Subsidy			– 56
10.00 Total new obligations (object class 41.0)			– 56
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			– 56
23.95 Total new obligations			56
24.40 Unobligated balance carried forward, end of year			
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation -federal administration			
60.00 Appropriation (indefinite)—loan subsidy			– 56
60.00 Appropriation—upward modification			
62.50 Appropriation (total mandatory)			– 56
Change in obligated balances:			
73.10 Total new obligations			– 56
73.20 Total outlays (gross)			56
74.40 Obligated balance, end of year			
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority			– 56
Net budget authority and outlays:			
89.00 Budget authority			– 56
90.00 Outlays			– 56

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 91–0243–4–1–502	2007 actual	2008 est.	2009 est.
Direct loan subsidy (in percent):			
132001 Stafford			– 0.12
132002 Unsubsidized Stafford			– 0.15
132004 Consolidation			– 1.04
132999 Weighted average subsidy rate			– 0.30
Direct loan subsidy budget authority:			
133001 Stafford			– 8

133002 Unsubsidized Stafford			– 8
133004 Consolidation			– 46
133999 Total subsidy budget authority			– 62
Direct loan subsidy outlays:			
134001 Stafford			– 5
134002 Unsubsidized Stafford			– 5
134004 Consolidation			– 46
134999 Total subsidy outlays			– 56

FEDERAL DIRECT STUDENT LOAN PROGRAM FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 91–4253–0–3–502	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Direct Loan Obligations	18,850	18,220	19,292
00.02 Interest payment to Treasury	5,675	5,876	6,216
00.03 New Loan Obligations for prior cohorts	724		
00.91 Direct Program by Activities—Subtotal (1 level)	25,249	24,096	25,508
02.01 Interest rate rebate, Stafford	81	92	96
02.02 Interest rate rebate, Unsubsidized Stafford	69	78	82
02.03 Interest rate rebate, PLUS	34	37	41
02.91 Direct Program by Activities—Subtotal (1 level)	184	207	219
03.01 Consolidation loans—Payment of Orig. Services	17	17	18
04.01 Payment of contract collection costs	215	143	158
08.01 Obligation of negative loan subsidy		97	73
08.02 Downward reestimate to receipt account	940	477	
08.04 Interest on downward reestimate	45	97	
08.91 Direct Program by Activities—Subtotal (1 level)	985	671	73
10.00 Total new obligations	26,650	25,134	25,976
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	6,479	3,563	
22.00 New financing authority (gross)	27,782	25,133	25,976
22.10 Resources available from recoveries of prior year obligations	2,611	5,497	2,925
22.60 Portion applied to repay debt	– 6,659	– 3,562	
22.70 Balance of authority to borrow withdrawn		– 5,497	– 2,925
23.90 Total budgetary resources available for obligation	30,213	25,134	25,976
23.95 Total new obligations	– 26,650	– 25,134	– 25,976
24.40 Unobligated balance carried forward, end of year	3,563		
New financing authority (gross), detail:			
Mandatory:			
60.00 Appropriation		122	
67.10 Authority to borrow	19,570	18,766	18,980
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	21,013	22,127	18,045
69.10 Change in uncollected customer payments from Federal sources (unexpired)	– 30		
69.27 Capital transfer to general fund		– 131	
69.47 Portion applied to repay debt	– 12,771	– 15,751	– 11,049
69.90 Spending authority from offsetting collections (total mandatory)	8,212	6,245	6,996
70.00 Total new financing authority (gross)	27,782	25,133	25,976
Change in obligated balances:			
72.40 Obligated balance, start of year	9,379	10,716	5,581
73.10 Total new obligations	26,650	25,134	25,976
73.20 Total financing disbursements (gross)	– 22,732	– 24,772	– 25,716
73.45 Recoveries of prior year obligations	– 2,611	– 5,497	– 2,925
74.00 Change in uncollected customer payments from Federal sources (unexpired)	30		
74.40 Obligated balance, end of year	10,716	5,581	2,916
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	22,732	24,772	25,716
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			

FEDERAL DIRECT STUDENT LOAN PROGRAM FINANCING ACCOUNT—
Continued

Program and Financing (in millions of dollars)—Continued

Identification code 91-4253-0-3-502	2007 actual	2008 est.	2009 est.
88.00 Direct Loan Subsidy	-295	-256	-385
88.00 Upward reestimate	-3,614	-885	
88.00 Upward reestimate, interest	-1,088	-273	
88.00 Upward Modification		-4,143	
88.25 Interest on uninvested funds	-1,251		
88.40 Repayment of principal, Stafford	-3,704	-4,007	-4,356
88.40 Interest received on loans, Stafford	-490	-612	-605
88.40 Origination Fees, Stafford	-163	-157	-131
88.40 Other fees, Stafford	-38		
88.40 Repayment of principal, Unsubsidized Stafford	-2,798	-3,343	-3,849
88.40 Interest received on loans, Unsubsidized Stafford	-480	-504	-522
88.40 Origination Fees, Unsubsidized Stafford	-139	-133	-113
88.40 Other fees, Unsubsidized Stafford	-3		
88.40 Repayment of principal, PLUS	-1,246	-1,582	-1,770
88.40 Interest received on loans, PLUS	-303	-410	-432
88.40 Origination Fees, PLUS	-69	-98	-108
88.40 Other fees, PLUS	-5		
88.40 Payment of principal, Consolidation	-4,012	-3,824	-3,825
88.40 Interest received on loans, Consolidation	-1,284	-1,900	-1,949
88.40 Other fees, Consolidation	-31		
88.90 Total, offsetting collections (cash)	-21,013	-22,127	-18,045
Against gross financing authority only:			
88.95 Change in receivables from program accounts	30		
Net financing authority and financing disbursements:			
89.00 Financing authority	6,799	3,006	7,931
90.00 Financing disbursements	1,719	2,645	7,671

Status of Direct Loans (in millions of dollars)

Identification code 91-4253-0-3-502	2007 actual	2008 est.	2009 est.
STAFFORD			
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	6,235	6,248	6,453
1150 Total direct loan obligations	6,235	6,248	6,453
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	22,524	24,331	26,403
1231 Disbursements: Direct loan disbursements	5,391	6,172	6,384
1251 Repayments: Repayments and prepayments	-3,704	-4,007	-4,356
1261 Adjustments: Capitalized interest	152		
1264 Write-offs for default: Other adjustments, net (+ or -)	-32	-93	-98
1290 Outstanding, end of year	24,331	26,403	28,333
UNSUBSIDIZED STAFFORD			
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	5,562	5,307	5,597
1150 Total direct loan obligations			
1150 Total direct loan obligations	5,562	5,307	5,597
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	16,361	18,486	20,797
1231 Disbursements: Direct loan disbursements	4,610	5,207	5,495
1251 Repayments: Repayments and prepayments	-2,798	-3,343	-3,849
1261 Adjustments: Capitalized interest	338	526	641
1264 Write-offs for default: Other adjustments, net (+ or -)	-25	-79	-84
1290 Outstanding, end of year	18,486	20,797	23,000
PLUS			
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	2,560	2,549	2,816
1150 Total direct loan obligations			
1150 Total direct loan obligations	2,560	2,549	2,816

Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	4,765	5,846	6,683
1231 Disbursements: Direct loan disbursements	2,289	2,453	2,715
1251 Repayments: Repayments and prepayments	-1,246	-1,582	-1,770
1261 Adjustments: Capitalized interest	46	11	31
1264 Write-offs for default: Other adjustments, net (+ or -)	-8	-45	-49
1290 Outstanding, end of year	5,846	6,683	7,610

CONSOLIDATION

Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	4,493	4,116	4,426
1150 Total direct loan obligations			
1150 Total direct loan obligations	4,493	4,116	4,426

Cumulative balance of direct loans outstanding:

1210 Outstanding, start of year	53,657	53,777	53,821
1231 Disbursements: Direct loan disbursements	3,575	4,114	4,424
1251 Repayments: Repayments and prepayments	-4,012	-3,824	-3,825
1261 Adjustments: Capitalized interest	628		
1264 Write-offs for default: Other adjustments, net (+ or -)	-71	-246	-266
1290 Outstanding, end of year	53,777	53,821	54,154

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from Federal Direct Student Loans. The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 91-4253-0-3-502	2006 actual	2007 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	8,621	5,365
Investments in US securities:		
1106 Receivables, net	4,631	611
1206 Non-Federal assets: Receivables, net		6
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	97,307	102,440
1402 Interest receivable	3,702	4,807
1405 Allowance for subsidy cost (-)	-8,405	-8,245
1499 Net present value of assets related to direct loans	92,604	99,002
1999 Total assets	105,856	104,984
LIABILITIES:		
Federal liabilities:		
2101 Accounts payable	426	497
2103 Debt	105,430	103,893
2201 Non-Federal liabilities: Accounts payable		594
2999 Total liabilities	105,856	104,984
4999 Total liabilities and net position	105,856	104,984

FEDERAL DIRECT STUDENT LOAN PROGRAM FINANCING ACCOUNT

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 91-4253-4-3-502	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.02 Interest payment to Treasury			41
08.01 Obligation of negative subsidy			6
08.05 Obligation of downward modification to negative subsidy receipt account			1,591
08.91 Direct Program by Activities—Subtotal (1 level)			1,597
10.00 Total new obligations			1,638
Budgetary resources available for obligation:			
22.00 New financing authority (gross)			1,638
23.95 Total new obligations			-1,638

24.40	Unobligated balance carried forward, end of year		
New financing authority (gross), detail:			
Mandatory:			
60.00	Appropriation	57	
67.10	Authority to borrow	1,728	
Spending authority from offsetting collections:			
69.00	Offsetting collections (cash)	-56	
69.27	Capital transfer to general fund	-75	
69.47	Portion applied to repay debt	-16	
69.90	Spending authority from offsetting collections (total mandatory)	-147	
70.00	Total new financing authority (gross)	1,638	
Change in obligated balances:			
73.10	Total new obligations	1,638	
73.20	Total financing disbursements (gross)	-1,632	
74.40	Obligated balance, end of year	6	
Outlays (gross), detail:			
87.00	Total financing disbursements (gross)	1,632	
Offsets:			
Against gross financing authority and financing disbursements:			
88.00	Offsetting collections (cash) from: Direct Loan Subsidy	56	
Net financing authority and financing disbursements:			
89.00	Financing authority	1,694	
90.00	Financing disbursements	1,688	

FEDERAL FAMILY EDUCATION LOAN PROGRAM ACCOUNT

Program and Financing (in millions of dollars)

Identification code 91-0231-0-1-502	2007 actual	2008 est.	2009 est.	
Obligations by program activity:				
00.02	Guaranteed loan subsidy	6,850	1,076	2,407
00.04	Modification subsidy, upward		11	
00.07	Upward reestimate, principal	183	1,893	
00.08	Upward reestimate, interest	372	1,553	
10.00	Total new obligations (object class 41.0)	7,405	4,533	2,407
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	7,405	4,533	2,407
22.10	Resources available from recoveries of prior year obligations	802	673	
22.40	Capital transfer to general fund	-802	-673	
23.90	Total budgetary resources available for obligation	7,405	4,533	2,407
23.95	Total new obligations	-7,405	-4,533	-2,407
New budget authority (gross), detail:				
Mandatory:				
60.00	Appropriation	7,405	4,533	2,407
Change in obligated balances:				
72.40	Obligated balance, start of year	2,247	1,915	1,076
73.10	Total new obligations	7,405	4,533	2,407
73.20	Total outlays (gross)	-6,935	-4,699	-1,817
73.45	Recoveries of prior year obligations	-802	-673	
74.40	Obligated balance, end of year	1,915	1,076	1,666
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	5,491	3,457	993
86.98	Outlays from mandatory balances	1,444	1,242	824
87.00	Total outlays (gross)	6,935	4,699	1,817
Net budget authority and outlays:				
89.00	Budget authority	7,405	4,533	2,407
90.00	Outlays	6,935	4,699	1,817

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 91-0231-0-1-502	2007 actual	2008 est.	2009 est.	
Guaranteed loan levels supportable by subsidy budget authority:				
215001	Stafford	24,933	28,259	29,219
215002	Unsubsidized Stafford	25,811	28,069	29,646
215003	PLUS	10,108	10,162	11,242
215004	Consolidation	48,021	34,069	39,010
215999	Total loan guarantee levels	108,873	100,559	109,117
Guaranteed loan subsidy (in percent):				
232001	Stafford	17.32	15.42	16.67
232002	Unsubsidized Stafford	-0.19	-3.73	-3.07
232003	PLUS	-1.69	-5.96	-5.94
232004	Consolidation	5.73	-4.78	-2.27
232999	Weighted average subsidy rate	6.29	1.07	2.21
Guaranteed loan subsidy budget authority:				
233001	Stafford	4,318	4,358	4,871
233002	Unsubsidized Stafford	-49	-1,047	-910
233003	PLUS	-171	-606	-668
233004	Consolidation	2,752	-1,628	-886
233999	Total subsidy budget authority	6,850	1,076	2,407
Guaranteed loan subsidy outlays:				
234001	Stafford	3,614	3,694	4,058
234002	Unsubsidized Stafford	89	-582	-802
234003	PLUS	-82	-381	-553
234004	Consolidation	2,759	-1,592	-886
234999	Total subsidy outlays	6,380	1,139	1,817
Guaranteed loan upward reestimates:				
235001	Stafford	114		
235004	Consolidation	3,350		
235005	SLS	83		
235006	FFEL Reestimates		3,446	
235999	Total upward reestimate budget authority	3,547	3,446	
Guaranteed loan downward reestimates:				
237001	Stafford	-3,669		
237002	Unsubsidized Stafford	-2,590		
237003	PLUS	-252		
237004	Consolidation	-192		
237005	SLS	-4		
237006	FFEL Reestimates		-2,456	
237999	Total downward reestimate subsidy budget authority	-6,707	-2,456	

As required by the Federal Credit Reform Act of 1990, this program account records the subsidy costs associated with Federal Family Education Loans (FFEL), formerly guaranteed student loans (GSL), committed in 1992 and beyond. Beginning with the 1993 cohort, mandatory administrative costs, specifically contract collection costs, are included in the FFEL subsidy estimates of each year's cohort. Subsidy amounts are estimated on a net present value basis.

A description of the FFEL program and accompanying tables are included under the Federal Direct Student Loan program account.

FEDERAL FAMILY EDUCATION LOAN PROGRAM FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 91-4251-0-3-502	2007 actual	2008 est.	2009 est.	
Obligations by program activity:				
01.01	Default claims	1,956	1,406	1,685
01.02	Special allowance	427	95	182
01.03	Interest benefits	2,617	3,371	3,682
01.04	Death, disability, and bankruptcy claims	161	182	194
01.05	Teacher loan forgiveness, other write-offs	20	132	134
01.07	Contract collection costs	15	14	15
01.08	Guaranty Agency loan processing issuance fees	71	94	98
01.09	Voluntary flexible agreement performance fee	106	118	
01.10	Guaranty Agency account maintenance fees	78	53	60
01.91	Subtotal, Stafford loans	5,451	5,465	6,050
02.02	Default claims	1,489	1,197	1,465
02.03	Special allowance	357	87	180

FEDERAL FAMILY EDUCATION LOAN PROGRAM FINANCING
ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 91-4251-0-3-502	2007 actual	2008 est.	2009 est.
02.04 Death, disability, and bankruptcy claims	149	178	199
02.05 Teacher loan forgiveness, other write-offs	17	95	97
02.07 Contract collection costs	7	3	4
02.08 Guaranty Agency loan processing issuance fees	71	91	97
02.09 Voluntary flexible agreement performance fee	78	37	
02.10 Guaranty Agency account maintenance fees	63	42	49
02.91 Subtotal, Unsubsidized Stafford loans	2,231	1,730	2,091
03.01 Default claims	194	146	196
03.03 Special allowance	16	7	14
03.04 Death, disability, and bankruptcy claims	53	118	131
03.07 Contract Collection Costs	1	1	1
03.08 Guaranty Agency loan processing issuance fees	30	34	33
03.09 Voluntary flexible agreement performance fee	10	5	
03.10 Guaranty Agency account maintenance fees	15	18	21
03.91 Subtotal, PLUS loans	319	329	396
04.03 Default claims	22	13	4
04.04 Death, disability and bankruptcy claims	3	2	
04.07 Contract collection costs	4	3	3
04.09 Voluntary flexible agreement performance fee	1	3	
04.10 Guaranty Agency account maintenance fees	1		
04.91 Subtotal, SLS loans	31	21	7
05.01 Default claims	2,561	2,571	3,034
05.02 Special allowance	6,948	4,968	4,217
05.03 Interest benefits	890	835	596
05.04 Death, disability, and bankruptcy claims	706	859	973
05.05 Teacher loan forgiveness, other write-offs	18		
05.07 Contract collection costs	5	5	7
05.08 Voluntary flexible agreement performance fee	130	35	
05.10 Guaranty Agency account maintenance fees	216	178	193
05.91 Subtotal, Consolidations loans	11,474	9,451	9,020
08.01 Obligation of negative subsidy		103	
08.02 Downward reestimate to receipt account	3,582	2,082	
08.04 Interest on downward reestimate	133	374	
08.05 Downward Modification		2,475	
08.91 Downward Reestimate- Subtotal (1 level)	3,715	5,034	
10.00 Total new obligations	23,221	22,030	17,564
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	40,011	33,230	26,785
22.00 New financing authority (gross)	16,008	15,585	13,891
22.10 Resources available from recoveries of prior year obligations	432		
23.90 Total budgetary resources available for obligation	56,451	48,815	40,676
23.95 Total new obligations	-23,221	-22,030	-17,564
24.40 Unobligated balance carried forward, end of year	33,230	26,785	23,112
New financing authority (gross), detail:			
Mandatory:			
60.00 Appropriation		28	
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	16,008	15,615	13,891
69.27 Capital transfer to general fund		-58	
69.90 Spending authority from offsetting collections (total mandatory)	16,008	15,557	13,891
70.00 Total new financing authority (gross)	16,008	15,585	13,891
Change in obligated balances:			
72.40 Obligated balance, start of year	3,531	3,709	3,519
73.10 Total new obligations	23,221	22,030	17,564
73.20 Total financing disbursements (gross)	-22,611	-22,220	-18,277
73.45 Recoveries of prior year obligations	-432		
74.40 Obligated balance, end of year	3,709	3,519	2,806
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	22,611	22,220	18,277

Offsets:

Against gross financing authority and financing disbursements:

88.00 Offsetting collections (cash) from:			
88.00 Program subsidy account	-6,380	-1,242	-1,817
88.00 Upward reestimate	-555	-3,446	
88.00 Modification		-11	
88.25 Interest on uninvested funds	-1,616	-1,891	-1,635
88.40 Stafford recoveries on defaults	-1,247	-1,579	-1,630
88.40 Stafford borrower origination fees	-417	-344	-226
88.40 Stafford lender origination fees	-102	-197	-246
88.40 Stafford other fees	-75		
88.40 Stafford special allowance rebate		-234	-440
88.40 Unsubsidized Stafford recoveries on default	-680	-1,025	-1,134
88.40 Unsubsidized Stafford borrower origination fees	-421	-352	-254
88.40 Unsubsidized Stafford lender origination fees	-103	-191	-242
88.40 Unsubsidized Stafford other fees	-42		
88.40 Unsubsidized Stafford special allowance rebate		-234	-534
88.40 PLUS recoveries on defaults	-123	-120	-133
88.40 PLUS borrower origination fees	-196	-255	-247
88.40 PLUS lender origination fees	-38	-69	-73
88.40 PLUS other fees	-8		
88.40 PLUS special allowance rebate	-18	-110	-201
88.40 SLS recoveries on defaults	-47	-67	-58
88.40 SLS other fees	-2		
88.40 Consolidation recoveries on defaults	-1,301	-1,224	-1,559
88.40 Consolidation lender origination fees	-294	-339	-380
88.40 Consolidation loan holders fee	-2,286	-2,554	-2,739
88.40 Consolidation other fees	-54		
88.40 Consolidation special allowance rebate	-3	-131	-343
88.90 Total, offsetting collections (cash)	-16,008	-15,615	-13,891

Net financing authority and financing disbursements:

89.00 Financing authority		-30	
90.00 Financing disbursements	6,603	6,605	4,386

Status of Guaranteed Loans (in millions of dollars)

Identification code 91-4251-0-3-502	2007 actual	2008 est.	2009 est.
STAFFORD			
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders			
2131 Guaranteed loan commitments exempt from limitation	24,933	28,259	29,219
2150 Total guaranteed loan commitments	24,933	28,259	29,219
2199 Guaranteed amount of guaranteed loan commitments	24,683	27,411	28,342
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	59,099	61,951	74,616
2231 Disbursements of new guaranteed loans	20,993	23,576	24,590
2251 Repayments and prepayments	-15,535	-9,083	-11,623
Adjustments:			
2261 Terminations for default that result in loans receivable	-1,956	-1,514	-1,672
2263 Terminations for default that result in claim payments	-161	-182	-194
2264 Other adjustments, net	-489	-132	-134
2290 Outstanding, end of year	61,951	74,616	85,583

Memorandum:

2299 Guaranteed amount of guaranteed loans outstanding, end of year	61,332	72,378	83,016
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Addendum:

Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	3,046	4,027	3,801
2331 Disbursements for guaranteed loan claims	1,956	1,514	1,672
2351 Repayments of loans receivable	-1,059	-1,579	-1,630
2361 Write-offs of loans receivable	-161	-161	-157
2364 Other adjustments, net	245		
2390 Outstanding, end of year	4,027	3,801	3,686

UNSUBSIDIZED STAFFORD

Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders			
2131 Guaranteed loan commitments exempt from limitation	25,811	28,069	29,646
2150 Total guaranteed loan commitments	25,811	28,069	29,646
2199 Guaranteed amount of guaranteed loan commitments	25,553	27,227	28,757

Cumulative balance of guaranteed loans outstanding:

2210 Outstanding, start of year	49,928	54,588	65,993
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2231	Disbursements of new guaranteed loans	20,949	22,804	24,242
2251	Repayments and prepayments	-13,503	-9,863	-13,178
Adjustments:				
2261	Terminations for default that result in loans receivable	-1,489	-1,262	-1,449
2263	Terminations for default that result in claim payments	-149	-178	-199
2264	Other adjustments, net	-1,148	-96	-97
2290	Outstanding, end of year	54,588	65,993	75,312
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	54,042	64,013	73,052
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	2,294	3,269	3,344
2331	Disbursements for guaranteed loan claims	1,489	1,262	1,449
2351	Repayments of loans receivable	-563	-1,025	-1,134
2361	Write-offs of loans receivable	-149	-162	-169
2364	Other adjustments, net	198		
2390	Outstanding, end of year	3,269	3,344	3,490
PLUS				
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders			
2131	Guaranteed loan commitments exempt from limitation	10,108	10,162	11,242
2150	Total guaranteed loan commitments	10,108	10,162	11,242
2199	Guaranteed amount of guaranteed loan commitments	10,007	9,857	10,905
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	10,469	13,624	17,641
2231	Disbursements of new guaranteed loans	8,239	8,495	8,244
2251	Repayments and prepayments	-6,407	-4,204	-5,093
Adjustments:				
2261	Terminations for default that result in loans receivable	-194	-156	-192
2263	Terminations for default that result in claim payments	-53	-118	-130
2264	Other adjustments, net	1,570		
2290	Outstanding, end of year	13,624	17,641	20,470
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	13,488	17,112	19,856
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	312	371	352
2331	Disbursements for guaranteed loan claims	194	156	192
2351	Repayments of loans receivable	-105	-120	-133
2361	Write-offs of loans receivable	-53	-55	-54
2364	Other adjustments, net	23		
2390	Outstanding, end of year	371	352	357
SLS				
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	201	187	153
2251	Repayments and prepayments	-105	-17	-13
Adjustments:				
2261	Terminations for default that result in loans receivable	-22	-15	-6
2263	Terminations for default that result in claim payments	-3	-2	
2264	Other adjustments, net	116		
2290	Outstanding, end of year	187	153	134
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	186	149	130
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	375	381	326
2331	Disbursements for guaranteed loan claims	22	15	6
2351	Repayments of loans receivable	-35	-67	-58

2361	Write-offs of loans receivable	-3	-3	-3
2364	Other adjustments, net	22		
2390	Outstanding, end of year	381	326	271
CONSOLIDATION				
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders			
2131	Guaranteed loan commitments exempt from limitation	48,021	34,069	39,010
2150	Total guaranteed loan commitments	48,021	34,069	39,010
2199	Guaranteed amount of guaranteed loan commitments	47,541	33,047	37,840
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	203,604	231,279	243,145
2231	Disbursements of new guaranteed loans	46,596	33,991	38,018
2251	Repayments and prepayments	-14,948	-18,652	-19,597
Adjustments:				
2261	Terminations for default that result in loans receivable	-2,561	-2,614	-3,016
2263	Terminations for default that result in claim payments	-706	-859	-973
2264	Other adjustments, net	-706		
2290	Outstanding, end of year	231,279	243,145	257,577
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	228,966	235,851	249,849
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	4,237	5,276	5,836
2331	Disbursements for guaranteed loan claims	2,561	2,614	3,016
2351	Repayments of loans receivable	-1,135	-1,224	-1,559
2361	Write-offs of loans receivable	-706	-830	-909
2364	Other adjustments, net	319		
2390	Outstanding, end of year	5,276	5,836	6,384

As required by the Federal Credit Reform Act of 1990, this nonbudgetary account records all cash flows to and from the Government resulting from Federal Family Education Loans (FFEL), formerly guaranteed student loans (GSL), committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 91-4251-0-3-502	2006 actual	2007 actual	
ASSETS:			
Federal assets:			
1101	Fund balances with Treasury	43,542	36,938
Investments in US securities:			
1106	Receivables, net	551	1,983
1206	Non-Federal assets: Receivables, net		29
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:			
1501	Defaulted guaranteed loans receivable, gross	10,263	13,325
1502	Interest receivable	1,823	1,957
1505	Allowance for subsidy cost (-)	-2,847	-2,755
1599	Net present value of assets related to defaulted guaranteed loans	9,239	12,527
1999	Total assets	53,332	51,477
LIABILITIES:			
2101	Federal liabilities: Accounts payable	951	743
Non-Federal liabilities:			
2201	Accounts payable	31	3
2204	Liabilities for loan guarantees	52,350	50,731
2999	Total liabilities	53,332	51,477
4999	Total liabilities and net position	53,332	51,477

FEDERAL FAMILY EDUCATION LOAN LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 91-0230-0-1-502	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
01.01 Interest benefits, net of origination fees	13	9	5
01.02 Special allowance net of origination fees	2	2	1
01.03 Default claims	94	68	61
01.04 Death, disability, and bankruptcy claims	14	14	12
01.05 Contract collection costs	60	53	47
01.06 Voluntary flexible agreements	5	3	
01.91 Subtotal, Stafford loans	188	149	126
02.01 Default claims	10	11	10
02.02 Death, disability, and bankruptcy claims	5	5	5
02.05 Contract collection costs	11	10	9
02.07 Voluntary flexible agreements	1	1	
02.91 Subtotal, PLUS/SLS loans	27	27	24
10.00 Total new obligations	215	176	150
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	243	190	
22.00 New budget authority (gross)	394	176	150
22.10 Resources available from recoveries of prior year obligations	11		
22.40 Capital transfer to general fund	-243	-190	
23.90 Total budgetary resources available for obligation	405	176	150
23.95 Total new obligations	-215	-176	-150
24.40 Unobligated balance carried forward, end of year	190		
New budget authority (gross), detail:			
Mandatory:			
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	886	791	703
69.27 Capital transfer to general fund	-492	-615	-553
69.90 Spending authority from offsetting collections (total mandatory)	394	176	150
Change in obligated balances:			
72.40 Obligated balance, start of year	51	30	30
73.10 Total new obligations	215	176	150
73.20 Total outlays (gross)	-225	-176	-150
73.45 Recoveries of prior year obligations	-11		
74.40 Obligated balance, end of year	30	30	30
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	225	176	150
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.40 Fed collections on defaulted loans, Stafford	-228	-219	-195
88.40 Federal collections on bankruptcies, Stafford	-7	-4	-3
88.40 Offsets against Federal tax refunds, Stafford	-267	-235	-209
88.40 Reimbursements from guaranty agencies, Stafford	-193	-165	-147
88.40 Other collections/ fees, Stafford	-58	-48	-43
88.40 Federal collections on defaulted loans, PLUS/SLS	-70	-67	-59
88.40 Federal collections on bankruptcies, PLUS/SLS	-3	-1	-1
88.40 Offsets against Federal tax refunds, PLUS/SLS	-21	-18	-16
88.40 Reimbursements from guaranty agencies, PLUS/SLS	-39	-34	-30
88.90 Total, offsetting collections (cash)	-886	-791	-703
Net budget authority and outlays:			
89.00 Budget authority	-492	-615	-553
90.00 Outlays	-661	-615	-553

Status of Guaranteed Loans (in millions of dollars)

Identification code 91-0230-0-1-502	2007 actual	2008 est.	2009 est.
STAFFORD LOANS			
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	978	1,482	1,353
2251 Repayments and prepayments	-51	-41	-24
Adjustments:			

2261 Terminations for default that result in loans receivable	-93	-74	-65
2263 Terminations for default that result in claim payments	-14	-14	-12
2264 Other adjustments, net	662		
2290 Outstanding, end of year	1,482	1,353	1,252
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	1,467	1,312	1,215
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	7,511	7,059	6,754
2331 Disbursements for guaranteed loan claims	93	74	65
2351 Repayments of loans receivable	-271	-325	-289
2361 Write-offs of loans receivable	-14	-13	-12
2364 Other adjustments, net	-260	-41	-37
2390 Outstanding, end of year	7,059	6,754	6,481

PLUS/SLS LOANS

Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	648	174	155
2251 Repayments and prepayments	-6	-3	-1
Adjustments:			
2261 Terminations for default that result in loans receivable	-10	-11	-11
2263 Terminations for default that result in claim payments	-5	-5	-5
2264 Other adjustments, net	-453		
2290 Outstanding, end of year	174	155	138
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	172	149	134
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	1,220	1,148	1,094
2331 Disbursements for guaranteed loan claims	10	11	11
2351 Repayments of loans receivable	-35	-55	-49
2361 Write-offs of loans receivable	-5	-4	-4
2364 Other adjustments, net	-42	-6	-5
2390 Outstanding, end of year	1,148	1,094	1,047

As required by the Federal Credit Reform Act of 1990, this liquidating account records, for this program, all cash flows to and from the Government resulting from guaranteed student loans committed prior to 1992. This account is shown on a cash basis. All new loan activity in this program for 1992 and beyond is recorded in corresponding program and financing accounts.

Balance Sheet (in millions of dollars)

Identification code 91-0230-0-1-502	2006 actual	2007 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	295	221
1701 Defaulted guaranteed loans, gross	8,730	8,208
1702 Interest receivable	336	223
1703 Allowance for estimated uncollectible loans and interest (-)	-4,718	-4,396
1704 Defaulted guaranteed loans and interest receivable, net	4,348	4,035
1799 Value of assets related to loan guarantees	4,348	4,035
1999 Total assets	4,643	4,256
LIABILITIES:		
2104 Federal liabilities: Resources payable to Treasury	4,555	4,108
Non-Federal liabilities:		
2201 Accounts payable	-15	5
2204 Liabilities for loan guarantees	103	143
2999 Total liabilities	4,643	4,256
4999 Total liabilities and net position	4,643	4,256

Object Classification (in millions of dollars)

Identification code 91-0230-0-1-502	2007 actual	2008 est.	2009 est.
Direct obligations:			
25.2 Other services	71	63	56
33.0 Investments and loans	104	79	72
41.0 Grants, subsidies, and contributions	22	14	6
42.0 Insurance claims and indemnities	18	20	16
99.9 Total new obligations	215	176	150

LOANS FOR SHORT-TERM TRAINING PROGRAM ACCOUNT

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 91-0217-2-1-502	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
Loan Subsidy:			
00.02 Loan subsidy			3
10.00 Total new obligations (object class 41.0)			3
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			3
23.95 Total new obligations			-3
24.40 Unobligated balance carried forward, end of year			
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation			3
Change in obligated balances:			
73.10 Total new obligations			3
73.20 Total outlays (gross)			-3
74.40 Obligated balance, end of year			
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			3
Net budget authority and outlays:			
89.00 Budget authority			3
90.00 Outlays			3

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 91-0217-2-1-502	2007 actual	2008 est.	2009 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Loans for Short Term Training			46
115999 Total direct loan levels			46
Direct loan subsidy (in percent):			
132001 Loans for Short Term Training			-0.27
132999 Weighted average subsidy rate			-0.27
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Loans for Short Term Training			316
215999 Total loan guarantee levels			316
Guaranteed loan subsidy (in percent):			
232001 Loans for Short Term Training			1.02
232999 Weighted average subsidy rate			1.02
Guaranteed loan subsidy budget authority:			
233001 Loans for Short Term Training			3
233999 Total subsidy budget authority			3
Guaranteed loan subsidy outlays:			
234001 Loans for Short Term Training			3
234999 Total subsidy outlays			3

Loans for Short-Term Training.—The Administration proposes a new loan program, jointly administered by the De-

partments of Education and Labor, to help dislocated, unemployed, transitioning, or older workers and students. This market-oriented program will allow participants to acquire or upgrade job-related skills through short-term training programs. These programs are usually shorter than 10 weeks and are not currently eligible for Federal student aid. Eligible programs for the new loans must lead to an industry credential, certificate, or employer-endorsed technological/occupational skills.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated and loan guarantees committed in 2009 and beyond (including modifications of direct loans and loan guarantees that resulted from obligations or commitments in any year). Subsidy amounts are estimated on a present value basis.

LOANS FOR SHORT-TERM TRAINING GUARANTEED LOAN FINANCING ACCOUNT

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 91-4573-2-0-502	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Default Claims			4
00.06 Loan Processing and Issuance Fee			1
10.00 Total new obligations			5
Budgetary resources available for obligation:			
22.00 New financing authority (gross)			5
23.95 Total new obligations			-5
24.40 Unobligated balance carried forward, end of year			
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow			1
69.00 Spending authority from offsetting collections: Offsetting collections (cash)			4
70.00 Total new financing authority (gross)			5
Change in obligated balances:			
73.10 Total new obligations			5
73.20 Total financing disbursements (gross)			-4
74.40 Obligated balance, end of year			1
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)			4
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources			-3
88.40 Special Allowance Payments			-1
88.90 Total, offsetting collections (cash)			-4
Net financing authority and financing disbursements:			
89.00 Financing authority			1
90.00 Financing disbursements			

Status of Guaranteed Loans (in millions of dollars)

Identification code 91-4573-2-0-502	2007 actual	2008 est.	2009 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders			316
2131 Guaranteed loan commitments exempt from limitation			
2150 Total guaranteed loan commitments			316

LOANS FOR SHORT-TERM TRAINING GUARANTEED LOAN FINANCING
ACCOUNT—Continued

Status of Guaranteed Loans (in millions of dollars)—Continued

Identification code 91-4573-2-0-502	2007 actual	2008 est.	2009 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year			
2231 Disbursements of new guaranteed loans			246
2251 Repayments and prepayments			-88
Adjustments:			
2261 Terminations for default that result in loans receivable			-3
2263 Terminations for default that result in claim payments			
2290 Outstanding, end of year			155
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year			150
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year			
2331 Disbursements for guaranteed loan claims			3
2351 Repayments of loans receivable			-3
2361 Write-offs of loans receivable			
2364 Other adjustments, net			
2390 Outstanding, end of year			

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond (including modifications that resulted from commitments in any year). Amounts in this account are a means of financing and are not included in budget totals.

LOANS FOR SHORT-TERM TRAINING GUARANTEED LOAN FINANCING
ACCOUNT

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 91-4574-2-0-502	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Loan obligations			46
10.00 Total new obligations			46
Budgetary resources available for obligation:			
22.00 New financing authority (gross)			46
23.95 Total new obligations			-46
24.40 Unobligated balance carried forward, end of year			
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow			46
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)			13
69.47 Portion applied to repay debt			-13
69.90 Spending authority from offsetting collections (total mandatory)			
70.00 Total new financing authority (gross)			46
Change in obligated balances:			
73.10 Total new obligations			46
73.20 Total financing disbursements (gross)			-37
74.40 Obligated balance, end of year			9
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)			37

Offsets:

Against gross financing authority and financing disbursements:			
88.40	Offsetting collections (cash) from: Payment of Principal		-13

Net financing authority and financing disbursements:

89.00	Financing authority		33
90.00	Financing disbursements		24

Status of Direct Loans (in millions of dollars)

Identification code 91-4574-2-0-502	2007 actual	2008 est.	2009 est.
Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans		46
1131	Direct loan obligations exempt from limitation		
1150	Total direct loan obligations		46
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year		
1231	Disbursements: Direct loan disbursements		37
1251	Repayments: Repayments and prepayments		-13
1264	Write-offs for default: Other adjustments, net (+ or -)		
1290	Outstanding, end of year		24

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications that resulted from obligations in any year). Amounts in this account are a means of financing and are not included in budget totals.

INSTITUTE OF EDUCATION SCIENCES

Federal Funds

INSTITUTE OF EDUCATION SCIENCES

For carrying out activities authorized by the Education Sciences Reform Act of 2002, the National Assessment of Educational Progress Authorization Act, section 208 of the Educational Technical Assistance Act of 2002, and section 664 of the Individuals with Disabilities Education Act, **[\$555,815,000] \$658,247,000**, of which **[\$293,155,000] \$347,241,000** shall be available until September 30, **[2009] 2010: Provided, That [of the amount] funds** available to carry out section 208 of the Educational Technical Assistance Act *may be used for Statewide data systems that include postsecondary and workforce information: Provided further, That up to \$5,000,000 of the funds available to carry out section 208 of the Educational Technical Assistance Act may be used for State data coordinators and for awards to [entities, including entities other than States,]public or private organizations or agencies to improve data coordination. (Department of Education Appropriations Act, 2008.)*

Program and Financing (in millions of dollars)

Identification code 91-1100-0-1-503	2007 actual	2008 est.	2009 est.	
Obligations by program activity:				
00.01	Research, development, and dissemination	160	162	167
00.02	Statistics	90	88	104
00.03	Regional educational laboratories	65	66	68
00.04	Assessment	93	104	139
00.05	Research in special education	72	71	71
00.06	Statewide data systems	25	48	100
00.07	Special education studies and evaluations	8	11	9
01.00	Total direct program	513	550	658
09.01	Reimbursable program	1	1	1
10.00	Total new obligations	514	551	659
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year		4	
22.00	New budget authority (gross)	518	547	659
23.90	Total budgetary resources available for obligation	518	551	659

23.95	Total new obligations	-514	-551	-659
24.40	Unobligated balance carried forward, end of year	4		
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	517	556	658
40.33	Appropriation permanently reduced (P.L. 110-161)		-10	
43.00	Appropriation (total discretionary)	517	546	658
58.00	Spending authority from offsetting collections: Offsetting collections (cash)	1	1	1
70.00	Total new budget authority (gross)	518	547	659
Change in obligated balances:				
72.40	Obligated balance, start of year	759	826	947
73.10	Total new obligations	514	551	659
73.20	Total outlays (gross)	-438	-430	-461
73.40	Adjustments in expired accounts (net)	-9		
74.40	Obligated balance, end of year	826	947	1,145
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	101	31	37
86.93	Outlays from discretionary balances	337	399	424
87.00	Total outlays (gross)	438	430	461
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-1	-1	-1
Net budget authority and outlays:				
89.00	Budget authority	517	546	658
90.00	Outlays	437	429	460

Research and Statistics:

Research, development, and dissemination.—Funds support a diverse portfolio of directed research, evaluation studies, research and development centers, and dissemination activities that provide parents, teachers, and schools with scientifically based information on effective educational practice.

Statistics.—Funds support the Department's statistical data collection activities, which are conducted by the National Center for Education Statistics (NCES). NCES collects, analyzes, and disseminates statistics on education at all levels, from preschool through postsecondary and adult education, including statistics on international education activities.

Regional educational laboratories.—Funds support a network of 10 regional laboratories that provide expert advice, including training and technical assistance, to help States and school districts apply proven research findings in their school improvement efforts. 2009 funds would be used for the fourth year of 5-year contracts for these laboratories and for an evaluation.

Assessment.—Funds support the National Assessment of Educational Progress (NAEP). NAEP administers assessments to samples of students in order to gather reliable information about educational attainment in important academic areas. Funds support collection and reporting of national, State, and long-term trend information, including the conduct of biennial State NAEP in reading and mathematics at grades 4 and 8. In 2009, funds will also support costs of conducting assessments in U.S. History, civics, and geography in 2010 and of expanding 12th grade State NAEP to include all States in 2011.

Research in special education.—Funds support research to address gaps in scientific knowledge in order to improve special education and early intervention services and results for infants, toddlers, and children with disabilities.

Statewide data systems.—Funds support competitive awards to State educational agencies to foster the design, development, and implementation of longitudinal data systems, including pre-kindergarten through grade 12. In 2009, funding will also support data coordination activities and the expansion

of these data systems to include postsecondary and workforce information.

Special education studies and evaluations.—Funds support studies, evaluations, and assessments related to the implementation of the Individuals with Disabilities Education Act in order to improve special education and early intervention services and results for infants, toddlers, and children with disabilities.

Object Classification (in millions of dollars)

Identification code 91-1100-0-1-503	2007 actual	2008 est.	2009 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	1	1	1
11.3	Other than full-time permanent	1	1	1
11.9	Total personnel compensation	2	2	2
25.1	Advisory and assistance services	10	11	12
25.2	Other services	158	173	205
25.3	Other purchases of goods and services from Government accounts	9	9	5
25.5	Research and development contracts	116	117	109
31.0	Equipment	1		
41.0	Grants, subsidies, and contributions	216	236	323
99.0	Direct obligations	512	548	656
99.0	Reimbursable obligations	1	1	1
99.5	Below reporting threshold	1	2	2
99.9	Total new obligations	514	551	659

Employment Summary

Identification code 91-1100-0-1-503	2007 actual	2008 est.	2009 est.	
Direct:				
1001	Civilian full-time equivalent employment	12	14	14

DEPARTMENTAL MANAGEMENT

Federal Funds

DEPARTMENTAL MANAGEMENT
PROGRAM ADMINISTRATION

For carrying out, to the extent not otherwise provided, the Department of Education Organization Act, including rental of conference rooms in the District of Columbia and hire of three passenger motor vehicles, **[\$418,587,000] \$444,439,000**, of which **[\$2,100,000] \$7,939,000**, to remain available until expended, shall be for **[building alterations and related expenses for the move of] relocation of, and renovation of buildings occupied by, Department staff [to the Mary E. Switzer building in Washington, DC]. (Department of Education Appropriations Act, 2008.)**

Program and Financing (in millions of dollars)

Identification code 91-0800-0-1-503	2007 actual	2008 est.	2009 est.	
Obligations by program activity:				
00.01	Program administration	416	411	444
00.02	Trust Fund	25		
09.01	Reimbursable program	3	3	3
10.00	Total new obligations	444	414	447
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	26	3	3
22.00	New budget authority (gross)	421	414	447
23.90	Total budgetary resources available for obligation	447	417	450
23.95	Total new obligations	-444	-414	-447
24.40	Unobligated balance carried forward, end of year	3	3	3
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	419	418	444
40.33	Appropriation permanently reduced (P.L. 110-161)		-7	

DEPARTMENTAL MANAGEMENT—Continued
PROGRAM ADMINISTRATION—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 91-0800-0-1-503	2007 actual	2008 est.	2009 est.
43.00 Appropriation (total discretionary)	419	411	444
58.00 Spending authority from offsetting collections: Offsetting collections (cash)	2	3	3
70.00 Total new budget authority (gross)	421	414	447
Change in obligated balances:			
72.40 Obligated balance, start of year	147	164	125
73.10 Total new obligations	444	414	447
73.20 Total outlays (gross)	-424	-453	-439
73.40 Adjustments in expired accounts (net)	-3		
74.40 Obligated balance, end of year	164	125	133
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	332	327	345
86.93 Outlays from discretionary balances	71	95	85
86.98 Outlays from mandatory balances	21	31	9
87.00 Total outlays (gross)	424	453	439
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-2	-3	-3
Net budget authority and outlays:			
89.00 Budget authority	419	411	444
90.00 Outlays	422	450	436

The Program Administration account includes the direct Federal costs of providing grants and administering elementary and secondary education, Indian education, English language acquisition, higher education, career, technical and adult education, special education programs, and programs for persons with disabilities. It also supports assessment, statistics, and research activities.

In addition, this account includes the cost of providing centralized support and administrative services, overall policy development, and strategic planning for the Department. Included in the centralized activities are rent and mail services; telecommunications; contractual services; financial management and accounting, including payments to schools, education agencies and other grant recipients, and preparation of auditable financial statements; information technology services; personnel management; personnel security; budget formulation and execution; program evaluation; legal services; congressional and public relations; and intergovernmental affairs.

Included in this account is the Department of Education's cost to relocate staff and renovate buildings occupied by Department staff.

Also included in this account are contributions from the public. Activities supported include receptions for Blue Ribbon Schools, Historically Black Colleges and Universities, and School Recognition. Contributions not designated for a specific purpose are in the account's Gifts and Bequests Miscellaneous Fund.

Reimbursable program.—Reimbursements to this account are for providing administrative services to other agencies and in-kind travel.

Object Classification (in millions of dollars)

Identification code 91-0800-0-1-503	2007 actual	2008 est.	2009 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	168	197	202
11.3 Other than full-time permanent	33	11	12
11.5 Other personnel compensation	2	4	4

11.9 Total personnel compensation	203	212	218
12.1 Civilian personnel benefits	50	54	56
21.0 Travel and transportation of persons	6	5	6
23.1 Rental payments to GSA	37	38	41
23.3 Communications, utilities, and miscellaneous charges	6	8	9
24.0 Printing and reproduction	2	4	4
25.1 Advisory and assistance services	4	2	2
25.2 Other services	25	21	22
25.3 Other purchases of goods and services from Government accounts	22	20	26
25.7 Operation and maintenance of equipment	50	41	52
26.0 Supplies and materials	1	1	1
31.0 Equipment	8	3	4
32.0 Land and structures			3
41.0 Grants, subsidies, and contributions	25		
99.0 Direct obligations	439	409	444
99.0 Reimbursable obligations	2	2	2
99.5 Below reporting threshold	3	3	1
99.9 Total new obligations	444	414	447

Employment Summary

Identification code 91-0800-0-1-503	2007 actual	2008 est.	2009 est.
Direct:			
1001 Civilian full-time equivalent employment	2,113	2,096	2,096

OFFICE FOR CIVIL RIGHTS

For expenses necessary for the Office for Civil Rights, as authorized by section 203 of the Department of Education Organization Act, **[\$91,205,000] \$101,040,000.** (*Department of Education Appropriations Act, 2008.*)

Program and Financing (in millions of dollars)

Identification code 91-0700-0-1-751	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Civil rights	91	90	101
10.00 Total new obligations	91	90	101
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	91	90	101
23.95 Total new obligations	-91	-90	-101
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	91	91	101
40.33 Appropriation permanently reduced (P.L. 110-161)		-1	
43.00 Appropriation (total discretionary)	91	90	101
Change in obligated balances:			
72.40 Obligated balance, start of year	21	21	16
73.10 Total new obligations	91	90	101
73.20 Total outlays (gross)	-91	-95	-96
74.40 Obligated balance, end of year	21	16	21
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	77	78	84
86.93 Outlays from discretionary balances	14	17	12
87.00 Total outlays (gross)	91	95	96
Net budget authority and outlays:			
89.00 Budget authority	91	90	101
90.00 Outlays	91	95	96

The Office for Civil Rights is responsible for ensuring that no person is unlawfully discriminated against on the basis of race, color, national origin, sex, disability, or age in the delivery of services or the provision of benefits in programs or activities of schools and institutions receiving financial assistance from the Department of Education. The authorities under which the Office for Civil Rights operates are Title VI of the Civil Rights Act of 1964 (racial and ethnic discrimi-

nation), Title IX of the Education Amendments of 1972 (sex discrimination), section 504 of the Rehabilitation Act of 1973 (discrimination against individuals with a disability), the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990 and the Boy Scouts of America Equal Access Act of 2002.

Object Classification (in millions of dollars)

Identification code 91-0700-0-1-751	2007 actual	2008 est.	2009 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	51	54	56
11.3 Other than full-time permanent	3	3	3
11.5 Other personnel compensation	1		1
11.9 Total personnel compensation	55	57	60
12.1 Civilian personnel benefits	13	15	15
21.0 Travel and transportation of persons	1	1	1
23.1 Rental payments to GSA	8	8	8
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	2	1	5
25.3 Other purchases of goods and services from Government accounts	3	2	3
25.7 Operation and maintenance of equipment	6	4	6
31.0 Equipment	1	1	1
99.0 Direct obligations	90	90	101
99.5 Below reporting threshold	1		
99.9 Total new obligations	91	90	101

Employment Summary

Identification code 91-0700-0-1-751	2007 actual	2008 est.	2009 est.
Direct:			
1001 Civilian full-time equivalent employment	614	629	629

OFFICE OF THE INSPECTOR GENERAL

For expenses necessary for the Office of the Inspector General, as authorized by section 212 of the Department of Education Organization Act, **[\$51,753,000] \$54,539,000.** (*Department of Education Appropriations Act, 2008.*)

Program and Financing (in millions of dollars)

Identification code 91-1400-0-1-751	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.01 Inspector General	50	51	55
10.00 Total new obligations	50	51	55
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	50	51	55
23.95 Total new obligations	-50	-51	-55
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	49	52	55
40.33 Appropriation permanently reduced (P.L. 110-161)		-1	
42.00 Transferred from other accounts	1		
43.00 Appropriation (total discretionary)	50	51	55
Change in obligated balances:			
72.40 Obligated balance, start of year	12	14	13
73.10 Total new obligations	50	51	55
73.20 Total outlays (gross)	-48	-52	-54
74.40 Obligated balance, end of year	14	13	14
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	42	42	45
86.93 Outlays from discretionary balances	6	10	9
87.00 Total outlays (gross)	48	52	54
Net budget authority and outlays:			
89.00 Budget authority	50	51	55

90.00 Outlays	48	52	54
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The Inspector General is responsible for the quality, coverage, and coordination of audit and investigation functions relating to Federal education activities. The Inspector General has the authority to inquire into all activities of the Department, including those performed under Federal education contracts, grants, or other agreements. Under the Chief Financial Officers Act of 1990, the Inspector General is also responsible for internal reviews of the Department's financial systems and audits of its financial statements.

Object Classification (in millions of dollars)

Identification code 91-1400-0-1-751	2007 actual	2008 est.	2009 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	23	25	27
11.3 Other than full-time permanent	1		1
11.5 Other personnel compensation	2		
11.9 Total personnel compensation	26	25	28
12.1 Civilian personnel benefits	8	9	10
21.0 Travel and transportation of persons	1	2	2
23.1 Rental payments to GSA	4	5	5
23.3 Communications, utilities, and miscellaneous charges	1	1	
25.1 Advisory and assistance services	2	3	3
25.2 Other services	1	1	1
25.3 Other purchases of goods and services from Government accounts	2	1	1
25.7 Operation and maintenance of equipment	3	3	3
31.0 Equipment	1		1
99.0 Direct obligations	49	50	54
99.5 Below reporting threshold	1	1	1
99.9 Total new obligations	50	51	55

Employment Summary

Identification code 91-1400-0-1-751	2007 actual	2008 est.	2009 est.
Direct:			
1001 Civilian full-time equivalent employment	282	270	280

HURRICANE EDUCATION RECOVERY

Federal Funds

HURRICANE EDUCATION RECOVERY

Program and Financing (in millions of dollars)

Identification code 91-0013-0-1-500	2007 actual	2008 est.	2009 est.
Obligations by program activity:			
00.04 Hurricane educator assistance program	30		
10.00 Total new obligations (object class 41.0)	30		
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	30		
23.95 Total new obligations	-30		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	30		
Change in obligated balances:			
72.40 Obligated balance, start of year	744	359	
73.10 Total new obligations	30		
73.20 Total outlays (gross)	-415	-359	
74.40 Obligated balance, end of year	359		
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	415	359	
Net budget authority and outlays:			
89.00 Budget authority	30		

HURRICANE EDUCATION RECOVERY—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 91-0013-0-1-500	2007 actual	2008 est.	2009 est.
90.00 Outlays	415	359	.....

Amounts in this schedule reflect balances that are spending out from prior-year appropriations.

GENERAL FUND RECEIPT ACCOUNTS

(in millions of dollars)

	2007 actual	2008 est.	2009 est.
Offsetting receipts from the public:			
91-143500 General Fund Proprietary Interest Receipts, not Otherwise Classified	20	20	20
91-271810 Federal Family Education Loan Program, Negative Subsidies		2,578	.....
91-271830 Federal Family Education Loan Program, Downward Reestimates of Subsidies	3,715	2,456	.....
91-274130 College Housing and Academic Facilities Loan, Downward Reestimates of Subsidies		20	.....
91-278110 Federal Direct Student Loan Program, Negative Subsidies		10	87
Legislative proposal, subject to PAYGO			1,591
91-278130 Federal Direct Student Loan Program, Downward Reestimates of Subsidies	985	574	.....
91-291500 Repayment of Loans, Capital Contributions, Higher Education Activities	35	42	42
91-322000 All Other General Fund Proprietary Receipts Including Budget Clearing Accounts	115	47	47
General Fund Offsetting receipts from the public	4,870	5,747	1,787
Intragovernmental payments:			
91-388500 Undistributed Intragovernmental Payments and Receivables from Cancelled Accounts	1	4	4
General Fund Intragovernmental payments	1	4	4

GENERAL PROVISIONS

SEC. 301. No funds appropriated in this Act may be used for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to overcome racial imbalance in any school or school system, or for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to carry out a plan of racial desegregation of any school or school system.

SEC. 302. None of the funds contained in this Act shall be used to require, directly or indirectly, the transportation of any student to a school other than the school which is nearest the student's home, except for a student requiring special education, to the school offering such special education, in order to comply with title VI of the Civil Rights Act of 1964. For the purpose of this section an indirect requirement of transportation of students includes the transportation of students to carry out a plan involving the reorganization of the grade structure of schools, the pairing of schools, or the clustering of schools, or any combination of grade restructuring, pairing or clustering. The prohibition described in this section does not include the establishment of magnet schools.

SEC. 303. No funds appropriated in this Act may be used to prevent the implementation of programs of voluntary prayer and meditation in the public schools.

(TRANSFER OF FUNDS)

SEC. 304. Not to exceed 1 percent of any discretionary funds (pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985) which are appropriated for the Department of Education in this Act may be transferred between appropriations, but no such appropriation shall be increased by more than 3 percent by any such transfer: *Provided*, That the transfer authority granted by this section shall be available only to meet emergency needs and shall not be used to create any new program or to fund any project or

activity for which no funds are provided in this Act: *Provided further*, That the Committees on Appropriations of the House of Representatives and the Senate are notified at least 15 days in advance of any transfer.

[SEC. 305. None of the funds made available in this Act may be used to promulgate, implement, or enforce any revision to the regulations in effect under section 496 of the Higher Education Act of 1965 on June 1, 2007, until legislation specifically requiring such revision is enacted.]

[SEC. 306. (a) MAINTENANCE OF INTEGRITY AND ETHICAL VALUES WITHIN DEPARTMENT OF EDUCATION.—Within 60 days after the enactment of this Act, the Secretary of Education shall implement procedures—

(1) to assess whether a covered individual or entity has a potential financial interest in, or impaired objectivity towards, a product or service purchased with, or guaranteed or insured by, funds administered by the Department of Education or a contracted entity of the Department; and

(2) to disclose the existence of any such potential financial interest or impaired objectivity.

(b) REVIEW BY INSPECTOR GENERAL.—

(1) Within 60 days after the implementation of the procedures described in subsection (a), the Inspector General of the Department of Education shall report to the Committees on Appropriations of the House of Representatives and the Senate on the adequacy of such procedures.

(2) Within 1 year, the Inspector General shall conduct at least 1 review to ensure that such procedures are properly implemented and are effective to uncover and disclose the existence of potential financial interests or impaired objectivity described in subsection (a).

(3) The Inspector General shall report to such Committees any recommendations for modifications to such procedures that the Inspector General determines are necessary to uncover and disclose the existence of such potential financial interests or impaired objectivity.

(c) DEFINITION.—For purposes of this section, the term “covered individual or entity” means—

(1) an officer or professional employee of the Department of Education;

(2) a contractor or subcontractor of the Department, or an individual hired by the contracted entity;

(3) a member of a peer review panel of the Department; or

(4) a consultant or advisor to the Department.]

[SEC. 307. (a) Notwithstanding section 8013(9)(B) of the Elementary and Secondary Education Act of 1965, North Chicago Community Unit School District 187, North Shore District 112, and Township High School District 113 in Lake County, Illinois, and Glenview Public School District 34 and Glenbrook High School District 225 in Cook County, Illinois, shall be considered local educational agencies as such term is used in and for purposes of title VIII of such Act for fiscal years 2008 and 2009.

(b) Notwithstanding any other provision of law, federally connected children (as determined under section 8003(a) of the Elementary and Secondary Education Act of 1965) who are in attendance in the North Shore District 112, Township High School District 113, Glenview Public School District 34, and Glenbrook High School District 225 described in subsection (a), shall be considered to be in attendance in the North Chicago Community Unit School District 187 described in subsection (a) for purposes of computing the amount that the North Chicago Community Unit School District 187 is eligible to receive under subsection (b) or (d) of such section for fiscal years 2008 and 2009 if—

(1) such school districts have entered into an agreement for such students to be so considered and for the equitable apportionment among all such school districts of any amount received by the North Chicago Community Unit School District 187 under such section; and

(2) any amount apportioned among all such school districts pursuant to paragraph (1) is used by such school districts only for the direct provision of educational services.]

[SEC. 308. Prior to January 1, 2008, the Secretary of Education may not terminate any voluntary flexible agreement under section 428A of the Higher Education Act of 1965 that existed on October 1, 2007. With respect to an entity with which the Secretary of Education had a voluntary flexible agreement under section 428A of the Higher Education Act of 1965 on October 1, 2007 that is not cost neutral, if the Secretary terminates such agreement on or after

January 1, 2008, the Secretary of Education shall, not later than March 31, 2008, negotiate to enter, and enter, into a new voluntary flexible agreement with such entity so that the agreement is cost neutral, unless such entity does not want to enter into such agreement.】

【SEC. 309. Notwithstanding section 102(a)(4)(A) of the Higher Education Act of 1965, the Secretary of Education shall not take into account a bankruptcy petition filed in the United States Bankruptcy Court for the Northern District of New York on February 21, 2001, in determining whether a nonprofit educational institution that is a subsidiary of an entity that filed such petition meets the definition of an “institution of higher education” under section 102 of that Act.】

【(RESCISSION OF FUNDS)】

【SEC. 310. Of the unobligated balances available under the Federal Direct Student Loan Program Administration authorized by section

458 of the Higher Education Act and the Higher Education Reconciliation Act of 2005, \$25,000,000 are rescinded.】

【SEC. 311. The Secretary of Education shall—

(1) deem each local educational agency that received a fiscal year 2007 basic support payment for heavily impacted local educational agencies under section 8003(b)(2) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(b)(2)) as eligible to receive a fiscal year 2008 basic support payment for heavily impacted local educational agencies under such section; and

(2) make a payment to such local educational agency under such section for fiscal year 2008. 】【*(Department of Education Appropriations Act, 2008.)*】