

DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

Federal Funds

General and special funds:

EDUCATION REFORM

[For carrying out activities authorized by titles III and IV of the Goals 2000: Educate America Act, the School-to-Work Opportunities Act, and sections 3122, 3132, 3136, and 3141, parts B, C, and D of title III, and part I of title X of the Elementary and Secondary Education Act of 1965, \$1,768,370,000, of which \$456,500,000 for the Goals 2000: Educate America Act and \$55,000,000 for the School-to-Work Opportunities Act shall become available on July 1, 2000 and remain available through September 30, 2001, and of which \$109,500,000 shall be for section 3122: *Provided*, That none of the funds appropriated under this heading shall be obligated or expended to carry out section 304(a)(2)(A) of the Goals 2000: Educate America Act, except that no more than \$1,500,000 may be used to carry out activities under section 314(a)(2) of that Act: *Provided further*, That section 315(a)(2) of the Goals 2000: Educate America Act shall not apply: *Provided further*, That up to one-half of 1 percent of the amount available under section 3132 shall be set aside for the outlying areas, to be distributed on the basis of their relative need as determined by the Secretary in accordance with the purposes of the program: *Provided further*, That if any State educational agency does not apply for a grant under section 3132, that State's allotment under section 3131 shall be reserved by the Secretary for grants to local educational agencies in that State that apply directly to the Secretary according to the terms and conditions published by the Secretary in the Federal Register: *Provided further*, That of the funds made available to carry out section 3136 and notwithstanding any other provision of law, \$500,000 shall be awarded to the Houston Independent School District for technology infrastructure, \$8,000,000 shall be awarded to the I CAN LEARN program, \$3,000,000 shall be awarded to the Linking Education Technology and Educational Reform (LINKS) project for educational technology, \$1,000,000 shall be awarded to the Center for Advanced Research and Technology (CART) for comprehensive secondary education reform, \$250,000 shall be awarded to the Vaughn Reno Starks Community Center in Elizabethtown, Kentucky for a technology program, \$125,000 shall be awarded to the Wyandanch Compel Youth Academy Educational Assistance Program in New York, \$3,000,000 shall be awarded to Hi-Technology High School in San Bernardino County, California for technology enhancement, \$300,000 shall be awarded to the Long Island 21st Century Technology and E-Commerce Alliance, \$800,000 shall be awarded to Montana State University-Billings for a distance learning initiative, \$2,000,000 for the Tupelo School District in Tupelo, Mississippi for technology innovation in education, \$900,000 for the University of Alaska at Anchorage for distance learning education, \$1,000,000 shall be awarded to the Seton Hill College in Greensburg, Pennsylvania for a model education technology training program, \$500,000 shall be awarded to the University of Alaska-Fairbanks, in Fairbanks, Alaska for a teacher technology training program, \$200,000 shall be awarded to the Alaska Department of Education for the Alaska State Distance Education Technology Consortium, \$1,000,000 shall be awarded to the North East Vocational Area Cooperative in Washington State for a multi-district technology education center, \$400,000 shall be awarded to the University of Vermont for the Vermont Learning Gateway Program, \$2,500,000 shall be awarded to the State University of New Jersey for the RUNet 2000 project at Rutgers for an integrated voice-video-data network to link students, faculty and administration via a high-speed, broad band fiber optic network, \$500,000 shall be awarded to the Iowa Area Education Agency 13 for a public/private partnership to demonstrate the effective use of technology in grades 1-3, \$235,000 shall be for the Louisville Deaf Oral School for technology enhancements: *Provided further*, That in the State of Alabama \$50,000 shall be awarded to the Bibb County Board of Education for technology enhancements, \$50,000 shall be awarded to the Calhoun County

Board of Education for technology enhancements, \$50,000 shall be awarded to the Chambers County Board of Education for technology enhancements, \$50,000 shall be awarded to the Chilton County Board of Education for technology enhancements, \$50,000 shall be awarded to the Clay County Board of Education for technology enhancements, \$50,000 shall be awarded to the Cleburne County Board of Education for technology enhancements, \$50,000 shall be awarded to the Coosa County Board of Education for technology enhancements, \$50,000 shall be awarded to the Lee County Board of Education for technology enhancements, \$50,000 shall be awarded to the Macon County Board of Education for technology enhancements, \$50,000 shall be awarded to the St. Clair County Board of Education for technology enhancements, \$50,000 shall be awarded to the Talladega County Board of Education for technology enhancements, \$50,000 shall be awarded to the Tallapoosa County Board of Education for technology enhancements, \$50,000 shall be awarded to the Randolph County Board of Education for technology enhancements, \$50,000 shall be awarded to the Russell County Board of Education for technology enhancements, \$50,000 shall be awarded to the Alexander City Board of Education for technology enhancements, \$50,000 shall be awarded to the Anniston City Board of Education for technology enhancements, \$50,000 shall be awarded to the Lanett City Board of Education for technology enhancements, \$50,000 shall be awarded to the Pell City Board of Education for technology enhancements, \$50,000 shall be awarded to the Roanoke City Board of Education for technology enhancements, \$50,000 shall be awarded to the Talledega City Board of Education for technology enhancements, \$500,000 shall be to continue a state-of-the-art information technology system at Mansfield University, Mansfield, Pennsylvania, \$250,000 shall be awarded to the Chicago Public School Science and Technology Academy to establish a curriculum of math, science, and technology, \$500,000 shall be awarded to Prairie Hills, Illinois Elementary School District 144 for a public/private teacher technology training program, \$1,000,000 shall be awarded to Adelphi University in New York for the Information Commons project, \$250,000 shall be awarded to the Oakland School District in California to support a distance education initiative, \$800,000 shall be awarded to the Kennedy Krieger Career and Technology Center in Maryland for a distance learning project, \$1,000,000 shall be awarded to Augsburg College and Twin Cities Public Television to demonstrate interactive technology to assist teachers and parents in effectively using emerging innovations in education, \$100,000 shall be awarded to the Santa Barbara Industry Education Council in California to provide technology education to area students and teachers, \$200,000 shall be awarded to the Nebraska Community College for technology training, and \$250,000 shall be awarded to the Providence Public School System, in partnership with the Metropolitan Regional Career and Technical Center, for Project Family Net to provide computer technology training to children and their parents: *Provided further*, That of the funds made available to carry out title III, part B of the Elementary and Secondary Education Act of 1965 and notwithstanding any other provision of law, \$750,000 shall be awarded to the Technology Literacy Center at the Museum of Science and Industry, Chicago, \$1,000,000 shall be awarded to an on-line math and science training program at Oklahoma State University, \$4,000,000 shall be awarded to continue and expand the Iowa Communications Network State-wide fiber optic demonstration project, and \$250,000 shall be awarded to the WinstonNet distance learning project in Winston Salem, North Carolina: *Provided further*, That of the funds made available for title X, part I of the Elementary and Secondary Education Act of 1965 and notwithstanding any other provision of law, \$6,000 shall be awarded to the Study Partners Program, Inc., in Louisville, Kentucky, \$12,000 shall be awarded to the Shawnee Gardens Tenants Association Inc., in Louisville, Kentucky for a tutorial program, \$12,000 shall be awarded to the 100 Black Men of Louisville, Kentucky for a mentoring and leadership training program, \$500,000 shall be awarded to the Omaha, Nebraska Public Schools for the OPS 21st Century Learning Grant, \$25,000 shall be for the Plymouth Renewal Center in Kentucky for a tutoring program, \$25,000 shall be for the Canaan Community Development Corporation's Village Learning Center Program, \$25,000 shall be for the St. Stephen Life Center

General and special funds—Continued

EDUCATION REFORM—Continued

After School Program, \$25,000 shall be for the Louisville Central Community Centers Youth Education Program, \$15,000 shall be for the Trinity Family Life Center tutoring program, \$15,000 shall be for the New Zion Community Development Foundation, Inc., after school mentoring program, \$20,000 shall be for the St. Joseph Catholic Orphan Society program for abused and neglected children, \$25,000 shall be for the Portland Neighborhood House after school program, \$25,000 shall be for the St. Anthony Community Outreach Center, Inc., for the Education PAYs program, \$250,000 shall be awarded to the Harvey Public School District 152 in Chicago, Illinois for the "Project CAFE" after-school program, \$200,000 shall be awarded to the St. Clair County, Michigan Intermediate School District for after-school programs, \$400,000 shall be awarded to the Macomb County, Michigan Intermediate School District for after-school programs, \$200,000 shall be awarded to the Danbury Public School System in Connecticut for an ESCAPE Arts after-school program, \$50,000 shall be awarded to the Tuckahoe School District for an after-school program in Eastchester, New York, \$100,000 shall be awarded to Innovative Directions, an Educational Alliance (IDEA), based at the City Island School (P.S. 175) in the Bronx, New York City, New York, \$250,000 shall be awarded to the New York Hall of Science in Queens, New York for after-school education programs, \$60,000 shall be awarded to the Mamaroneck School District in Mamaroneck, New York for expansion of an after-school program, \$250,000 shall be awarded to the White Plains School District for an after-school program in White Plains, New York, \$200,000 shall be awarded to the New Rochelle School District for an after-school program in New Rochelle, New York, \$250,000 shall be awarded to the Community School District 30 in Queens, New York for the expansion of after-school activities, \$500,000 shall be awarded to the Jefferson Elementary School for a joint after-school program with the Madison Elementary School in Stevens Point, Wisconsin, \$400,000 shall be awarded to the School District of Superior in Wisconsin for an after-school center, \$100,000 shall be awarded to the Independence School District in Kansas City, Missouri for an after-school program, and \$500,000 shall be awarded to the Clark County School District in Nevada for an after-school program.】 (*Department of Education Appropriations Act, 2000, as enacted by section 1000(a)(4) of the Consolidated Appropriations Act, 2000 (P.L. 106-113).*)

Program and Financing (in millions of dollars)

Identification code 91-0500-0-1-501	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
Goals 2000:			
00.01 State and local education systemic improvement	469	457	9
00.02 Parental assistance	30	33	
00.91 Total, goals 2000	499	490	9
01.01 School-to-work opportunities	128	125	55
Educational technology:			
02.01 Technology literacy challenge fund	425	425	
02.02 Technology innovation challenge grants	115	146	
02.03 Regional technology in education consortia	10	10	
National activities:			
02.04 Teacher training in technology	75	75	
02.05 Community-based technology	10	33	
02.06 Technology leadership activities	2	2	
02.07 Star schools	45	51	
02.08 Ready to learn television	11	16	
02.09 Telecommunications demonstration project for mathematics	5	8	
02.91 Total, educational technology	698	766	
03.01 21st Century community learning centers		453	
10.00 Total new obligations	1,325	1,834	64
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	204	133	64
22.00 New budget authority (gross)	1,314	1,765	
22.21 Unobligated balance transferred to other accounts	-64		
22.22 Unobligated balance transferred from other accounts	5		
23.90 Total budgetary resources available for obligation	1,459	1,898	64
23.95 Total new obligations	-1,325	-1,834	-64
23.98 Unobligated balance expiring or withdrawn	-1		

24.40 Unobligated balance available, end of year	133	64	
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,314	1,768	
40.76 Reduction pursuant to P.L. 106-113		-3	
43.00 Appropriation (total discretionary)	1,314	1,765	
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	1,409	1,847	2,556
73.10 Total new obligations	1,325	1,834	64
73.20 Total outlays (gross)	-887	-1,125	-1,385
74.40 Unpaid obligations, end of year: Obligated balance, end of year	1,847	2,556	1,235
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	124	88	
86.93 Outlays from discretionary balances	763	1,037	1,385
87.00 Total outlays (gross)	887	1,125	1,385
Net budget authority and outlays:			
89.00 Budget authority	1,314	1,765	
90.00 Outlays	887	1,125	1,385

The Administration has proposed legislation reauthorizing programs included in the expiring Elementary and Secondary Education Act. When new authorizing legislation is enacted, resources for the affected programs will be requested. See the "Legislative proposal, not subject to PAYGO" schedule for additional details.

Summary of Budget Authority and Outlays

(in millions of dollars)

	1999 actual	2000 est.	2001 est.
Enacted/requested:			
Budget Authority	1,314	1,765	
Outlays	887	1,125	1,385
Legislative proposal, not subject to PAYGO:			
Budget Authority			2,073
Outlays			104
Total:			
Budget Authority	1,314	1,765	2,073
Outlays	887	1,125	1,489

Object Classification (in millions of dollars)

Identification code 91-0500-0-1-501	1999 actual	2000 est.	2001 est.
25.1 Advisory and assistance services	15	21	
25.2 Other services	4	5	
25.3 Purchases of goods and services from Government accounts	6	8	
25.5 Research and development contracts	3	4	
41.0 Grants, subsidies, and contributions	1,297	1,796	64
99.9 Total new obligations	1,325	1,834	64

EDUCATION REFORM

(Legislative proposal, not subject to PAYGO)

Of the funds to be made available under this heading, \$120,000,000 shall be available to support activities under section 10105 of part A, title X of the Elementary and Secondary Education Act of 1965, of which up to 5 percent may be available for evaluation, technical assistance, and school networking activities: Provided, That funds made available to local educational agencies under section 10105 shall be used only for activities related to establishing smaller learning communities in high schools: Provided further, That funds to be made available for section 10105 shall become available on July 1, 2001, and remain available through September 30, 2002.

Program and Financing (in millions of dollars)

Identification code 91-0500-2-1-501	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 21st century community learning centers			1,000
00.02 Small, safe and successful high schools			120

00.91	Direct Program Subtotal	1,120
	Educational technology:	
01.01	Technology literacy challenge fund	450
01.02	Regional technology in education consortia	170
01.03	Next generation technology innovation	10
01.04	Technology leadership activities	2
01.05	Ready to learn digital television	16
01.06	Telecommunications program for professional development	5
01.07	Community technology centers	100
01.08	Preparing tomorrow's teachers to use technology	150
01.91	Subtotal, educational technology	903
02.01	Recognition and reward	50
10.00	Total new obligations	2,073
Budgetary resources available for obligation:		
22.00	New budget authority (gross)	2,073
23.95	Total new obligations	-2,073
New budget authority (gross), detail:		
Discretionary:		
40.00	Appropriation	2,073
Change in unpaid obligations:		
73.10	Total new obligations	2,073
73.20	Total outlays (gross)	-104
74.40	Unpaid obligations, end of year: Obligated balance, end of year	1,969
Outlays (gross), detail:		
86.90	Outlays from new discretionary authority	104
Net budget authority and outlays:		
89.00	Budget authority	2,073
90.00	Outlays	104

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 of 1965 and the Goals 2000: Educate America Act, as amended. Proposed appropriations language for Small, Safe and Successful Schools is provided to continue appropriations policy established in FY 2000. Appropriations language for the remainder of the account will be transmitted at a later date.

21st Century community learning centers.—Funds would support grants to centers providing school-based academic and recreational services for youths and other members of the community. The budget expands this program dramatically to provide more high-quality extended learning opportunities for children and to make after or summer school programs universally available to help turn around failing schools.

Small, safe and successful high schools.—Funds would be used to assist high schools to create smaller, safer learning environments through such strategies as schools-within-schools, career academies, or magnet schools.

Educational Technology

Technology Literacy Challenge Fund.—Funds would be provided by formula to States, which in turn award grants competitively to local educational agencies to acquire computers, connections, training, and software to achieve the President's four goals for fully integrating technology into classrooms.

Next generation technology innovation.—The proposal would combine the Technology Innovation Challenge Grants and the Star Schools program into a new program designed to develop and expand cutting-edge technologies such as Web-based instruction to improve instruction. Funds would be used for competitive awards to consortia that include at least one State or local educational agency and at least one institution of higher education, for-profit business, museum, library, or other entity with relevant experience.

Regional technology in education consortia.—Under the proposal, funds would continue to support technical assistance to promote the effective use of technology in education.

Technology leadership activities.—Funds would support leadership activities designed to promote the effective use of educational technology, and to strengthen and coordinate the Department's technology initiatives and other Federal and private sector efforts.

Ready to learn digital television.—Under the proposal, funds would continue to support the development of educational programming and outreach activities promoting literacy and school readiness for preschool and elementary school children and their parents.

Telecommunications program for professional development.—Currently, funds support a national telecommunications-based demonstration project to improve teaching in mathematics. The reauthorization proposal would expand the program to include teaching in core content areas, not just in mathematics.

Community technology centers.—Funds support computer learning centers for students and adults in low-income neighborhoods.

Preparing tomorrow's teachers to use technology.—Funds would support grants to consortia of States, colleges of education, and other public and private entities to prepare new teachers to use technology effectively in their classrooms.

Recognition and reward.—Funds would be used to reward States that are improving student achievement; narrowing the achievement gap between high- and low-performing students; and that have strategies in place for continuous improvement.

Object Classification (in millions of dollars)

Identification code	91-0500-2-1-501	1999 actual	2000 est.	2001 est.
25.1	Advisory and assistance services			23
25.2	Other services			5
25.5	Research and development contracts			9
41.0	Grants, subsidies, and contributions			2,036
99.9	Total new obligations			2,073

EDUCATION FOR THE DISADVANTAGED

For carrying out [title I of the Elementary and Secondary Education Act of 1965, and] section 418A of the Higher Education Act of 1965, \$30,000,000 [\$8,700,986,000, of which \$2,461,823,000 shall become available on July 1, 2000, and shall remain available through September 30, 2001, and of which \$6,204,763,000 shall become available on October 1, 2000 and shall remain available through September 30, 2001, for academic year 2000-2001: *Provided*, That \$6,783,000,000 shall be available for basic grants under section 1124: *Provided further*, That \$134,000,000 shall be allocated among the States in the same proportion as funds are allocated among the States under section 1122, to carry out section 1116(c): *Provided further*, That 100 percent of these funds shall be allocated to local educational agencies for the purposes of carrying out section 1116(c) and that local educational agencies shall provide all students enrolled in a school identified under section 1116(c) with the option to transfer to another public school within the local educational agency, including a public charter school, that has not been identified for school improvement under section 1116(c): *Provided further*, That if the local educational agency demonstrates to the satisfaction of the State educational agency that the local educational agency lacks the capacity to provide all students with the option to transfer to another public school, and after giving notice to the parents of children affected that it is not possible, consistent with State and local law, to accommodate the transfer request of every student, the local educational agency shall permit as many students as possible (who shall be selected by the local educational agency on an equitable basis) to transfer to a public school that has not been identified for school improvement under section 1116(c): *Provided further*, That up to \$3,500,000 of these funds shall be available to the Secretary on October 1, 1999, to obtain updated local-educational-agency-level census poverty data from the Bureau of the Census: *Provided further*, That \$1,158,397,000 shall be available for concentration grants under sec-

General and special funds—Continued

EDUCATION FOR THE DISADVANTAGED—Continued

tion 1124A: *Provided further*, That \$8,900,000 shall be available for evaluations under section 1501 and not more than \$8,500,000 shall be reserved for section 1308, of which not more than \$3,000,000 shall be reserved for section 1308(d): *Provided further*, That grant awards under sections 1124 and 1124A of title I of the Elementary and Secondary Education Act of 1965 shall be made to each State and local educational agency at no less than 100 percent of the amount such State or local educational agency received under this authority for fiscal year 1999: *Provided further*, That notwithstanding any other provision of law, grant awards under section 1124A of title I of the Elementary and Secondary Education Act of 1965 shall be made to those local educational agencies that received a Concentration Grant under the Department of Education Appropriations Act, 1998, but are not eligible to receive such a grant for fiscal year 2000: *Provided further*, That each such local educational agency shall receive an amount equal to the Concentration Grant the agency received in fiscal year 1998, ratably reduced, if necessary, to ensure that these local educational agencies receive no greater share of their hold-harmless amounts than other local educational agencies: *Provided further*, That the Secretary shall not take into account the hold harmless provisions in this section in determining State allocations under any other program administered by the Secretary in any fiscal year: *Provided further*, That \$170,000,000 shall be available under section 1002(g)(2) to demonstrate effective approaches to comprehensive school reform to be allocated and expended in accordance with the instructions relating to this activity in the statement of the managers on the conference report accompanying Public Law 105-78 and in the statement of the managers on the conference report accompanying Public Law 105-277: *Provided further*, That in carrying out this initiative, the Secretary and the States shall support only approaches that show the most promise of enabling children served by title I to meet challenging State content standards and challenging State student performance standards based on reliable research and effective practices, and include an emphasis on basic academics and parental involvement]. (*Department of Education Appropriations Act, 2000, as enacted by section 1000(a)(4) of the Consolidated Appropriations Act, 2000 (P.L. 106-113).*)

Program and Financing (in millions of dollars)

Identification code 91-0900-0-1-501	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
Direct program:			
Grants to local educational agencies:			
00.01 Basic grants	2,965	6,786	5,058
00.02 Concentration grants	11	1,160	1,147
00.03 Capital expenses	24	12	.....
00.04 Even start	134	154	.....
00.05 State agency programs	393	403	.....
00.06 Evaluation	7	9	.....
00.07 Demonstrations of comprehensive school reform	176	171	.....
00.08 Migrant education projects	13	22	30
10.00 Total new obligations	3,723	8,717	6,235
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	71	16	.....
22.00 New budget authority (gross)	3,670	8,701	6,235
22.10 Resources available from recoveries of prior year obligations	1	.....	.....
23.90 Total budgetary resources available for obligation	3,742	8,717	6,235
23.95 Total new obligations	-3,723	-8,717	-6,235
23.98 Unobligated balance expiring or withdrawn	-1	.....	.....
24.40 Unobligated balance available, end of year	16	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	2,222	2,496	30
55.00 Advance appropriation	1,448	6,205	6,205
70.00 Total new budget authority (gross)	3,670	8,701	6,235
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	7,304	3,472	3,811
73.10 Total new obligations	3,723	8,717	6,235
73.20 Total outlays (gross)	-7,554	-8,378	-8,108

73.40 Adjustments in expired accounts (net)	-2	.....	.....
73.45 Adjustments in unexpired accounts	-1	.....	.....
74.40 Unpaid obligations, end of year: Obligated balance, end of year	3,472	3,811	1,938
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1,425	5,399	4,966
86.93 Outlays from discretionary balances	6,129	2,980	3,143
87.00 Total outlays (gross)	7,554	8,378	8,108
Net budget authority and outlays:			
89.00 Budget authority	3,670	8,701	6,235
90.00 Outlays	7,554	8,378	8,108

SUMMARY OF PROGRAM LEVEL

(in millions of dollars)

	1999-2000 academic year	2000-2001 academic year	2001-2002 academic year
Current Budget Authority	2,222	2,496	2,935
Advance appropriation	6,205	6,205	6,205
Total program level	8,427	8,701	9,140
Increase in advance appropriation over previous year .....	.....	.....	.....

Title I programs.—The Administration has proposed legislation reauthorizing programs under Title I of the Elementary and Secondary Education Act. When new authorizing legislation is enacted, resources will be requested for these programs. See the “Legislative proposal, not subject to PAYGO” schedule for additional details.

Migrant education projects.—Funds support grants to institutions of higher education and other nonprofit agencies that assist migrant students to earn a high school equivalency certificate or to complete their first year of college.

Summary of Budget Authority and Outlays

(in millions of dollars)

	1999 actual	2000 est.	2001 est.
Enacted/requested:			
Budget Authority	3,670	8,701	6,235
Outlays	7,554	8,379	8,109
Legislative proposal, not subject to PAYGO:			
Budget Authority .....	.....	.....	2,915
Outlays .....	.....	.....	456
Total:			
Budget Authority	3,670	8,701	9,150
Outlays	7,554	8,379	8,565

Object Classification (in millions of dollars)

Identification code 91-0900-0-1-501	1999 actual	2000 est.	2001 est.
25.1 Advisory and assistance services	9	11	.....
25.2 Other services	8	9	.....
25.3 Purchases of goods and services from Government accounts	4	4	.....
41.0 Grants, subsidies, and contributions	3,702	8,693	6,235
99.9 Total new obligations	3,723	8,717	6,235

EDUCATION FOR THE DISADVANTAGED

(Legislative proposal, not subject to PAYGO)

Of the funds to be made available under this heading, \$250,000,000 of funds for part A of title I of the Elementary and Secondary Education Act of 1965 shall be allocated among the States in the same proportion as funds are allocated among them under section 1122, to carry out sections 1116(c), 1116(d), and 1117 of that Act: Provided, That each State shall allocate at least 70 percent of such funds to local educational agencies to carry out section 1116(c), giving priority first to local educational agencies with schools identified for corrective action under section 1116(c)(5) and second to local educational agencies with schools identified for program improvement under section 1116(c)(1) that are farthest from meeting State standards, which those agencies shall use for the benefit of students in those schools: Provided further, That each State shall use the remainder of such funds in the following priority: (1) to take corrective action, under section

1116(c)(6)(B), with respect to schools and local educational agencies described in that section; (2) to take corrective action with respect to local educational agencies in accordance with section 1116(d)(6); and (3) to provide technical assistance to remaining schools that are farthest from meeting State standards: Provided further, That a State educational agency shall require any local educational agency receiving funds under part A, title I, except where prohibited by State or local law (including school board-approved local educational agency policy), to permit students attending any school identified for corrective action under section 1116(c)(5) to transfer, at no cost to the student, to another public school of the agency that has not been so identified, in addition to taking at least one other action described in section 1116(c)(5)(B), except that no agency may use more than 10 percent of the funds, if any, it receives from the \$250,000,000 reserved above for the costs of transportation.

Program and Financing (in millions of dollars)

Identification code 91-0900-2-1-501	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
Direct program:			
Grants to local educational agencies:			
00.01 Basic grants			2,120
00.02 Concentration grants			12
00.03 Targeted grants			21
00.04 Even start			150
00.05 State agency programs			422
00.08 Demonstrations of comprehensive school reform			190
10.00 Total new obligations			2,915
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			2,915
23.95 Total new obligations			-2,915
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation			2,915
Change in unpaid obligations:			
73.10 Total new obligations			2,915
73.20 Total outlays (gross)			-456
74.40 Unpaid obligations, end of year: Obligated balance, end of year			2,459
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			456
Net budget authority and outlays:			
89.00 Budget authority			2,915
90.00 Outlays			456

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 (ESEA), as amended. Proposed appropriations language for the Title I Accountability Fund is provided to continue and modify appropriations policy established in 2000. Appropriations language for the remainder of the account will be transmitted at a later date.

Under the Administration's proposal for Title I of that Act, funds would be provided to States and to local school districts for the activities shown below.

Grants to local education agencies.—Funds would be allocated through the Basic, Concentration, and Targeted grants formulas for local programs that help Title I students meet high standards, hold school districts and schools accountable for improved student achievement and reduce the number of failing schools, support schoolwide reforms and the use of research-based strategies for improving teaching and learning, dedicate more resources to professional development, and target funds to high-poverty schools. To improve Title I accountability, funds would be included to help turn around low-achieving schools in all States.

Even start.—Funds would be provided by formula to States, which would award grants for local projects to partnerships of local educational agencies and other organizations to oper-

ate family literacy projects integrating early childhood education, adult literacy, and parenting education for low-income families with children under age 8.

State agency migrant program.—Funds would be provided by formula to States for educational services to children of migratory farmworkers and fishers. Funds and services would be concentrated on children who have moved within the past 36 months.

State agency neglected and delinquent program.—Funds would be provided by formula to States for educational services to children and youth under age 21 in State neglected, delinquent, or adult correction facilities. Services would help institutionalized youth achieve to the same challenging standards established for students in local public schools.

Demonstrations of comprehensive school reform.—Funds would be provided by formula to States, which in turn award grants to local educational agencies to help participating schools initiate and implement comprehensive school reforms based on approaches and methods grounded in reliable research and practice.

Object Classification (in millions of dollars)

Identification code 91-0900-2-1-501	1999 actual	2000 est.	2001 est.
25.1 Advisory and assistance services			20
25.2 Other services			9
25.3 Purchases of goods and services from Government accounts			4
41.0 Grants, subsidies, and contributions			2,882
99.9 Total new obligations			2,915

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, \$910,500,000, of which \$737,200,000 shall be for basic support payments under section 8003(b), \$50,000,000 shall be for payments for children with disabilities under section 8003(d), \$76,000,000, to remain available until expended, shall be for payments under section 8003(f), \$10,300,000 shall be for construction under section 8007, \$32,000,000 shall be for Federal property payments under section 8002 and \$5,000,000 to remain available until expended shall be for facilities maintenance under section 8008: *Provided*, That of the funds available for section 8007 and notwithstanding any other provision of law, \$500,000 shall be awarded to the Fort Sam Houston Independent School District, Texas, \$800,000 shall be awarded to the Hays Lodgepole School District, Montana, and \$2,000,000 shall be awarded to the North Chicago Community Unit SD 187: *Provided further*, That these funds shall remain available until expended: *Provided further*, That the Secretary of Education shall treat as timely filed, and shall process for payment, an application for a fiscal year 1999 payment from the local educational agency for Brookeland, Texas under section 8002 of the Elementary and Secondary Education Act of 1965 if the Secretary has received that application not later than 30 days after the enactment of this Act: *Provided further*, That section 8002(f) of the Elementary and Secondary Education Act of 1965 is amended by adding a new paragraph "(3)" at the end to read as follows:

"(3) For each fiscal year beginning with fiscal year 2000, the Secretary shall treat the Central Union, California; Island, California; Hill City, South Dakota; and Wall, South Dakota local educational agencies as meeting the eligibility requirements of subsection (a)(1)(C) of this section."

Provided further, That the Secretary of Education shall consider all payments received by the educational agency for Hatboro-Horsham and Delaware Valley, Pennsylvania for fiscal year 1995 under section 8002(a) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7702(a)), and all payments under section 8002(h)(2)(A) for subsequent years through fiscal year 1999, to be correct: *Provided further*, That section 8002(f) of the Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof a new paragraph (4) to read as follows:

"(4) For the purposes of payments under this section for each fiscal year beginning with fiscal year 2000, the Secretary shall

General and special funds—Continued

IMPACT AID—Continued

treat the Hot Springs, South Dakota local educational agency as if it had filed a timely application under section 8002 of the Elementary and Secondary Education Act of 1965 for fiscal year 1994 if the Secretary has received the fiscal year 1994 application, as well as Exhibits A and B not later than December 1, 1999.”:

Provided further, That section 8002(f) of the Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof a new paragraph (5) to read as follows:

“(5) For purposes of payments under this section for each fiscal year beginning with fiscal year 2000, the Secretary shall treat the Hueneme, California local educational agency as if it had filed a timely application under section 8002 of the Elementary and Secondary Education Act of 1965 if the Secretary has received the fiscal year 1995 application not later than December 1, 1999.”:

Provided further, That the Secretary of Education shall treat as timely filed, and shall process for payment, an application for a fiscal year 1998 payment from the local educational agency for Hyدابurg, Alaska, under section 8003 of the Elementary and Secondary Education Act of 1965 if the Secretary has received that application not later than 30 days after the enactment of this Act: *Provided further*, That the Secretary of Education shall treat as timely, and process for payment, an application for fiscal years 1996 and 1997 payment from the local education agency for Fallbrook Unified High School District, California, under section 8002 of the Elementary and Secondary Education Act of 1965, if the Secretary has received that application not later than 30 days after the enactment of this Act: *Provided further*, That for the purpose of computing the amount of a payment for a local educational agency for children identified under section 8003 of the Elementary and Secondary Education Act of 1965, children residing in housing initially acquired or constructed under section 801 of the Military Construction Authorization Act of 1984 (Public Law 98–115) (“Build to Lease” program) shall be considered as children described under section 8003(a)(1)(B) if the property described is within the fenced security perimeter of the military facility upon which such housing is situated: *Provided further*, That if such property is not owned by the Federal Government, is subject to taxation by a State or political subdivision of a State, and thereby generates revenues for a local educational agency which received a payment from the Secretary under section 8003, the Secretary shall: (1) require such local educational agency to provide certification from an appropriate official of the Department of Defense that such property is being used to provide military housing; and (2) reduce the amount of such payment by an amount equal to the amount of revenue from such taxation received in the second preceding fiscal year by such local educational agency, unless the amount of such revenue was taken into account by the State for such second preceding fiscal year and already resulted in a reduction in the amount of State aid paid to such local educational agency.】 (*Department of Education Appropriations Act, 2000, as enacted by section 1000(a)(4) of the Consolidated Appropriations Act, 2000 (P.L. 106–113).*)

Program and Financing (in millions of dollars)

Identification code 91–0102–0–1–501	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
Payments for federally connected children:			
00.01 Basic support payments	704	737	
00.02 Supplemental payments for children with disabilities	50	50	
00.03 Payments for heavily impacted districts	106	78	
00.91 Subtotal, payments for federally connected children	860	865	
01.01 Facilities maintenance	12	4	3
02.01 Construction (formula)	7	7	
03.01 Payments for Federal property	28	32	
04.01 Special construction	5	3	2
10.00 Total new obligations	912	911	5
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	73	24	19
22.00 New budget authority (gross)	864	906	
23.90 Total budgetary resources available for obligation	937	930	19
23.95 Total new obligations	–912	–911	–5

24.40 Unobligated balance available, end of year	24	19	14
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	864	910	
40.76 Reduction pursuant to P.L. 106–113		–4	
43.00 Appropriation (total discretionary)	864	906	
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	407	249	126
73.10 Total new obligations	912	911	5
73.20 Total outlays (gross)	–1,081	–1,034	–102
73.40 Adjustments in expired accounts (net)	11		
74.40 Unpaid obligations, end of year: Obligated balance, end of year	249	126	29
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	790	809	
86.93 Outlays from discretionary balances	291	225	102
87.00 Total outlays (gross)	1,081	1,034	102
Net budget authority and outlays:			
89.00 Budget authority	864	906	
90.00 Outlays	1,081	1,034	102

The Administration has proposed legislation reauthorizing Impact Aid programs included in the expiring Elementary and Secondary Education Act. When new authorizing legislation is enacted, resources will be requested for these programs. See the “Legislative proposal, not subject to PAYGO” schedule for additional details.

Summary of Budget Authority and Outlays

(in millions of dollars)			
Enacted/requested:	1999 actual	2000 est.	2001 est.
Budget Authority	864	906	
Outlays	1,081	1,034	102
Legislative proposal, not subject to PAYGO:			
Budget Authority			770
Outlays			689
Total:			
Budget Authority	864	906	770
Outlays	1,081	1,034	791

Object Classification (in millions of dollars)

Identification code 91–0102–0–1–501	1999 actual	2000 est.	2001 est.
25.3 Purchases of goods and services from Government accounts	1		
32.0 Land and structures	10	7	3
41.0 Grants, subsidies, and contributions	901	904	2
99.9 Total new obligations	912	911	5

IMPACT AID

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 91–0102–2–1–501	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
Payments for federally connected children:			
00.01 Basic support payments			720
00.02 Supplemental payments for children with disabilities			40
00.91 Subtotal, payments for federally connected children			760
01.01 Facilities maintenance			3
01.02 Construction			5
01.91 Subtotal			8
10.00 Total new obligations			768
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			770

23.95	Total new obligations	- 768
24.40	Unobligated balance available, end of year	3
New budget authority (gross), detail:		
Discretionary:		
40.00	Appropriation	770
Change in unpaid obligations:		
73.10	Total new obligations	768
73.20	Total outlays (gross)	- 689
74.40	Unpaid obligations, end of year: Obligated balance, end of year	79
Outlays (gross), detail:		
86.90	Outlays from new discretionary authority	689
Net budget authority and outlays:		
89.00	Budget authority	770
90.00	Outlays	689

The resources in this schedule are proposed for later transmittal under the proposed legislation to revise and reauthorize programs currently authorized under the Elementary and Secondary Education Act, as amended. Under the Administration proposal for Impact Aid, funds would be provided to assist local educational agencies that are affected by Federal activities. Payments would be made to local educational agencies that educate (1) children of members of the uniformed services living on Federal property; (2) children living on Indian lands; (3) children of Federal employees who both live and work on Federal property; and (4) children of foreign military officers living on Federal property.

Basic support payments.—Payments would be made on behalf of approximately 292,000 federally connected children enrolled in approximately 950 local educational agencies across the country. The request would provide an average payment of approximately \$2,500 for each of these federally connected children.

Payments for children with disabilities.—Payments would be made for additional assistance to local educational agencies educating federally connected children with disabilities. Approximately 33,000 such children are enrolled in school districts across the country. The request would provide approximately \$1,200 in additional assistance for the education of each of these children.

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

Construction.—Payments would provide assistance for school construction for local educational agencies in which at least 50 percent of the students reside on Indian lands.

Object Classification (in millions of dollars)

Identification code 91-0102-2-1-501	1999 actual	2000 est.	2001 est.
32.0	Land and structures		3
41.0	Grants, subsidies, and contributions		765
99.9	Total new obligations		768

SCHOOL IMPROVEMENT PROGRAMS

For carrying out school improvement activities authorized by [titles II, IV, V-A and B, VI, IX,] title X-C, [and XIII] of the Elementary and Secondary Education Act of 1965 ("ESEA"); [the Stewart B. McKinney Homeless Assistance Act; and] the Civil Rights Act of 1964 and part B of title VIII of the Higher Education Act of 1965]; \$3,026,884,000, of which \$975,300,000 shall become available on July 1, 2000, and remain available through September 30, 2001, and of which \$1,515,000,000 shall become available on October 1, 2000 and shall remain available through September 30, 2001 for academic year 2000-2001: *Provided*, That of the amount appropriated, \$335,000,000

shall be for Eisenhower professional development State grants under title II-B and \$1,680,000,000 shall be for title VI and up to \$750,000 shall be for an evaluation of comprehensive regional assistance centers under title XIII of ESEA: *Provided further*, That of the amount made available for title VI \$1,300,000,000 shall be available, notwithstanding any other provision of law, to carry out title VI of Elementary and Secondary Education Act of 1965 in accordance with section 310 of this Act, in order to reduce class size, particularly in the early grades, using highly qualified teachers to improve educational achievement for regular and special needs children], \$202,334,000. (*Department of Education Appropriations Act, 2000, as enacted by section 1000(a)(4) of the Consolidated Appropriations Act, 2000 (P.L. 106-113).*)

Program and Financing (in millions of dollars)

Identification code 91-1000-0-1-501	1999 actual	2000 est.	2001 est.	
Direct program:				
Obligations by program activity:				
Professional development and program innovation:				
00.01	Eisenhower professional development State grants	337	336	
00.02	Innovative education program strategies State grants	375	81	285
00.03	Class size reduction	1,199	401	900
Safe and drug-free schools and communities:				
00.04	State grants	441	111	330
00.05	National programs	90	111	
00.06	Coordinator Initiative	35	50	
00.08	Inexpensive book distribution	18	20	
00.09	Arts in education	11	12	
00.10	Magnet schools assistance	104	110	
00.11	Education for homeless children and youth	29	29	
00.12	Women's educational equity	3	3	
00.13	Training and advisory services	7	7	7
00.14	Ellender fellowships	2	2	
00.15	Education for Native Hawaiians	20	23	
00.16	Alaska Native education equity	10	13	
00.17	Charter schools	100	145	175
00.18	Advanced placement incentives	4	15	20
00.19	Comprehensive regional assistance centers	28	28	
01.00	Total direct program	2,813	1,497	1,717
09.01	Reimbursable program	36		
10.00	Total new obligations	2,849	1,497	1,717
Budgetary resources available for obligation:				
21.40	Unobligated balance available, start of year	5	4	
22.00	New budget authority (gross)	2,847	1,492	1,717
23.90	Total budgetary resources available for obligation	2,852	1,496	1,717
23.95	Total new obligations	- 2,849	- 1,497	- 1,717
24.40	Unobligated balance available, end of year	4		
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	2,811	1,512	202
40.76	Reduction pursuant to P.L. 106-113		- 20	
43.00	Appropriation (total discretionary)	2,811	1,492	202
55.00	Advance appropriation			1,515
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	36		
70.00	Total new budget authority (gross)	2,847	1,492	1,717
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance, start of year	1,941	3,423	2,393
73.10	Total new obligations	2,849	1,497	1,717
73.20	Total outlays (gross)	- 1,362	- 2,527	- 2,627
73.40	Adjustments in expired accounts (net)	- 4		
74.40	Unpaid obligations, end of year: Obligated balance, end of year	3,423	2,393	1,483
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	155	150	1,026
86.93	Outlays from discretionary balances	1,207	2,377	1,602
87.00	Total outlays (gross)	1,362	2,527	2,627
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	- 36		

General and special funds—Continued

SCHOOL IMPROVEMENT PROGRAMS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 91-1000-0-1-501	1999 actual	2000 est.	2001 est.
Net budget authority and outlays:			
89.00 Budget authority	2,811	1,492	1,717
90.00 Outlays	1,326	2,527	2,627

Note.—Includes \$15 million in budget authority in 2001 for Eisenhower regional mathematics and science education consortia previously financed from:

(in millions of dollars)	1999 actual	2000 est.
Office of Educational Research and Improvement, Education Research, Statistics, and Improvement	15	15

The Administration has proposed legislation to reauthorize the Elementary and Secondary Education Act and portions of the Stewart B. McKinney Homeless Assistance Act. When new authorizing legislation is enacted, resources will be requested for most programs in the School Improvement Programs account. See the "Legislative proposal, not subject to PAYGO".

Training and advisory services.—Grants are made to regional equity assistance centers that provide technical assistance to school districts in addressing equity in education related to issues of race, gender, and national origin.

Charter schools.—Grants are awarded to State educational agencies and charter schools to support the planning, design, initial implementation, and dissemination of information regarding model charter schools. These schools are created by teachers, parents, and members of the community, and are exempt from certain local, State, and Federal regulations.

Advanced placement incentives.—Funds are used by States to pay for advanced placement test fees for low-income students who are enrolled in advanced placement classes. In States in which no eligible low-income individual is required to pay more than a nominal fee to take advanced placement tests, funds may be used for other purposes to increase the number of low-income students taking these tests, such as curriculum development and training of teachers for advanced placement courses.

Summary of Budget Authority and Outlays

(in millions of dollars)	1999 actual	2000 est.	2001 est.
Enacted/requested:			
Budget Authority	2,811	1,492	1,717
Outlays	1,326	2,527	2,628
Legislative proposal, not subject to PAYGO:			
Budget Authority			2,200
Outlays			186
Total:			
Budget Authority	2,811	1,492	3,917
Outlays	1,326	2,527	2,814

Object Classification (in millions of dollars)

Identification code 91-1000-0-1-501	1999 actual	2000 est.	2001 est.
Direct obligations:			
25.1 Advisory and assistance services	4	2	1
25.2 Other services	30	11	4
25.3 Purchases of goods and services from Government accounts	1		
41.0 Grants, subsidies, and contributions	2,777	1,484	1,712
99.0 Subtotal, direct obligations	2,812	1,497	1,717
99.0 Reimbursable obligations	36		
99.5 Below reporting threshold	1		
99.9 Total new obligations	2,849	1,497	1,717

SCHOOL IMPROVEMENT PROGRAMS

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 91-1000-2-1-501	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
High standards in the classroom:			
00.01 Teaching to high standards			405
National programs:			
00.02 School leadership initiative			40
00.03 National activities for the improvement of teaching and school leadership			25
00.04 Eisenhower regional mathematics and science education consortia			15
00.05 Hometown teachers initiative			75
00.06 Higher standards, higher pay			50
00.07 Teacher quality incentives			50
00.08 Transition to teaching: Troops to teachers			25
00.09 Early childhood educator professional development			30
00.10 Class size reduction			850
Safe and drug-free schools and communities:			
00.11 State grants			109
00.12 National programs			201
00.13 Project SERV			10
00.14 Inexpensive book distribution			20
00.15 Arts in education			23
00.16 Magnet schools assistance			110
00.17 Education for homeless children and youth			32
00.18 Women's educational equity			3
00.19 Education for Native Hawaiians			23
00.20 Alaska Native education equity			13
00.21 Opportunities to improve our Nation's schools (OPTIONS)			20
00.22 Strengthening technical assistance capacity grants			38
00.23 Parental information resource centers			33
10.00 Total new obligations			2,200

Budgetary resources available for obligation:

22.00 New budget authority (gross)			2,200
23.95 Total new obligations			-2,200

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation			2,200

Change in unpaid obligations:

73.10 Total new obligations			2,200
73.20 Total outlays (gross)			-186
74.40 Unpaid obligations, end of year: Obligated balance, end of year			2,014

Outlays (gross), detail:

86.90 Outlays from new discretionary authority			186
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Net budget authority and outlays:

89.00 Budget authority			2,200
90.00 Outlays			186

SUMMARY OF PROGRAM LEVEL

(in millions of dollars)	1999-2000 academic year	2000-2001 academic year	2001-2002 academic year
Current Budget Authority	2,811	1,492	2,402
Advance appropriation	0	1,515	1,515
Total program level	2,811	3,007	3,917
Increase in advance appropriation over previous year	+0	+1,515	+0

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 of 1965 and the Stewart B. McKinney Homeless Assistance Act.

Teaching to high standards State grants.—Under this new program, funds would be allocated by formula to States, outlying areas, and the Bureau of Indian Affairs to support standards-based reform and sustained and intensive high-

quality professional development for educators in the core academic subjects.

School leadership initiative.—This new program would fund centers that would provide professional development to principals and other school and district level administrators.

National activities for the improvement of teaching and school leadership.—This program will continue to support projects previously funded by Eisenhower Professional Development Federal activities, including the National Clearinghouse for Mathematics and Science Education and the National Board for Professional Teaching Standards.

Eisenhower regional mathematics and science education consortia.—This program would continue to support regional consortia to disseminate exemplary mathematics and science instructional materials and provide technical assistance to help teachers and administrators implement new teaching methods and assessment tools.

Hometown teachers initiative.—This new program would encourage high school students to become teachers and support them in their undergraduate teacher training programs and their first years in the classroom.

Higher standards, higher pay.—This initiative would award competitive grants to high-poverty school districts that implement peer review systems to attract and retain high-quality teachers and principals through better pay.

Teacher quality incentives.—This new program would encourage the use of fully certified and licensed teachers and discourage out-of-field teaching.

Transition to teaching: Troops to teachers.—This program would fund the Troops to Teachers program, which encourages and supports former members of the military to become teachers, and would expand the program to encourage other mid-career professionals to become teachers.

Early childhood educator professional development.—Under this new program, funds would be awarded competitively to partnerships of higher education institutions and other entities to create high-quality professional development for early childhood educators and caregivers working in communities with high concentrations of young children living in poverty.

Class size reduction.—Formula grants would be provided to local school districts to help them carry out effective approaches to reducing class sizes with highly qualified teachers. School districts give particular consideration to reducing class sizes in the early elementary grades.

Safe and Drug-Free Schools and Communities:

State grants.—Formula grants would be made to States, outlying areas, and the Bureau of Indian Affairs to help create and maintain drug-free, safe, and orderly environments for learning in and around schools by supporting effective, research-based approaches to drug and violence prevention

National programs.—Funds would support activities to promote drug-free, safe, and orderly learning environments for students at all educational levels. Such activities may include programs implemented in conjunction with other Federal agencies, such as the Safe Schools/Healthy Students initiative, that support local educational agencies and communities in developing and implementing comprehensive programs that create safe, disciplined, and drug-free learning environments and promote healthy childhood development; recruiting, hiring, and training program coordinators to assist school districts in implementing high-quality, effective, research-based drug and violence prevention programs; and other forms of training and technical assistance, demonstrations, and direct services to school districts, as well as developing and disseminating prevention and education materials and evaluating the effectiveness of drug and violence prevention programs.

Project SERV (School Emergency Response to Violence).—A new Federal response to violent deaths and other crises

in schools under which the Department of Education, in collaboration with the Departments of Justice and Health and Human Services and the Federal Emergency Management Administration, would provide immediate emergency assistance to a community following a school-related violent or traumatic incident to help identify and meet urgent and unplanned local needs, such as additional security personnel, emergency mental health crisis counseling, and longer-term counseling to students, faculty, and families.

Other Programs.—

Inexpensive book distribution.—Funds would support reading motivation activities, including the distribution of free books to children.

Arts in education.—Funds would support education activities of the Kennedy Center and VSA arts, as well as collaborative, arts education programs with the National Endowment for the Arts.

Magnet schools assistance.—Grants would be made to local educational agencies to establish and operate magnet school programs that are part of approved desegregation plans.

Education for homeless children and youth.—Formula grants would be provided to States, outlying areas, and the Bureau of Indian Affairs to provide educational and support services that enable homeless children and youth to enroll in, attend, and achieve success in school.

Women's educational equity.—Funds would support implementation of gender-equity practices at schools and colleges, as well as the development and dissemination of educational materials that promote educational equity for women and girls.

Education for Native Hawaiians.—Grants would provide supplemental education services to Native Hawaiians in the areas of family-based education, special education, gifted and talented education, higher education, curriculum development, teacher training and recruitment, and community-based learning.

Alaska Native education equity.—Grants would provide supplemental education services to Alaska Natives in the areas of educational planning, curriculum development, teacher training, teacher recruitment, student enrichment, and home-based instruction for pre-school children.

Opportunities to improve our Nation's schools (OPTIONS).—Under this new program, grants would be awarded to States and local educational agencies to support the planning, design, and implementation of public school choice projects.

Strengthening technical assistance capacity grants.—Under this new program, funds would be allocated by formula to States and large school districts to purchase, and to strengthen their capacity to acquire and use, technical assistance that best fits their needs to increase opportunities for all children to achieve the State's academic performance standards and to implement the State's or district's plan or policies for comprehensive standards-based education reform.

Parental information resource centers.—Funds would be provided for centers in all States to provide training, information, and support to State and local educational agencies and schools—particularly high-poverty, low-performing schools—to remove barriers to parent involvement in their child's education.

Object Classification (in millions of dollars)

Identification code 91-1000-2-1-501	1999 actual	2000 est.	2001 est.
25.2 Other services			2
41.0 Grants, subsidies, and contributions			2,198
99.9 Total new obligations			2,200

General and special funds—Continued

READING EXCELLENCE

[For necessary expenses to carry out the Reading Excellence Act, \$65,000,000, which shall become available on July 1, 2000 and shall remain available through September 30, 2001 and \$195,000,000 which shall become available on October 1, 2000 and remain available through September 30, 2001.] (Department of Education Appropriations Act, 2000, as enacted by section 1000(a)(4) of the Consolidated Appropriations Act, 2000 (P.L. 106-113).)

Program and Financing (in millions of dollars)

Identification code 91-0011-0-1-501	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Reading Excellence	233	92	195
10.00 Total new obligations	233	92	195
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year		27	
22.00 New budget authority (gross)	260	65	195
23.90 Total budgetary resources available for obligation	260	92	195
23.95 Total new obligations	-233	-92	-195
24.40 Unobligated balance available, end of year	27		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	260	65	
41.00 Transferred to other accounts	-210		
43.00 Appropriation (total discretionary)	50	65	
55.00 Advance appropriation	210		195
70.00 Total new budget authority (gross)	260	65	195
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year		233	192
73.10 Total new obligations	233	92	195
73.20 Total outlays (gross)	-133		-205
74.40 Unpaid obligations, end of year: Obligated balance, end of year	233	192	182
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority		3	98
86.93 Outlays from discretionary balances		130	108
87.00 Total outlays (gross)		133	205
Net budget authority and outlays:			
89.00 Budget authority	260	65	195
90.00 Outlays		133	205

Reading Excellence.—The Administration has proposed legislation to reauthorize the Reading Excellence program included in the Elementary and Secondary Education Act. When new authorizing legislation is enacted, resources will be requested for this program. See the “Legislative proposal, not subject to PAYGO” schedule for additional details.

Summary of Budget Authority and Outlays

(in millions of dollars)

	1999 actual	2000 est.	2001 est.
Enacted/requested:			
Budget Authority	260	65	195
Outlays		133	206
Legislative proposal, not subject to PAYGO:			
Budget Authority			91
Outlays			3
Total:			
Budget Authority	260	65	286
Outlays		133	209

Object Classification (in millions of dollars)

Identification code 91-0011-0-1-501	1999 actual	2000 est.	2001 est.
25.1 Advisory and assistance services		5	
25.2 Other services	1	4	

41.0 Grants, subsidies, and contributions	232	83	195
99.9 Total new obligations	233	92	195

READING EXCELLENCE

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 91-0011-2-1-501	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Reading Excellence			91
10.00 Total new obligations			91
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			91
23.95 Total new obligations			-91
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation			91
Change in unpaid obligations:			
73.10 Total new obligations			91
73.20 Total outlays (gross)			-3
74.40 Unpaid obligations, end of year: Obligated balance, end of year			88
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			3
Net budget authority and outlays:			
89.00 Budget authority			91
90.00 Outlays			3

SUMMARY OF PROGRAM LEVEL

(in millions of dollars)

	1999-2000 academic year	2000-2001 academic year	2001-2002 academic year
Current Budget Authority	260	65	91
Advance appropriation		195	195
Total program level	260	260	286
Increase in advance appropriation over previous year		195	

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.

Reading Excellence.—The Reading Excellence Act funds programs to provide children with the readiness skills and support they need in early childhood to learn to read once they enter school, to help ensure that all children read well and independently by the end of the third grade, to support programs to assist kindergarten children who are not ready for the transition to first grade, and to improve the instructional practices of teachers and other instructional staff in elementary schools. States that receive competitive grants will make subgrants on a competitive basis to school districts to help them provide professional development opportunities for professional staff, operate tutoring programs, and provide family literacy services.

Object Classification (in millions of dollars)

Identification code 91-0011-2-1-501	1999 actual	2000 est.	2001 est.
25.1 Advisory and assistance services			5
25.2 Other services			4
41.0 Grants, subsidies, and contributions			82
99.9 Total new obligations			91

CHICAGO LITIGATION SETTLEMENT

Program and Financing (in millions of dollars)

Identification code 91-0220-0-1-501	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
10.00 Total new obligations (object class 41.0)	3	2	
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	5	2	
23.95 Total new obligations	-3	-2	
24.40 Unobligated balance available, end of year	2		
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year			3
73.10 Total new obligations	3	2	
73.20 Total outlays (gross)	-2	-3	-3
74.40 Unpaid obligations, end of year: Obligated balance, end of year	3	3	1
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	2	3	3
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	2	3	3

Funds made available under this account were reappropriated by the Supplemental Appropriations Act, 1987 (Public Law 100-71) from funds enjoined in *United States of America v. Board of Education of the City of Chicago*. The funds were reappropriated for the specific purpose of settling this case. The funds are used by the Chicago Board of Education to implement Project CANAL (Creating A New Approach to Learning), the project approved by the court to support the Board's desegregation efforts.

The Department of Education provides these funds to the Chicago Board of Education in annual increments upon receipt and approval of an annual plan for Project CANAL activities.

INDIAN EDUCATION

[For expenses necessary to carry out, to the extent not otherwise provided, title IX, part A of the Elementary and Secondary Education Act of 1965, as amended, \$77,000,000.] (*Department of Education Appropriations Act, 2000, as enacted by section 1000(a)(4) of the Consolidated Appropriations Act, 2000 (P.L. 106-113).*)

Program and Financing (in millions of dollars)

Identification code 91-0101-0-1-501	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Grants to local educational agencies	62	62	
00.02 Special programs for Indian children	3	13	
00.03 National activities	1	2	
10.00 Total new obligations	66	77	
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	66	77	
23.95 Total new obligations	-66	-77	
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	66	77	
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year			82
73.10 Total new obligations	66	77	
73.20 Total outlays (gross)	-57	-81	-65
74.40 Unpaid obligations, end of year: Obligated balance, end of year	86	82	17
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	2	9	

86.93	Outlays from discretionary balances	55	71	65
87.00	Total outlays (gross)	57	81	65
Net budget authority and outlays:				
89.00	Budget authority	66	77	
90.00	Outlays	57	81	65

The administration has proposed legislation reauthorizing programs included in the expiring Elementary and Secondary Education Act. When new authorizing legislation is enacted, resources for Indian Education programs will be requested. See the "Legislative proposal, not subject to PAYGO" schedule for additional details.

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	1999 actual	2000 est.	2001 est.
Budget Authority	66	77	
Outlays	57	80	65
Legislative proposal, not subject to PAYGO:			
Budget Authority			116
Outlays			14
Total:			
Budget Authority	66	77	116
Outlays	57	80	79

Object Classification (in millions of dollars)

Identification code 91-0101-0-1-501	1999 actual	2000 est.	2001 est.
25.2 Other services	1	2	
41.0 Grants, subsidies, and contributions	65	75	
99.9 Total new obligations	66	77	

INDIAN EDUCATION

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 91-0101-2-1-501	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Grants to local educational agencies			93
00.02 Special programs for Indian children			20
00.03 National activities			3
10.00 Total new obligations			116
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			116
23.95 Total new obligations			-116
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation			116
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year			
73.10 Total new obligations			116
73.20 Total outlays (gross)			-14
74.40 Unpaid obligations, end of year: Obligated balance, end of year			102
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			14
Net budget authority and outlays:			
89.00 Budget authority			116
90.00 Outlays			14

The resources in this schedule are proposed for later transmittal under proposed legislation to revise and reauthorize Indian Education programs currently authorized under the Elementary and Secondary Education Act of 1965.

Grants to local education agencies.—Formula grants support local educational agencies in their efforts to reform elemen-

General and special funds—Continued

INDIAN EDUCATION—Continued

tary and secondary school programs that serve Indian students, with the goal of ensuring that such programs are based on challenging State standards that are used for all students. In 1999, 1,274 formula grants were made to local educational agencies and certain tribal schools enrolling approximately 460,782 students.

Special Programs for Indian Children.—Competitive grants are made for a demonstration grants program, a professional development program, and to support the American Indian Teacher Corps, an initiative to train and recruit 1,000 new Indian teachers for positions in school districts with high concentrations of Indian students. Increased funding in 2001 will support an initiative to train and recruit 500 new Indian school administrators for positions in school districts with high concentrations of Indian students.

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

Object Classification (in millions of dollars)

Identification code 91-0101-2-1-501	1999 actual	2000 est.	2001 est.
25.2 Other services			3
41.0 Grants, subsidies, and contributions			113
99.9 Total new obligations			116

SCHOOL RENOVATION PROGRAM ACCOUNT

For grants and loans to carry out school renovation under Title XII of the Elementary and Secondary Education Act of 1965, \$1,300,000,000, to become available on July 1, 2001 and remain available until expended, of which (1) \$50,000,000 shall be for grants to local educational agencies (as defined in section 8013(9) of such Act) in which the number of children determined under section 8003(a)(1)(C) of such Act constituted at least 50 percent of the number of children who were in average daily attendance in the schools of such agency during the preceding school year; (2) \$125,000,000 shall be for grants to local educational agencies (other than those under (1)); and (3) \$1,125,000,000 shall be for the costs of loans to local educational agencies: 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 gross obligations for the principal amount of direct loans not to exceed \$7,000,000,000: Provided further, That notwithstanding any provision of titles XII and XIV, the Secretary shall make these grants and loans subject to such terms and conditions as the Secretary shall establish.

Program and Financing (in millions of dollars)

Identification code 91-0009-0-1-501	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
School renovation:			
00.01 Grants to Indian LEAs			50
00.02 Grants to other high-need LEAs			125
00.03 School renovation loan subsidies			1,125
10.00 Total new obligations (object class 41.0)			1,300
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year			
22.00 New budget authority (gross)			1,300
23.90 Total budgetary resources available for obligation			1,300
23.95 Total new obligations			-1,300
24.40 Unobligated balance available, end of year			
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation			1,300
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year			

73.10 Total new obligations	1,300
73.20 Total outlays (gross)	-74
74.40 Unpaid obligations, end of year: Obligated balance, end of year	1,226
Outlays (gross), detail:	
86.90 Outlays from new discretionary authority	74
Net budget authority and outlays:	
89.00 Budget authority	1,300
90.00 Outlays	74

School Renovation.—Under the Administration's proposal, grants and loans would be provided to high-need local educational agencies (LEAs) that have little or no capacity to fund urgent repairs. Grants would be provided to the neediest LEAs, including \$50 million to LEAs in which 50 percent or more of the students reside on certain Indian lands, and \$125 million to other school districts. The loan subsidy would generate approximately \$6.5 billion in 7-year, no-interest loans for school renovation in high-need LEAs. Renovation funded through these loans and grants could include such projects as repairs to roofs, climate control systems, or plumbing.

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

Identification code 91-0009-0-1-501	1999 actual	2000 est.	2001 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Direct loan levels			6,541
1159 Total direct loan levels			6,541
Direct loan subsidy (in percent):			
1320 Subsidy rate			17.20
1329 Weighted average subsidy rate			17.20
Direct loan subsidy budget authority:			
1330 Subsidy budget authority			1,125
1339 Total subsidy budget authority			1,125
Direct loan subsidy outlays:			
1340 Subsidy outlays			56
1349 Total subsidy outlays			56

SCHOOL RENOVATION, DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 91-4247-0-3-501	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Direct program activity			6,541
00.02 Interest payments to Treasury			6
10.00 Total new obligations			6,547
Budgetary resources available for obligation:			
22.00 New financing authority (gross)			6,546
23.95 Total new obligations			-6,547
New financing authority (gross), detail:			
Discretionary:			
47.00 Authority to borrow			6,485
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)			102
68.47 Portion applied to repay debt			-41
68.90 Spending authority from offsetting collections (total discretionary)			61
70.00 Total new financing authority (gross)			6,546
Change in unpaid obligations:			
73.10 Total new obligations			6,547
73.20 Total financing disbursements (gross)			-333
74.40 Unpaid obligations, end of year: Obligated balance, end of year			6,214

87.00	Total financing disbursements (gross)	333
Offsets:		
Against gross financing authority and financing disbursements:		
Offsetting collections (cash) from:		
88.00	Federal sources	- 56
88.40	Non-Federal sources	- 46
88.90	Total, offsetting collections (cash)	- 102
Net financing authority and financing disbursements:		
89.00	Financing authority	6,444
90.00	Financing disbursements	231

Status of Direct Loans (in millions of dollars)

Identification code 91-4247-0-3-501	1999 actual	2000 est.	2001 est.
Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans		
1131	Direct loan obligations exempt from limitation		6,541
1150	Total direct loan obligations		6,541
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year		
1231	Disbursements: Direct loan disbursements		327
1251	Repayments: Repayments and prepayments		- 46
1290	Outstanding, end of year		281

Balance Sheet (in millions of dollars)

Identification code 91-4247-0-3-501	1998 actual	1999 actual	2000 est.	2001 est.
ASSETS:				
1101	Federal assets: Fund balances with Treasury			6,214
Net value of assets related to post-1991 direct loans receivable:				
1401	Direct loans receivable, gross			281
1405	Allowance for subsidy cost (-)			- 4
1499	Net present value of assets related to direct loans			277
1999	Total assets			6,491
LIABILITIES:				
2103	Federal liabilities: Debt			6,444
2999	Total liabilities			6,444
NET POSITION:				
3100	Appropriated capital			46
3999	Total net position			46
4999	Total liabilities and net position			6,490

Object Classification (in millions of dollars)

Identification code 91-4247-0-3-501	1999 actual	2000 est.	2001 est.
33.0	Investments and loans		5,241
41.0	Grants, subsidies, and contributions		1,300
43.0	Interest and dividends		6
99.9	Total new obligations		6,547

OFFICE OF BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS

Federal Funds

General and special funds:

BILINGUAL AND IMMIGRANT EDUCATION

For carrying out, to the extent not otherwise provided, bilingual, foreign language and immigrant education activities authorized by parts A and C and section 7203 of title VII of the Elementary and Secondary Education Act of 1965, without regard to section 7103(b), \$406,000,000: *Provided*, That State educational agencies may use all, or any part of, their part C allocation for competitive grants to local

educational agencies.] (*Department of Education Appropriations Act, 2000, as enacted by section 1000(a)(4) of the Consolidated Appropriations Act, 2000 (P.L. 106-113).*)

Program and Financing (in millions of dollars)

Identification code 91-1300-0-1-501	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01	Instructional services	160	162
00.02	Support services	14	14
00.03	Training grants	49	72
00.04	Foreign language assistance	6	8
00.05	Immigrant education	150	150
10.00	Total new obligations	379	406

Budgetary resources available for obligation:

22.00	New budget authority (gross)	380	406
23.95	Total new obligations	- 379	- 406
23.98	Unobligated balance expiring or withdrawn	- 1	

New budget authority (gross), detail:

Discretionary:			
40.00	Appropriation	380	406

Change in unpaid obligations:

72.40	Unpaid obligations, start of year: Obligated balance, start of year	465	531	440
73.10	Total new obligations	379	406	
73.20	Total outlays (gross)	- 311	- 497	- 351
73.40	Adjustments in expired accounts (net)	- 2		
74.40	Unpaid obligations, end of year: Obligated balance, end of year	531	440	89

Outlays (gross), detail:

86.90	Outlays from new discretionary authority	16	49	
86.93	Outlays from discretionary balances	295	448	351
87.00	Total outlays (gross)	311	497	351

Net budget authority and outlays:

89.00	Budget authority	380	406	
90.00	Outlays	311	497	351

Bilingual and Immigrant Education.—The Administration has proposed legislation to reauthorize the Elementary and Secondary Education Act. When the new authorizing legislation is enacted, resources will be requested for bilingual, foreign language, and immigrant education programs. See the “Legislative proposal, not subject to PAYGO” schedule for additional details.

Summary of Budget Authority and Outlays

(in millions of dollars)				
Enacted/requested:	1999 actual	2000 est.	2001 est.	
Budget Authority	380	406		
Outlays	311	497	351	
Legislative proposal, not subject to PAYGO:				
Budget Authority			460	
Outlays			55	
Total:				
Budget Authority	380	406	460	
Outlays	311	497	406	

Object Classification (in millions of dollars)

Identification code 91-1300-0-1-501	1999 actual	2000 est.	2001 est.
25.1	Advisory and assistance services	4	5
25.2	Other services	2	2
41.0	Grants, subsidies, and contributions	373	399
99.9	Total new obligations	379	406

General and special funds—Continued

BILINGUAL AND IMMIGRANT EDUCATION
(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 91-1300-2-1-501	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Instructional services			180
00.02 Support services			16
00.03 Training grants			100
00.04 Foreign language assistance			14
00.05 Immigrant education			150
10.00 Total new obligations			460
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			460
23.95 Total new obligations			-460
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation			460
Change in unpaid obligations:			
73.10 Total new obligations			460
73.20 Total outlays (gross)			-55
74.40 Unpaid obligations, end of year: Obligated balance, end of year			407
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			55
Net budget authority and outlays:			
89.00 Budget authority			460
90.00 Outlays			55

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 of 1965.

Bilingual education.—The bilingual education programs would provide assistance to local educational agencies and other entities to develop and enhance their capacity to provide high-quality instructional programs to children and youth of limited English proficiency. Projects would be designed to teach English and to assist these students in achieving the same challenging State content and performance standards expected of all children and youth. Aid would also support training education personnel to serve limited English proficient children, building State capacity to improve educational services for these children, and information dissemination, studies, and evaluations.

Foreign language assistance.—The foreign language assistance program would provide competitive grants to States and local educational agencies that are linked to State foreign language standards and are designed to improve the quality of foreign language instruction for elementary and secondary school students.

Immigrant education.—The immigrant education program would provide grants to school districts to help finance educational services for immigrant students. Participation would be limited to districts with at least 500 immigrant students or districts in which immigrant children represent at least 3 percent of the enrollment. Awards would be made to State educational agencies, which would make subgrants to local educational agencies. States would be authorized to distribute these funds on either a formula or discretionary grant basis.

Object Classification (in millions of dollars)

Identification code 91-1300-2-1-501	1999 actual	2000 est.	2001 est.
25.1 Advisory and assistance services			2
25.2 Other services			5

41.0	Grants, subsidies, and contributions		453
99.9	Total new obligations		460

OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

Federal Funds

General and special funds:

SPECIAL EDUCATION

For carrying out the Individuals with Disabilities Education Act, **[\$6,036,646,000] \$6,368,841,000**, of which **[\$2,047,885,000] \$2,356,452,000** shall become available for obligation on July 1, **[2000] 2001**, and shall remain available through September 30, **[2001] 2002**, and of which \$3,742,000,000 shall become available on October 1, **[2000] 2001** and shall remain available through September 30, **[2001] 2002**, for academic year **[2000-2001] 2001-2002: Provided**, 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 Act to provide information on diagnosis, intervention, and teaching strategies for children with disabilities: *Provided further*, That \$1,500,000 shall be awarded to the Organizing Committee for the 2001 Special Olympics World Winter Games in Alaska and \$1,000,000 shall be awarded to the Salt Lake City Organizing Committee for the VIII Paralympic Winter Games: *Provided further*, That \$1,000,000 shall be for the Early Childhood Development Project of the National Easter Seal Society for the Mississippi Delta Region, which funds shall be used to provide training, technical support, services and equipment to address personnel and other needs: *Provided further*, That \$1,000,000 shall be awarded to the Center for Literacy and Assessment at the University of Southern Mississippi for research dissemination and teacher and parent training] *the amount for section 611(c) of the Act shall be equal to the amount available for that section under Public Law 106-113, increased by the rate of inflation as specified in section 611(f)(1)(B)(ii) of the Act. (Department of Education Appropriations Act, 2000, as enacted by section 1000(a)(4) of the Consolidated Appropriations Act, 2000 (P.L. 106-113).)*

Program and Financing (in millions of dollars)

Identification code 91-0300-0-1-501	1999 actual	2000 est.	2001 est.
Direct program:			
Obligations by program activity:			
State grants:			
00.01 Grants to States	4,315	1,273	5,280
00.02 Preschool grants	374	390	390
00.03 Grants for infants and families	373	441	384
00.91 Subtotal, State grants	5,062	2,104	6,054
National activities:			
01.01 State improvement	31	61	45
01.02 Research and innovation	64	64	74
01.03 Technical assistance and dissemination	45	45	53
01.04 Personnel preparation	81	83	82
01.05 Parent information centers	19	19	26
01.06 Technology and media services	35	36	35
01.91 Subtotal, National activities	275	308	315
02.00 Total Direct Program	5,337	2,412	6,369
09.01 Reimbursable program	1		
10.00 Total new obligations	5,338	2,412	6,369
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	118	119	1
22.00 New budget authority (gross)	5,335	2,294	6,369
22.10 Resources available from recoveries of prior year obligations	4		
23.90 Total budgetary resources available for obligation	5,457	2,413	6,370
23.95 Total new obligations	-5,338	-2,412	-6,369
23.98 Unobligated balance expiring or withdrawn	-1	-1	
24.40 Unobligated balance available, end of year	119	1	1

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	5,124	2,294	2,627
42.00 Transferred from other accounts	210		

43.00	Appropriation (total discretionary)	5,334	2,294	2,627
55.00	Advance appropriation			3,742
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	1		
70.00	Total new budget authority (gross)	5,335	2,294	6,369
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance, start of year	5,990	6,855	3,835
73.10	Total new obligations	5,338	2,412	6,369
73.20	Total outlays (gross)	-4,445	-5,432	-5,816
73.40	Adjustments in expired accounts (net)	-23		
73.45	Adjustments in unexpired accounts	-4		
74.40	Unpaid obligations, end of year: Obligated balance, end of year	6,855	3,835	4,388
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	115	302	2,937
86.93	Outlays from discretionary balances	4,330	5,130	2,878
87.00	Total outlays (gross)	4,445	5,432	5,816
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-1		
Net budget authority and outlays:				
89.00	Budget authority	5,334	2,294	6,369
90.00	Outlays	4,444	5,432	5,816

SUMMARY OF PROGRAM LEVEL

(In millions of dollars)

	1999-2000 academic year	2000-2001 academic year	2001-2002 academic year
Current Budget Authority	5,334	2,294	2,627
Advance appropriation	0	3,742	3,742
Total program level	5,334	6,036	6,369
Increase in advance appropriation over previous year	+0	+3,742	+0

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 educational 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 family and child outcomes.

National activities.—These activities include research, demonstration, personnel preparation, technical assistance, grants to States to promote systems change, 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 these goals include:

Number of children served in first quarter of fiscal year:	1999 actual	2000 est.	2001 est.
Ages 3 through 21	6,133,000	6,262,000	6,368,000
Ages 3 through 5	574,713	577,600	580,500

Birth through 2	186,819	191,489	196,276
	1994-1995 actual	1995-1996 actual	1996-1997 actual
Educational Environment			
Percent of children ages 6 through 21 provided special education in:			
Regular classrooms	44.5	45.3	45.7
Resource rooms	28.8	28.7	28.5
Separate classes	22.4	21.7	21.4
Separate schools	3.0	3.1	3.1
Residential facilities .....	.7	.7	.7
Home or hospital .....	.6	.6	.5

Status of Exiting Students			
Percent of students with disabilities aged 14-21 leaving school:			
Graduated with a diploma	52.3	52.6	53.5
Graduated through certification	11.1	10.9	11.4
Reached maximum age and other	2.5	2.4	2.4
Dropped out of school	34.2	34.1	32.7

Object Classification (in millions of dollars)

Identification code 91-0300-0-1-501	1999 actual	2000 est.	2001 est.
25.2 Other services	8	8	8
41.0 Grants, subsidies, and contributions	5,330	2,404	6,361
99.9 Total new obligations	5,338	2,412	6,369

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, **[\$2,707,522,000] \$2,798,651,000: Provided,** [That notwithstanding section 105(b)(1) of the Assistive Technology Act of 1998 (“the AT Act”), each State shall be provided \$50,000 for activities under section 102 of the AT Act: *Provided further,* That of the funds available for section 303 of the Rehabilitation Act of 1973 and notwithstanding any other provision of law, \$750,000 shall be awarded to the Krasnow Institute at George Mason University for a Receptive Language Disorders research center, \$1,000,000 shall be awarded to the University of Central Florida for a virtual reality-based education and training program for the deaf, \$2,000,000 shall be awarded to the Seattle Lighthouse for the Blind for interpreter, orientation, mobility, and education services for deaf, blind and other visually impaired adults, \$1,000,000 shall be awarded to the Professional Development and Research Institute on Blindness in Louisiana for the training of professionals in the field of education and rehabilitation of blind adults and children, \$600,000 shall be awarded to the Alaska Center for Independent Living in Anchorage, Alaska to develop capacity to implement a self-directed model for personal assistance services, including training of self-employed personal assistants and their clients, and \$250,000 shall be awarded to the Center for Discovery International Family Institute in Sullivan County, New York to provide educational opportunities and support to individuals with severe mental and physical disabilities: *Provided further,* That of the funds available for section 305 of the Rehabilitation Act of 1973 and notwithstanding any other provision of law, \$1,000,000 shall be awarded to the California State University at Northridge for a Western Center for Adaptive Therapy: *Provided further,* That of the funds available for title II of the Rehabilitation Act of 1973 and notwithstanding any other provision of law, \$500,000 shall be awarded to the Albert Einstein Medical Center healthcare network in Philadelphia for research on post polio syndrome] *That the funds for Title I of the Assistive Technology Act of 1998 (“the AT Act”) shall be allocated notwithstanding section 105(b)(1) of the AT Act: Provided further,* That \$15,000,000 shall be used to support grants for up to three years to States under title III of the AT Act, of which the Federal share shall not exceed 75 percent in the first year, 50 percent in the second year, and 25 percent in the third year, and that the requirements in section 302 of the AT Act shall not apply to such grants. (Department of Education Appropriations Act, 2000, as enacted by section 1000(a)(4) of the Consolidated Appropriations Act, 2000 (P.L. 106-113).)

General and special funds—Continued

REHABILITATION SERVICES AND DISABILITY RESEARCH—Continued

Program and Financing (in millions of dollars)

Identification code 91-0301-0-1-506	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
Direct program:			
00.01 Vocational rehabilitation State grants	2,304	2,339	2,400
00.02 Client assistance State grants	11	11	11
00.03 Training	40	40	40
00.04 Demonstration and training programs	15	22	22
00.05 Migrant and seasonal farmworkers	2	2	3
00.06 Recreational programs	2	3	2
00.07 Protection and advocacy of individual rights	11	12	12
00.08 Projects with industry	22	22	22
00.09 Supported employment State grants	38	38	38
00.10 Independent living	79	85	95
00.11 Program improvement	2	2	2
00.12 Evaluation	2	2	2
00.13 Helen Keller National Center	9	9	9
00.14 National Institute on Disability and Rehabilitation Research	81	86	100
00.15 Assistive technology	34	34	41
01.00 Total direct program	2,652	2,707	2,799
09.01 Reimbursable program	3	3	3
10.00 Total new obligations	2,655	2,710	2,802
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	2,655	2,710	2,802
23.95 Total new obligations	-2,655	-2,710	-2,802
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	348	369	399
40.76 Reduction pursuant to P.L. 106-113		-1	
43.00 Appropriation (total discretionary)	348	368	399
Mandatory:			
60.00 Appropriation	2,304	2,339	2,400
Discretionary:			
68.00 Spending authority from offsetting collections: Off- setting collections (cash)	3	3	3
70.00 Total new budget authority (gross)	2,655	2,710	2,802
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	1,100	1,028	893
73.10 Total new obligations	2,655	2,710	2,802
73.20 Total outlays (gross)	-2,715	-2,845	-2,772
73.40 Adjustments in expired accounts (net)	-12		
74.40 Unpaid obligations, end of year: Obligated balance, end of year	1,028	893	923
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	61	260	281
86.93 Outlays from discretionary balances	119	308	110
86.97 Outlays from new mandatory authority	1,728	1,637	1,680
86.98 Outlays from mandatory balances	808	641	701
87.00 Total outlays (gross)	2,715	2,845	2,772
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-3	-3	-3
Net budget authority and outlays:			
89.00 Budget authority	2,652	2,707	2,799
90.00 Outlays	2,713	2,842	2,769

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 in 2001.

The table below presents national data on selected performance measures for the VR State grants program. The data are based on the number of individuals whose service records were closed in fiscal years 1997 (347,601) and 1998 (359,877). The 2001 target is to increase the number of individuals with disabilities achieving an employment outcome by one percent over the previous year and to increase the employment outcome rate to 63 percent.

CONSUMER OUTCOMES (CASES CLOSED)

	1997 actual	1998 actual
Individuals achieving employment outcomes	211,503	223,668
Percent with significant disabilities	79.6%	82.6%
Employment outcomes as a percent all of individuals receiving services	60.8%	62.1%

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 nonprofit 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, improve, or further the purpose of activities supported under the Rehabilitation Act.

Migrant and seasonal farmworkers.—Grants are made to State VR agencies and other nonprofit or local agencies to provide comprehensive vocational rehabilitation services to migrant and seasonal farmworkers with disabilities. Data for 1998 indicate that more than 9,200 migrant and seasonal farmworkers were served.

Recreational programs.—Grants are made to provide individuals with disabilities with recreational and related activities to aid in their employment, mobility, independence, socialization, and community integration.

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.

Projects with industry (PWI).—Grants are made to a variety of public and private organizations to facilitate the establishment of partnerships between rehabilitation service providers and business and industry in order to create and expand employment and career advancement opportunities for individuals with disabilities. In 1998, PWI projects placed in competitive employment approximately 49 percent (6,792) of the 13,811 individuals with disabilities served by the 104 projects. The 2001 target for this program is to place 62 percent of the individuals served in competitive employment.

Supported employment State grants.—Formula grants are made to assist States in developing programs with public and nonprofit organizations to provide supported employment services for individuals with the most significant disabilities who require on-going support services to enter or retain competitive employment. In 1998, 74 percent of individuals with a supported employment goal achieved a competitive employment outcome. The 2001 target for this program is for 76 percent to achieve competitive employment outcomes.

Independent living.—Grants are awarded to States and nonprofit 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. Performance indicators focus on customer satisfaction, achievement of individual goals, and broader systemic reforms in the community.

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. The multi-year national longitudinal study of the Vocational Rehabilitation State grants program is scheduled for completion in 2000. Expanded study findings on employment retention will be available in 2002.

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 aimed at improving the lives of individuals with disabilities.

Assistive technology.—Activities include the Assistive Technology State grant program, protection and advocacy services, and technical assistance designed to develop and implement consumer-responsive comprehensive statewide programs of technology-related assistance for individuals with disabilities. Grants also are made to States to establish alternative loan financing programs to increase access to assistive technology for individuals with disabilities.

Object Classification (in millions of dollars)			
Identification code 91-0301-0-1-506	1999 actual	2000 est.	2001 est.
Direct obligations:			
25.1 Advisory and assistance services	5	5	5
25.2 Other services	1	1	1
25.3 Purchases of goods and services from Government accounts	1	1	1
25.5 Research and development contracts	1	2	2
41.0 Grants, subsidies, and contributions	2,644	2,698	2,790
99.0 Subtotal, direct obligations	2,652	2,707	2,799
99.0 Reimbursable obligations	3	3	3
99.9 Total new obligations	2,655	2,710	2,802

SPECIAL INSTITUTIONS FOR PERSONS WITH DISABILITIES

AMERICAN PRINTING HOUSE FOR THE BLIND

For carrying out the Act of March 3, 1879, as amended (20 U.S.C. 101 et seq.), **[\$10,100,000] \$10,265,000.** (*Department of Education Appropriations Act, 2000, as enacted by section 1000(a)(4) of the Consolidated Appropriations Act, 2000 (P.L. 106-113).*)

Program and Financing (in millions of dollars)			
Identification code 91-0600-0-1-501	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
10.00 Total new obligations (object class 41.0)	9	10	10
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	9	10	10
23.95 Total new obligations	-9	-10	-10
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	9	10	10
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	2	3	1

73.10 Total new obligations	9	10	10
73.20 Total outlays (gross)	-8	-13	-10
74.40 Unpaid obligations, end of year: Obligated balance, end of year	3	1	1
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	6	9	9
86.93 Outlays from discretionary balances	2	3	1
87.00 Total outlays (gross)	8	13	10
Net budget authority and outlays:			
89.00 Budget authority	9	10	10
90.00 Outlays	8	13	10

The Federal appropriation supports the production 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 1999, the portion of the Federal appropriation allocated to educational materials represented approximately 49.3 percent of the Printing House's total sales. The full appropriation represented approximately 36.1 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 (20 U.S.C. 4301 et seq.), **[\$48,151,000] \$51,786,000,** of which **[\$2,651,000] \$5,376,000** 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. (*Department of Education Appropriations Act, 2000, as enacted by section 1000(a)(4) of the Consolidated Appropriations Act, 2000 (P.L. 106-113).*)

Program and Financing (in millions of dollars)			
Identification code 91-0601-0-1-502	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Operations	46	45	46
00.02 Construction		3	5
10.00 Total new obligations (object class 41.0)	46	48	51
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	46	48	51
23.95 Total new obligations	-46	-48	-51
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	46	48	51
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	1	1	5
73.10 Total new obligations	46	48	51
73.20 Total outlays (gross)	-45	-44	-48
74.40 Unpaid obligations, end of year: Obligated balance, end of year	1	5	9
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	46	43	44
86.93 Outlays from discretionary balances		1	4
87.00 Total outlays (gross)	45	44	48
Net budget authority and outlays:			
89.00 Budget authority	46	48	51
90.00 Outlays	45	44	48

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 1999, Federal appropriations represented 81 percent of the Institute's operating budget. The Institute may use appro-

General and special funds—Continued

SPECIAL INSTITUTIONS FOR PERSONS WITH DISABILITIES—Continued

NATIONAL TECHNICAL INSTITUTE FOR THE DEAF—Continued

appropriated funds for the Endowment Grant program. The request also includes funds for the second phase of a construction project to renovate the Institute's dormitories.

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 (20 U.S.C. 4301 et seq.), **[\$85,980,000, of which \$2,500,000 shall be for construction and shall remain available until expended] \$87,650,000: 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, 2000, as enacted by section 1000(a)(4) of the Consolidated Appropriations Act, 2000 (P.L. 106-113).)**

Program and Financing (in millions of dollars)

Identification code 91-0602-0-1-502	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Operations	83	83	88
00.02 Construction		3	
10.00 Total new obligations (object class 41.0)	83	86	88
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	83	86	88
23.95 Total new obligations	-83	-86	-88
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	83	86	88
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	2	3	7
73.10 Total new obligations	83	86	88
73.20 Total outlays (gross)	-82	-82	-88
74.40 Unpaid obligations, end of year: Obligated balance, end of year	3	7	7
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	83	78	83
86.93 Outlays from discretionary balances	-2	3	6
87.00 Total outlays (gross)	82	82	88
Net budget authority and outlays:			
89.00 Budget authority	83	86	88
90.00 Outlays	82	82	88

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 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 1999, the Federal appropriation represented 63 percent of the University's operating budget, excluding Federal financial aid, vocational rehabilitation, and competitive grants, and 97.9 percent of the operating budgets of the related elemen-

tary and secondary schools. The University may also use appropriated funds for the Endowment Grant program.

OFFICE OF VOCATIONAL AND ADULT EDUCATION

Federal Funds

General and special funds:

VOCATIONAL AND ADULT EDUCATION

For carrying out, to the extent not otherwise provided, the Carl D. Perkins Vocational and Technical Education Act, the Adult Education and Family Literacy Act, and title VIII-D of the Higher Education Act of 1965, as amended, and Public Law 102-73, **[\$1,681,750,000] \$1,751,250,000, of which [\$3,500,000] \$1,000,000 shall remain available until expended, and of which [\$858,150,000] \$942,650,000 shall become available on July 1, [2000] 2001 and shall remain available through September 30, [2001] 2002 and of which \$791,000,000 shall become available on October 1, [2000] 2001 and shall remain available through September 30, [2001] 2002: Provided, That of the amounts made available for the Carl D. Perkins Vocational and Technical Education Act, \$4,600,000 shall be for tribally controlled vocational institutions under section 117: [Provided further, That of the \$450,000,000 for Adult Education State Grants, 30 percent of the amount exceeding the amount appropriated in fiscal year 1999 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, half shall be allocated to the States with the largest absolute need for such services and half shall be allocated to the States with the largest recent growth in need for such services, based on the best available data, notwithstanding section 211 of the Adult Education and Family Literacy Act: Provided further, That \$9,000,000 shall be for carrying out section 118 of such act for all activities conducted by and through the National Occupational Information Coordinating Committee:]: Provided further, That of the funds made available to carry out section 204 of the Perkins Act, all funds that a State receives in excess of its prior-year allocation shall be competitively awarded: Provided further, That in making these awards, each State shall give priority to consortia whose applications most effectively integrate all components under section 204(c): Provided further, That of the amounts made available for the Adult Education and Family Literacy Act, **[\$14,000,000] \$89,000,000 shall be for national leadership activities under section 243 and [\$6,000,000] \$6,500,000 shall be for the National Institute for Literacy under section 242: [Provided further, That \$19,000,000 shall be for Youth Offender Grants, of which \$5,000,000, which shall become available on July 1, 2000, and remain available through September 30, 2001, shall be used in accordance with section 601 of Public Law 102-73 as that section was in effect prior to the enactment of Public Law 105-220] Provided further, That of the amounts made available for title I of the Perkins Act, the Secretary may reserve up to 0.54 percent for incentive grants under section 503 of the Workforce Investment Act, without regard to section 111(a)(1)(C) of the Perkins Act: Provided further, That of the amounts made available for the Adult Education and Family Literacy Act, the Secretary may reserve up to 0.54 percent for incentive grants under section 503 of the Workforce Investment Act, without regard to section 211(a)(3) of the Adult Education and Family Literacy Act. (Department of Education Appropriations Act, 2000, as enacted by section 1000(a)(4) of the Consolidated Appropriations Act, 2000 (P.L. 106-113).)****

Program and Financing (in millions of dollars)

Identification code 91-0400-0-1-501	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
Vocational education:			
Annual appropriations:			
Vocational education:			
00.01 Basic grants	1,023	284	1,056
00.02 National programs	13	13	17
00.03 Occupational and employment information		9	
00.04 Tribally controlled postsecondary vocational institutions	4	5	5
00.05 Tech-prep education	105	107	106

00.91	Total, Vocational education	1,145	418	1,184
	Adult education:			
01.01	State grants	364	451	460
01.02	National Institute for Literacy	5	6	6
01.03	National leadership activities	5	14	14
01.91	Total, adult education	374	471	480
02.01	State grants for incarcerated youth offenders		14	12
03.01	Literacy programs for prisoners	5		5
10.00	Total new obligations	1,524	903	1,681
Budgetary resources available for obligation:				
21.40	Unobligated balance available, start of year	45	60	48
22.00	New budget authority (gross)	1,539	891	1,751
23.90	Total budgetary resources available for obligation	1,584	951	1,799
23.95	Total new obligations	-1,524	-903	-1,681
24.40	Unobligated balance available, end of year	60	48	119
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	1,539	891	960
55.00	Advance appropriation			791
70.00	Total new budget authority (gross)	1,539	891	1,751
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance, start of year	1,781	1,939	1,295
73.10	Total new obligations	1,524	903	1,681
73.20	Total outlays (gross)	-1,364	-1,547	-1,641
73.40	Adjustments in expired accounts (net)	-3		
74.40	Unpaid obligations, end of year: Obligated balance, end of year	1,939	1,295	1,334
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	64	85	642
86.93	Outlays from discretionary balances	1,298	1,462	1,000
86.98	Outlays from mandatory balances	2		
87.00	Total outlays (gross)	1,364	1,547	1,641
Net budget authority and outlays:				
89.00	Budget authority	1,539	891	1,751
90.00	Outlays	1,364	1,547	1,641

Program levels for activities in this account are as follows:

	(in millions of dollars)		
	1999-2000 academic year	2000-2001 academic year	2001-2002 academic year
1. Vocational education:			
a. Basic grants:			
Annual appropriation	1,031	265	265
Advance appropriation		791	591
Subtotal, basic grants	1,031	1,056	856
b. National programs	13	17	17
c. Occupational & employment information		9	
d. Tribally controlled postsecondary vocational institutions	4	5	5
e. Tech-prep education:			
Annual appropriation	106	106	106
Advance appropriation			200
Subtotal, tech-prep	106	106	306
Total, vocational education	1,154	1,193	1,184
2. Adult education:			
a. State grants	365	450	460
b. National Institute for Literacy	6	6	6
c. National leadership activities	14	14	89
Total, adult education	385	470	555
3. State grants for incarcerated youth offenders		14	12
4. Literacy programs for prisoners		5	
Total	1,539	1,682	1,751

SUMMARY OF PROGRAM LEVEL

	(in millions of dollars)		
	1999-2000 academic year	2000-2001 academic year	2001-2002 academic year
Current Budget Authority	1,539	891	960
Advance appropriation	0	791	791

Total program level	1,539	1,682	1,751
Increase in advance appropriation over previous year		791	

Vocational education.—

Basic grants.—Formula grants provide funds to States and localities to expand and improve their programs of vocational education and promote equal opportunity in vocational education programs for historically underserved populations. Funds under the Indian program are awarded to federally recognized Indian tribes and are in addition to services provided under other provisions of the Perkins Act. Funds under the Hawaiian Natives program are awarded to organizations primarily serving and representing Hawaiian Natives. Funds under the Territorial set-aside support the expansion and improvement of vocational education programs in American Samoa, Guam, the Northern Marianas, and the Freely Associated States.

National programs.—Funds are awarded on a competitive basis for activities that contribute to knowledge of how to improve access to vocational education for underserved populations and how to improve vocational education nationally. Activities include two national centers for research and dissemination in vocational education and a program of discretionary research and development projects, including a national assessment of vocational education.

Tribally controlled postsecondary vocational and technical institutions.—Grants support the operation and improvement of tribally controlled postsecondary vocational institutions, to ensure continued and expanded educational opportunities for Indian students.

Tech-prep education.—Formula grants to States support planning and demonstration grants to consortia of local educational agencies and postsecondary institutions to develop and operate model 4-year programs. Programs begin in high school and provide students with the mathematical, scientific, communications, and technological skills needed to earn a 2-year associate degree or a 2-year certificate in a specific occupational field.

Adult Education.—

State programs.—Formula grants are made 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.

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. Activities will include development of model programs for providing English language and citizenship education to recent immigrants.

State Grants for Incarcerated Youth Offenders.—Formula grants are made to State correctional agencies to assist and encourage incarcerated youths to acquire functional literacy skills and life and job skills.

Object Classification (in millions of dollars)

Identification code 91-0400-0-1-501	1999 actual	2000 est.	2001 est.
Personnel compensation:			
11.1 Full-time permanent			1
11.3 Other than full-time permanent	1	1	1
11.9 Total personnel compensation	1	1	2
25.1 Advisory and assistance services	6	5	4
25.2 Other services	1		1
25.5 Research and development contracts	7	9	9
41.0 Grants, subsidies, and contributions	1,509	887	1,664
99.0 Subtotal, direct obligations	1,524	902	1,680
99.5 Below reporting threshold		1	1

General and special funds—Continued

VOCATIONAL AND ADULT EDUCATION—Continued

Object Classification (in millions of dollars)—Continued

Identification code 91-0400-0-1-501	1999 actual	2000 est.	2001 est.
99.9 Total new obligations	1,524	903	1,681

Personnel Summary

Identification code 91-0400-0-1-501	1999 actual	2000 est.	2001 est.
1001 Total compensable workyears: Full-time equivalent employment	13	14	16

OFFICE OF POSTSECONDARY EDUCATION

Federal Funds

General and special funds:

HIGHER EDUCATION

For carrying out, to the extent not otherwise provided, section 121 and titles II, III, IV, V, VI, VII, and VIII of the Higher Education Act of 1965, as amended, and the Mutual Educational and Cultural Exchange Act of 1961; **[\$1,533,659,000] \$1,755,973,000**, of which **[\$12,000,000] \$10,000,000** shall be available to fund awards for academic year 2000-2001, and **\$10,000,000**, to remain available through September 30, **[2001] 2002**, shall be available to fund **[awards] fellowships** for academic year **[2001-2002] 2002-2003** **[, for fellowships]** under part A, subpart 1 of title VII of said Act, under the terms and conditions of part A, subpart 1: **[Provided further, That section 852(b)(1) of the Higher Education Amendments of 1998 is amended—**

(1) in the matter preceding subparagraph (A), by striking “14” and inserting “16”;

(2) in subparagraph (E), by striking “and” after the semicolon;

(3) in subparagraph (F), by striking the period and inserting a semicolon; and

(4) by adding at the end the following:

“(G) one member shall be appointed by the Chairperson of the Committee on Health, Education, Labor, and Pensions of the Senate from among members of the Senate; and

“(H) one member shall be appointed by the Chairperson of the Committee on Education and the Workforce of the House of Representatives from among members of the House of Representatives.”;

Provided further, That the matter preceding paragraph (1) of section 853(b) of the Higher Education Amendments of 1998 is amended by striking “6 months” and inserting “12 months”: **Provided further,** That the amounts provided under this heading in division A, section 101(f) of Public Law 105-277 for the Web-Based Education Commission, authorized by part J of title VIII of the Higher Education Amendments of 1998, shall remain available through September 30, 2000: **Provided further,** That \$3,000,000 is for 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: **Provided further,** That **[of the funds available for title IV, part A, subpart 8 of the Higher Education Act of 1965 and notwithstanding any other provision of law, \$3,000,000 shall be awarded to the University of South Florida for a distance learning program, \$190,000 shall be awarded to the New York Global Communication Center in West Islip, New York for a distance learning program, \$2,000,000 shall be awarded to the Alliance for Technology, Learning and Society (ATLAS) at the University of Colorado for technology-enhanced learning, \$2,500,000 shall be awarded to the Illinois Community College Board to develop a systemwide, on-line virtual degree program for the community college system in Illinois, and \$1,250,000 shall be made available to the University of Idaho Interactive Learning Environments to develop and improve Internet-based delivery of education programs]** **section 404F(a) of the Higher Education Amendments of 1998 is amended by striking out “using funds appropriated under section 404H that**

do not exceed \$200,000” and inserting in lieu thereof “using not more than 0.2 percent of the funds appropriated under section 404H”. (Department of Education Appropriations Act, 2000, as enacted by section 1000(a)(4) of the Consolidated Appropriations Act, 2000 (P.L. 106-113).)

Program and Financing (in millions of dollars)

Identification code 91-0201-0-1-502	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
Aid for institutional development:			
00.01 Strengthening institutions	60	60	63
00.02 Strengthening tribally controlled colleges and universities	3	6	9
00.03 Strengthening Alaska Native and Native Hawaiian-serving institutions	3	5	5
00.04 Strengthening historically black colleges and universities	136	149	169
00.05 Strengthening historically black graduate institutions	30	31	40
00.06 Minority science and engineering improvement	8	8	9
00.91 Subtotal, aid for institutional development	240	259	295
Other aid for institutions:			
01.01 Developing Hispanic-serving institutions	28	42	63
01.02 International education and foreign language studies	67	70	72
01.03 Fund for the Improvement of Postsecondary Education	50	74	31
01.04 Urban community service	5		
01.05 Demonstration projects to ensure quality higher education for students with disabilities	5	5	5
01.06 Interest subsidy grants	11	12	10
01.91 Subtotal, other aid for institutions	166	203	181
Assistance for students:			
02.01 Federal TRIO programs	600	645	725
02.02 Gaining early awareness and readiness for undergraduate programs (GEAR UP)	120	200	325
02.03 Byrd honors scholarships	39	40	41
02.04 Javits fellowships	7	20	10
02.05 Graduate assistance in areas of national need	24	31	31
02.06 Child care access means parents in school	5	5	15
02.07 Learning anytime anywhere partnerships	10	23	30
02.08 State grants for incarcerated youth offenders	12	5	
02.91 Subtotal, assistance for students	817	969	1,177
Other Aid:			
03.01 Teacher quality enhancement	77	98	98
03.02 Underground railroad program	2	2	2
03.03 GPRA data/program evaluation		3	3
03.04 Endowment Grants	1		
03.05 Community scholarship mobilization		1	
03.91 Subtotal, Other Aid	80	104	103
10.00 Total new obligations	1,303	1,535	1,756

Budgetary resources available for obligation:

21.40 Unobligated balance available, start of year	5	11	6
22.00 New budget authority (gross)	1,310	1,529	1,756
23.90 Total budgetary resources available for obligation	1,315	1,540	1,762
23.95 Total new obligations	-1,303	-1,535	-1,756
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance available, end of year	11	6	6

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	1,308	1,533	1,756
40.76 Reduction pursuant to P.L. 106-113		-4	
42.00 Transferred from other accounts	2		
43.00 Appropriation (total discretionary)	1,310	1,529	1,756

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance, start of year	1,095	1,533	1,599
73.10 Total new obligations	1,303	1,535	1,756
73.20 Total outlays (gross)	-855	-1,469	-1,504
73.40 Adjustments in expired accounts (net)	-10		
74.40 Unpaid obligations, end of year: Obligated balance, end of year	1,533	1,599	1,851

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	61	192	218
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86.93	Outlays from discretionary balances	794	1,276	1,285
87.00	Total outlays (gross)	855	1,469	1,504
Net budget authority and outlays:				
89.00	Budget authority	1,310	1,529	1,756
90.00	Outlays	855	1,469	1,504

Aid for institutional development.—
Strengthening institutions.—Funds will 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.—Funds will 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.—Funds will 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.—Funds will 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 will 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 will 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.

Other aid for institutions.—
Developing Hispanic-serving institutions.—Funds will support Hispanic-serving institutions to enable them to improve and expand their capacity to serve students.

International education and foreign language studies programs.—Funds will promote the development and improvement of international and foreign language programs.

Fund for the improvement of postsecondary education.—Funds will support flexible, field-initiated postsecondary improvement projects in a broad range of activities, as well as special focus programs.

Demonstration projects to ensure quality higher education for students with disabilities.—Funds will support model demonstration projects to provide technical assistance or professional development for faculty and administrators in institutions of higher education in order to provide students with disabilities a quality postsecondary education.

Interest subsidy grants.—Funds will meet mandatory interest subsidy costs of construction loan commitments made prior to 1974.

Assistance for students.—
Federal TRIO programs.—Funds will support postsecondary education outreach and student support services through 5 major programs designed to help individuals from disadvantaged backgrounds enter and complete college and graduate studies.

Gaining early awareness and readiness for undergraduate programs.—Funds will 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.

Byrd honors scholarships.—Funds will support merit-based scholarships to students who have demonstrated outstanding academic achievement and who show promise of continued academic excellence for study at an institution of higher education.

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

Graduate assistance in areas of national need.—Funds will support fellowships to graduate students of superior ability who have financial need and who are from traditionally under-represented backgrounds for study in areas of national need.

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

Learning anytime anywhere partnerships.—Funds will support projects using distance learning technology and other innovations to promote and enhance the delivery of postsecondary education and lifelong learning opportunities.

Other aid.—
Teacher quality enhancement.—Funds will support programs that seek to make lasting changes in the ways our Nation recruits, prepares, licenses, and supports teachers.

Underground railroad program.—Funds will support grants to one or more nonprofit educational organizations to establish facilities to house, display, and interpret artifacts relating to the history of the Underground Railroad.

GPRA data/HEA program evaluation.—Funds will 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.

Summary of Budget Authority and Outlays

(in millions of dollars)			
Enacted/requested:	1999 actual	2000 est.	2001 est.
Budget Authority	1,310	1,529	1,756
Outlays	855	1,468	1,503
Legislative proposal, not subject to PAYGO:			
Budget Authority			40
Outlays			5
Total:			
Budget Authority	1,310	1,529	1,796
Outlays	855	1,468	1,508

Object Classification (in millions of dollars)

Identification code 91-0201-0-1-502	1999 actual	2000 est.	2001 est.
25.1 Advisory and assistance services	3	6	7
25.2 Other services	4	5	6
25.3 Purchases of goods and services from Government accounts	1	1	2
25.7 Operation and maintenance of equipment	1	1	1
41.0 Grants, subsidies, and contributions	1,293	1,522	1,740
99.0 Subtotal, direct obligations	1,302	1,535	1,756
99.5 Below reporting threshold	1		
99.9 Total new obligations	1,303	1,535	1,756

HIGHER EDUCATION

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 91-0201-2-1-502	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
Other aid for institutions:			
00.01 Dual Degree			40
10.00 Total new obligations (object class 41.0)			40

General and special funds—Continued

HIGHER EDUCATION—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 91-0201-2-1-502	1999 actual	2000 est.	2001 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year			
22.00 New budget authority (gross)			40
23.90 Total budgetary resources available for obligation			40
23.95 Total new obligations			-40
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation			40
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year			
73.10 Total new obligations			40
73.20 Total outlays (gross)			-5
74.40 Unpaid obligations, end of year: Obligated balance, end of year			35
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			5
Net budget authority and outlays:			
89.00 Budget authority			40
90.00 Outlays			5

The Administration will propose legislation that will authorize the use of funds for the following purpose:

Dual degree programs for minority-serving institutions.—Funds will support a new program to enable students at Hispanic-serving institutions, historically black colleges and universities, and tribally controlled colleges and universities to earn dual degrees in five years: one degree from the minority-serving institution, and one from a partner institution in a field in which the minority-serving institution does not offer a program and in which minorities are underrepresented.

HOWARD UNIVERSITY

For partial support of Howard University (20 U.S.C. 121 et seq.), **[\$219,444,000] \$224,000,000**, of which not less than \$3,530,000 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, 2000, as enacted by section 1000(a)(4) of the Consolidated Appropriations Act, 2000 (P.L. 106-113).*)

Program and Financing (in millions of dollars)

Identification code 91-0603-0-1-502	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 General support	182	193	194
00.02 Howard University Hospital	29	30	30
10.00 Total new obligations (object class 41.0)	211	223	224
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year		4	
22.00 New budget authority (gross)	214	219	224
23.90 Total budgetary resources available for obligation	214	223	224
23.95 Total new obligations	-211	-223	-224
24.40 Unobligated balance available, end of year	4		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	214	219	224
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year			
73.10 Total new obligations	211	223	224

73.20 Total outlays (gross)	-220	-210	-224
74.40 Unpaid obligations, end of year: Obligated balance, end of year	1	13	13
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	211	206	211
86.93 Outlays from discretionary balances	9	4	13
87.00 Total outlays (gross)	220	210	224
Net budget authority and outlays:			
89.00 Budget authority	214	219	224
90.00 Outlays	220	210	224

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 1999, direct Federal appropriations for general support represented approximately 54 percent of the university's educational and general expenditures.

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM

For Federal administrative expenses authorized under section 121 of the Higher Education Act of 1965, \$737,000 to carry out activities related to existing facility loans entered into under the Higher Education Act of 1965. (*Department of Education Appropriations Act, 2000, as enacted by section 1000(a)(4) of the Consolidated Appropriations Act, 2000 (P.L. 106-113).*)

HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING PROGRAM ACCOUNT

The total amount of bonds insured pursuant to section 344 of title III, part D of the Higher Education Act of 1965 shall not exceed \$357,000,000, and the cost, as defined in section 502 of the Congressional Budget Act of 1974, of such bonds shall not exceed zero.

For administrative expenses to carry out the Historically Black College and University Capital Financing Program entered into pursuant to title III, part D of the Higher Education Act of 1965, as amended, **[\$207,000] \$208,000**. (*Department of Education Appropriations Act, 2000, as enacted by section 1000(a)(4) of the Consolidated Appropriations Act, 2000 (P.L. 106-113).*)

Program and Financing (in millions of dollars)

Identification code 91-0241-0-1-502	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.09 Federal administration	1	1	1
10.00 Total new obligations (object class 99.5)	1	1	1
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	1	1	1
23.95 Total new obligations	-1	-1	-1
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation (Federal administration)	1	1	1
Change in unpaid obligations:			
72.95 Unpaid obligations, start of year: From Federal sources: Receivables and unpaid, unfilled orders	1	1	
73.10 Total new obligations	1	1	1
73.20 Total outlays (gross)	-1	-1	-1
74.95 Unpaid obligations, end of year: From Federal sources: Receivables and unpaid, unfilled orders	1		
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority		1	1
86.93 Outlays from discretionary balances	1		
87.00 Total outlays (gross)	1	1	1
Net budget authority and outlays:			
89.00 Budget authority	1	1	1
90.00 Outlays	1	1	1

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

Identification code 91-0241-0-1-502	1999 actual	2000 est.	2001 est.
Direct loan subsidy outlays:			
1340 Subsidy outlays			
Administrative expense data:			
3510 Budget authority	1	1	1
3580 Outlays from balances	1		

The College Housing and Academic Facilities Loan (CHAFL) Program account and the Historically Black College and University (HBCU) Capital Financing Program account are consolidated for presentation purposes only. The College Housing and Academic Facilities Loans and Historically Black College and University Capital Financing programs will continue to be administered separately.

The College Housing and Academic Facilities Loans (CHAFL) Program.—The Department began issuing CHAFL facility loans in 1987 and made its last awards in 1993. Prior to 1987, loans were made under two separate loan programs: Higher Education Facilities Loans (HEFL) and College Housing Loans (CHL). The loans support financing for the reconstruction, renovation, and construction of academic facilities, housing and other postsecondary education facilities for students and faculty. Although the Department no longer makes new loans, the Department continues to be responsible for conducting architectural and engineering reviews before disbursing payments to institutions and servicing the outstanding loans under an agreement with the Federal Reserve Bank.

In prior years, funding for CHAFL administration was in this account, and funding for CHL and HEFL administration was split between the Department's Program Administration account and the liquidating accounts for these two programs. Beginning in 1998, the Department consolidated funding for administrative activities for CHAFL, HEFL, and CHL under a single account. The 2001 request includes funding for personnel and other discretionary costs for all three programs. Loan servicing and architectural and engineering services for the HEFL and CHL programs are funded from their respective liquidating accounts.

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 bonds and maintains an escrow account in which 5 percent of each institution's principal is deposited. This amount is estimated to be sufficient to cover all potential delinquencies and defaults.

Since the first loan was issued in 1996, a total of 7 loans for \$46 million have been made. Additional loans are expected in 2000 and 2001. No subsidy appropriations are required. The 2001 budget provides funds for continuing Federal administrative activities only.

Personnel Summary

Identification code 91-0241-0-1-502	1999 actual	2000 est.	2001 est.
1001 Total compensable workyears: Full-time equivalent employment	7	7	7

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS FINANCING ACCOUNT

Note.—The financing account includes all cash flows to and from the Government from college housing and academic facilities loans committed after 1991.

Program and Financing (in millions of dollars)

Identification code 91-4252-0-3-502	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.02 Interest paid to Treasury	2	2	2
10.00 Total new obligations	2	2	2
Budgetary resources available for obligation:			
22.00 New financing authority (gross)	2	2	2
22.70 Balance of authority to borrow withdrawn	-1		
23.90 Total budgetary resources available for obligation	1	2	2
23.95 Total new obligations	-2	-2	-2
New financing authority (gross), detail:			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)	2	2	2
Change in unpaid obligations:			
Unpaid obligations, start of year:			
Obligated balance, start of year:			
72.40 Obligated balance: Borrowing Authority	8	5	4
72.40 Obligated balance, Treasury Interest	2	1	
72.95 Receivables from program account	1	1	1
72.99 Total unpaid obligations, start of year	11	7	5
73.10 Total new obligations	2	2	2
73.20 Total financing disbursements (gross)	-6	-4	-7
Unpaid obligations, end of year:			
Obligated balance, end of year:			
74.40 Obligated balance: Borrowing Authority	5	4	
74.40 Obligated balance: Treasury Interest	1		
74.95 Receivables from program account	1	1	
74.99 Total unpaid obligations, end of year	7	5	
87.00 Total financing disbursements (gross)	6	4	7
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.25 Interest on uninvested funds	-1	-1	-1
88.40 Interest repayments	-1	-1	-1
88.90 Total, offsetting collections (cash)	-2	-2	-2
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements	4	2	5

Status of Direct Loans (in millions of dollars)

Identification code 91-4252-0-3-502	1999 actual	2000 est.	2001 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1150 Total direct loan obligations			
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	21	25	26
1231 Disbursements: Direct loan disbursements	4	1	4
1290 Outstanding, end of year	25	26	30

The reestimate of the subsidy from prior year obligations may require the Department to exercise its permanent indefinite authority to borrow funds to cover outstanding Treasury interest expenses due on September 30, 2001.

General and special funds—Continued

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS FINANCING ACCOUNT—Continued

Balance Sheet (in millions of dollars)

Identification code 91-4252-0-3-502	1998 actual	1999 actual	2000 est.	2001 est.
ASSETS:				
Investments in US securities:				
1106 Federal assets: Receivables, net	2	3	3	3
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	21	22	25	26
1402 Interest receivable	1	1	1	1
1405 Allowance for subsidy cost (-)				
1499 Net present value of assets related to direct loans	22	23	26	27
1999 Total assets	24	26	29	30
LIABILITIES:				
Federal liabilities:				
2102 Interest payable	1	2	2	2
2103 Debt	27	22	26	27
2999 Total liabilities	28	24	28	29
NET POSITION:				
3100 Appropriated capital	-2			
3999 Total net position	-2			
4999 Total liabilities and net position	26	24	28	29

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 91-0242-0-1-502	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
10.00 Total new obligations (object class 43.0)	16	20	17
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	15	33	
22.00 New budget authority (gross)	66	60	58
22.40 Capital transfer to general fund	-32	-73	-41
23.90 Total budgetary resources available for obligation	49	20	17
23.95 Total new obligations	-16	-20	-17
24.40 Unobligated balance available, end of year	33		
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	66	60	58
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	29	23	20
73.10 Total new obligations	16	20	17
73.20 Total outlays (gross)	-22	-23	-23
74.40 Unpaid obligations, end of year: Obligated balance, end of year	23	20	14
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	22	23	23
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40 Repayments of principal	-47	-43	-42
88.40 Interest received on loans	-19	-17	-16
88.90 Total, offsetting collections (cash)	-66	-60	-58
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-44	-37	-35

The College Housing and Academic Facilities Loans Liquidating Account records all cash flows to and from the Govern-

ment resulting from direct loans made prior to 1992 to schools and colleges for the reconstruction, renovation, and construction of academic facilities, housing and other postsecondary education facilities. Loans were made under three separate loan programs: Higher Education Facilities Loans, College Housing Loans, and College Housing and Academic Facilities Loans. Beginning in 1998, the Department consolidated the three loan programs into the CHAFL Liquidating account for budget presentation purposes only. The three individual programs continue to be administered separately.

Status of Direct Loans (in millions of dollars)

Identification code 91-0242-0-1-502	1999 actual	2000 est.	2001 est.
CHAFL LIQUIDATING			
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	151	142	134
1231 Disbursements: Direct loan disbursements			
1251 Repayments: Repayments and prepayments	-9	-8	-7
1290 Outstanding, end of year	142	134	127
HIGHER EDUCATION FACILITIES LOANS			
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	35	30	25
1251 Repayments: Repayments and prepayments	-5	-5	-5
1290 Outstanding, end of year	30	25	20
COLLEGE HOUSING LOANS			
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	380	347	317
1251 Repayments: Repayments and prepayments	-33	-30	-31
1290 Outstanding, end of year	347	317	286

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	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Direct Loan Disbursements	6	25	25
10.00 Total new obligations	6	25	25
Budgetary resources available for obligation:			
22.00 New financing authority (gross)	6	25	25
23.95 Total new obligations	-6	-25	-25
24.40 Unobligated balance available, end of year			
New financing authority (gross), detail:			
Mandatory:			
67.15 Authority to borrow (indefinite)	6	25	25
Change in unpaid obligations:			
73.10 Total new obligations	6	25	25
73.20 Total financing disbursements (gross)	-6	-25	-25
87.00 Total financing disbursements (gross)	6	25	25
Net financing authority and financing disbursements:			
89.00 Financing authority	6	25	25
90.00 Financing disbursements	6	25	25

In 1997, the Federal Financing Bank (FFB) began purchasing 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. For Budget purposes, all FFB loans shall be treated as direct loans. HBCU bonds are still 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.

Status of Direct Loans (in millions of dollars)

Identification code 91-4255-0-3-502	1999 actual	2000 est.	2001 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	375	364	339
1112 Unobligated direct loan limitation	-364	-339	-314
1150 Total direct loan obligations	11	25	25
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	5	11	36
1231 Disbursements: Direct loan disbursements	6	25	25
1251 Repayments: Repayments and prepayments			
1290 Outstanding, end of year	11	36	61

Balance Sheet (in millions of dollars)

Identification code 91-4255-0-3-502	1998 actual	1999 actual	2000 est.	2001 est.
ASSETS:				
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross		11	36	61
1499 Net present value of assets related to direct loans		11	36	61
1999 Total assets		11	36	61
LIABILITIES:				
2103 Federal liabilities: Debt		11	36	61
2999 Total liabilities		11	36	61
4999 Total liabilities and net position		11	36	61

OFFICE OF STUDENT FINANCIAL ASSISTANCE

Federal Funds

General and special funds:

STUDENT FINANCIAL ASSISTANCE

For carrying out subparts 1, 3 and 4 of part A, part C and part E of title IV of the Higher Education Act of 1965, as amended, **[\$9,435,000,000] \$10,258,000,000**, which shall remain available through September 30, **[2001] 2002**.

The maximum Pell Grant for which a student shall be eligible during award year **[2000-2001] 2001-2002** shall be **[\$3,300] \$3,500**. *Provided*, That notwithstanding section 401(g) of the Act, if the Secretary determines, prior to publication of the payment schedule for such award year, that the amount included within this appropriation for Pell Grant awards in such award year, and any funds available from the fiscal year **[1999] 2000** appropriation for Pell Grant awards, are insufficient to satisfy fully all such awards for which students are eligible, as calculated under section 401(b) of the Act, the amount paid for each such award shall be reduced by either a fixed or variable percentage, or by a fixed dollar amount, as determined in accordance with a schedule of reductions established by the Secretary for this purpose.

[For an additional amount for "STUDENT FINANCIAL ASSISTANCE" for payment of allocations to institutions of higher education for Federal Supplemental Educational Opportunity Grants for award years 1999-2000 and 2000-2001, made under title IV, part A, subpart 3, of the Higher Education Act of 1965, as amended, \$10,000,000: *Provided*, That notwithstanding any other provision of law, the Secretary of Education may waive or modify any statutory or regulatory provision applicable to the Federal Supplemental Educational Opportunity Grant program and the determination of need for such grants, that the Secretary deems necessary to assist individuals who suffered financial harm resulting from the hurricanes, and the flooding associated with the hurricanes, that struck the eastern United States in August and September 1999, and who, at the time of the disaster were residing, attending an institution of higher education, or employed within an area affected by such a disaster on the date which the President declared the existence of a major disaster (or, in the case of an individual who is a dependent student, whose parent or stepparent suffered financial harm from such disaster, and who

resided, or was employed in such an area at that time): *Provided further*, That notwithstanding section 437 of the General Education Provisions Act (20 U.S.C. 1232) and section 553 of title 5, United States Code, the Secretary shall, by notice in the Federal Register, exercise this authority, through publication of waivers or modifications of statutory and regulatory provisions, as the Secretary deems necessary to assist such individuals: *Provided further*, That notwithstanding section 413D of the Higher Education Act of 1965, allocations from such additional amount shall not be taken into account in determining institutional allocations under such section in future years: *Provided further*, That the entire amount made available under this paragraph is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, and that the entire amount shall be available only to the extent an official budget request for the entire amount, that includes designation of the entire amount as an emergency requirement pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, is transmitted by the President to the Congress.] (*Department of Education Appropriations Act, 2000, as enacted by section 1000(a)(4) of the Consolidated Appropriations Act, 2000 (P.L. 106-113).*)

Program and Financing (in millions of dollars)

Identification code 91-0200-0-1-502	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
Federal Pell grants:			
01.01 Federal Pell grants	6,044	9,285	8,084
Campus-based aid:			
02.01 Federal supplemental educational opportunity grants (SEOG)	619	633	691
02.02 Federal work-study	876	937	1,011
02.03 Federal Perkins loans: Federal capital contributions	102	100	100
02.05 Federal Perkins loans: Loan cancellations	30	30	60
02.91 Subtotal, Campus-based activities	1,627	1,700	1,862
03.01 Leveraging educational assistance partnership	25	40	40
10.00 Total new obligations (object class 41.0)	7,696	11,025	9,986
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	2,891	4,554	2,903
22.00 New budget authority (gross)	9,348	9,375	10,258
22.10 Resources available from recoveries of prior year obligations	10		
23.90 Total budgetary resources available for obligation	12,249	13,929	13,161
23.95 Total new obligations	-7,696	-11,025	-9,986
24.40 Unobligated balance available, end of year	4,554	2,903	3,175
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	9,348	9,435	10,258
40.15 Appropriation (emergency)		10	
40.76 Reduction pursuant to P.L. 106-113		-70	
43.00 Appropriation (total discretionary)	9,348	9,375	10,258
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	4,704	3,176	4,838
73.10 Total new obligations	7,696	11,025	9,986
73.20 Total outlays (gross)	-9,125	-9,363	-9,829
73.40 Adjustments in expired accounts (net)	-88		
73.45 Adjustments in unexpired accounts	-10		
74.40 Unpaid obligations, end of year: Obligated balance, end of year	3,176	4,838	4,995
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1,936	1,828	2,297
86.93 Outlays from discretionary balances	7,189	7,535	7,532
87.00 Total outlays (gross)	9,125	9,363	9,829
Net budget authority and outlays:			
89.00 Budget authority	9,348	9,375	10,258
90.00 Outlays	9,125	9,363	9,829

General and special funds—Continued

STUDENT FINANCIAL ASSISTANCE—Continued

Status of Direct Loans (in millions of dollars)

Identification code 91-0200-0-1-502		1999 actual	2000 est.	2001 est.
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	137	64	58
1251	Repayments: Repayments and prepayments	-66	-25	-26
Write-offs for default:				
1263	Direct loans	-15	-9	-10
1264	Other adjustments, net	8	28	34
1290	Outstanding, end of year	64	58	56

¹Includes in all years institutional matching share of defaulted notes assigned from institutions to the Education Department.

The Administration's 2001 budget for the SFA account is \$10.258 billion, an increase of \$883 million, or 9.4 percent, over the 2000 appropriation, which together with matching funds (less allowable administrative costs) would provide more than \$11.7 billion in aid available to an estimated 8.6 million students.

Federal Pell Grants.—Undergraduate students establish eligibility for these grants under award and need determination rules set out in the authorizing statute and the annual appropriations act.

The Administration proposes \$8.356 billion, an increase of \$716 million or 9.4 percent over the 2000 appropriation level, for the Pell Grant program in 2001, to raise the maximum award for the 2001–2002 award year to \$3,500—the highest ever and an increase of \$200 from the 2000–2001 level of \$3,300. Approximately 3.9 million students would receive grants under the program in the 2001–2002 award year.

Campus-based programs.—The Federal Supplemental Educational Opportunity Grants, Federal Work-Study, and Federal Perkins Loan programs are called the “campus-based” programs because participating institutions are responsible for administering the programs on their own campuses. These programs provide aid administrators with considerable flexibility in the packaging of financial aid awards to best meet the needs of students.

Federal Supplemental Educational Opportunity Grants.—Federal funds are awarded by formula to qualifying institutions, which use these funds to award grants to undergraduate students. While institutions have discretion in awarding these funds, they are required to give priority to Pell Grant recipients and other students with exceptional need. The Federal share of such grants may not exceed 75 percent of the total grant. The Administration proposes \$691 million for the SEOG program in 2001, an increase of \$60 million or 9.5 percent over the 2000 level. This level of funding would provide approximately \$875 million in available aid to an estimated 1.2 million needy students.

Federal Work-Study.—Federal funds are awarded by formula to qualifying institutions, which develop and provide part-time jobs for eligible undergraduate and graduate students with demonstrated need. Hourly earnings under the 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. An institution must use at least 7 percent of its Federal allocation to compensate students employed in community service activities. An institution's community service activities must include at least one tutoring or family literacy project. The Secretary has waived the required 25 percent employer funding match for students working in the America Reads Challenge as reading tutors of children and in family literacy programs, and for students working as math tutors for children in kindergarten through 9th grade in support of the America Counts Challenge. To continue to provide 1 million students the opportunity to work their way through

college, the Administration proposes \$1.011 billion, an increase of \$77 million over the 2000 appropriation, for the Work-Study program.

Perkins Loan Program.—Institutions award low-interest loans from institutional revolving funds, which are comprised of Federal Capital Contributions, institutional matching funds, and student repayments on outstanding loans. The Administration proposes \$100 million in new budget authority for the Perkins loan program, the same as the 2000 level. This level of funding would provide nearly \$1.1 billion in available aid to some 676,000 needy undergraduate and graduate students in the 2001–2002 award year.

Perkins Loan Program—Cancellations.—Under the Perkins Loan cancellation program, institutional revolving funds are reimbursed for indebtedness canceled as a result of a borrower engaging in certain public service activities, as specified in the Higher Education Act. Amendments to the Higher Education Act in 1992 and 1998 greatly expanded the number of borrowers with loans eligible for cancellation. The resulting increase in demand for these benefits has created a significant funding shortfall. The Administration's budget proposal for Perkins Loan cancellations is \$60 million, double the 2000 level.

Leveraging Educational Assistance Partnership Program.—Under this program, formerly known as the State Student Incentive Grant (SSIG) Program, Federal matching funds are awarded to assist States in providing programs of grants and work-study assistance to needy students attending qualifying institutions. When appropriations are \$30 million or less, States must match these Federal funds on at least a dollar-for-dollar basis and comply with statutory maintenance of effort requirements. State awards to students may not exceed \$5,000 per academic year.

When appropriations exceed \$30 million, those funds in excess of \$30 million are reserved for the Special Leveraging Educational Assistance Partnership Program. Under Special LEAP, States may use the grant funds for several new authorized activities including increasing the dollar amount of LEAP grants to students who demonstrate financial need. The Federal share of the cost of the authorized activities may not exceed 33½ percent. The Administration proposes \$40 million for LEAP in 2001, the same as the 2000 appropriation.

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 the aid from programs in the Student Financial Assistance account, as well as aid from the Federal Family Education Loan (FFEL) program, and the William D. Ford Federal Direct Loan program. Loan amounts reflect the capital actually loaned, not the Federal cost of those loans. The data in these tables include the effects of matching funds wherever applicable.

AID FUNDS AVAILABLE FOR POSTSECONDARY EDUCATION AND TRAINING

	(in millions of dollars)		
	1999 actual	2000 est.	2001 est.
Pell grants	7,326	7,940	8,469
Student loans:			
Guaranteed student loans:			
Stafford loans	10,427	10,529	10,901
Unsubsidized Stafford loans	7,771	8,223	8,813
PLUS	1,908	2,207	2,442
Direct student loans:			
Stafford loans	5,318	5,568	5,770
Unsubsidized Stafford loans	3,437	3,798	4,068
PLUS	1,198	1,239	1,372
Consolidation:			
FFEL	4,720	4,581	4,745
Direct Loans	8,006	4,250	4,403
Student loans, subtotal	42,786	40,395	42,516
Work-study	1,044	1,123	1,216
Supplemental educational opportunity grants	784	799	875

Perkins loans	1,058	1,058	1,058
Leveraging Educational Assistance Partnership	50	90	90
Total aid available	53,048	51,405	54,224

Note: Detail may not add to totals due to rounding.

NUMBER OF AID AWARDS

[In thousands]

	1999 actual	2000 est.	2001 est.
Pell grants	3,810	3,849	3,885
Student loans:			
Guaranteed student loans:			
Stafford loans	3,091	3,198	3,291
Unsubsidized Stafford loans	1,970	2,124	2,237
PLUS	293	345	371
Direct student loans:			
Stafford loans	1,659	1,652	1,701
Unsubsidized Stafford loans	1,027	1,029	1,085
PLUS	205	191	205
Consolidation:			
FFEL	266	261	268
Direct Loans	412	207	213
Student loans, subtotal	8,922	9,007	9,371
Work-study	930	1,000	1,000
Supplemental educational opportunity grants	1,118	1,139	1,203
Perkins loans	698	698	676
Leveraging Educational Assistance Partnership	83	120	120
Total awards	15,562	15,813	16,254

Note: Detail may not add to totals due to rounding.

AVERAGE AID AWARDS

[In whole dollars]

	1999 actual	2000 est.	2001 est.
Pell grants	1,923	2,063	2,180
Student loans:			
Guaranteed student loans:			
Stafford loans	3,373	3,292	3,312
Unsubsidized Stafford loans	3,945	3,872	3,939
PLUS	6,522	6,401	6,590
Direct student loans:			
Stafford loans	3,206	3,370	3,393
Unsubsidized Stafford loans	3,346	3,690	3,751
PLUS	5,837	6,497	6,690
Consolidation:			
FFEL	17,754	17,582	17,696
Direct Loans	19,449	20,520	20,653
Work-study	1,123	1,215	1,215
Supplemental educational opportunity grants	701	727	727
Perkins loans	1,516	1,564	1,564
Leveraging Educational Assistance Partnership	600	750	750

NUMBER OF STUDENTS AIDED

[In thousands]

	1999 actual	2000 est.	2001 est.
Unduplicated student count	8,162	8,406	8,623

The following table displays institutional administrative costs paid from program funds.

ADMINISTRATIVE PAYMENTS TO INSTITUTIONS

[In millions of dollars]

	1999 actual	2000 est.	2001 est.
Pell grants	20	20	20
Work-study	65	70	76
Supplemental educational opportunity grants	31	32	32
Perkins loans	42	42	42

The following table displays the status of defaulted Perkins loans held by the Department and by institutions.

DEFAULTED PERKINS LOANS

[In millions of dollars]

	1999 actual	2000 est.	2001 est.
Outstanding defaulted loans, beginning of year:			
Assigned defaulted loans ¹	137	64	58
Unassigned defaulted loans ²	948	987	1,029
New defaulted loans	147	168	176
Collections on assigned loans	-66	-25	-26
Collections on unassigned loans	-93	-94	-96
Write-offs for assigned loans	-15	-9	-10
Write-offs for unassigned loans	-7	-4	-3

Outstanding defaulted loans, end of year	1,051	1,087	1,128
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¹ Permanently assigned to the Federal Government for collection. Does not include the following amounts in loans made to institutions to establish Perkins revolving funds: \$94 thousand in 1999, \$94 thousand in 2000, and \$94 thousand in 2001. These amounts are recorded as outstanding loans in the "Status of Direct Loans" schedule.

² Unassigned loans at institutions.

PERKINS LOAN REVOLVING FUND

Program and Financing (in millions of dollars)

Identification code 91-4248-0-1-502	1999 actual	2000 est.	2001 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	53		
22.10 Resources available from recoveries of prior year obligations	1		
22.40 Capital transfer to general fund	-54		
23.90 Total budgetary resources available for obligation			
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	3		
73.10 Total new obligations			
73.20 Total outlays (gross)	-1		
73.45 Adjustments in unexpired accounts	-1		
74.40 Unpaid obligations, end of year: Obligated balance, end of year			
Outlays (gross), detail:			
86.98 Outlays from mandatory balances	1		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	1		

The Higher Education Amendments of 1998 repealed the Perkins Loan Revolving fund. Pursuant to section 467 of the Higher Education Amendments of 1998, these funds have been returned to the general fund of the Treasury.

FEDERAL FAMILY EDUCATION LOAN INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 91-4256-0-3-502	1999 actual	2000 est.	2001 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	47		
22.40 Capital transfer to general fund	-47		
23.90 Total budgetary resources available for obligation			
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

The Federal Family Education Loan Insurance Fund was established under Section 431 of the Higher Education Act of 1965, as amended, for use by the Secretary of Education to pay administrative costs related to default management and prevention, guaranty agency oversight, and related expenses.

Credit accounts:

FEDERAL DIRECT STUDENT LOAN PROGRAM, PROGRAM ACCOUNT

Program and Financing (in millions of dollars)

Identification code 91-0243-0-1-502	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
07.09 Student loan administrative expenses	610	735	770
10.00 Total new obligations	610	735	770

Credit accounts—Continued

FEDERAL DIRECT STUDENT LOAN PROGRAM, PROGRAM ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 91-0243-0-1-502	1999 actual	2000 est.	2001 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	4	12	12
22.00 New budget authority (gross)	619	735	770
22.10 Resources available from recoveries of prior year obligations	5		
23.90 Total budgetary resources available for obligation	628	747	782
23.95 Total new obligations	-610	-735	-770
23.98 Unobligated balance expiring or withdrawn	-5		
24.40 Unobligated balance available, end of year	12	12	12
New budget authority (gross), detail:			
Discretionary:			
42.00 Transferred from other accounts	1		
Mandatory:			
60.00 Appropriation	618	735	770
60.05 Appropriation (indefinite)			
62.50 Appropriation (total mandatory)	618	735	770
69.00 Offsetting collections (cash)	720	3,432	607
69.10 From Federal sources: Change in receivables and unpaid, unfilled orders			
69.27 Capital transfer to general fund	-720	-3,432	-607
69.90 Spending authority from offsetting collections (total mandatory)			
70.00 Total new budget authority (gross)	619	735	770
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	303	281	335
73.10 Total new obligations	610	735	770
73.20 Total outlays (gross)	-627	-681	-722
73.45 Adjustments in unexpired accounts	-5		
74.40 Unpaid obligations, end of year: Obligated balance, end of year	281	335	383
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	392	468	481
86.98 Outlays from mandatory balances	235	213	241
87.00 Total outlays (gross)	627	681	722
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-720	-3,432	-607
Against gross budget authority only:			
88.95 From Federal sources: Change in receivables and unpaid, unfilled orders			
Net budget authority and outlays:			
89.00 Budget authority	-101	-2,697	163
90.00 Outlays	-93	-2,751	115

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

Identification code 91-0243-0-1-502	1999 actual	2000 est.	2001 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Stafford	5,318	6,129	6,354
1150 Unsubsidized Stafford	3,437	4,235	4,537
1150 PLUS	1,198	1,459	1,615
1150 Consolidated	8,006	4,312	4,466
1159 Total direct loan levels	17,959	16,135	16,972
Direct loan subsidy (in percent):			
1320 Stafford	8.17	3.39	8.03
1320 Unsubsidized Stafford	-11.74	-20.49	-14.36
1320 PLUS	-10.40	-16.39	-12.36
1320 Consolidated	-3.95	-9.59	-3.92
1329 Weighted average subsidy rate	-2.15	-8.14	-3.04
Direct loan subsidy budget authority:			
1330 Stafford	169	-918	510

1330 Unsubsidized Stafford	-685	-1,623	-652
1330 PLUS	-104	-387	-200
1330 Consolidated	-119	-827	-175
1339 Total subsidy budget authority	-739	-3,755	-517
Direct loan subsidy outlays:			
1340 Stafford	236	-863	385
1340 Unsubsidized Stafford	-657	-1,428	-639
1340 PLUS	-94	-320	-180
1340 Consolidated	-123	-822	-173
1349 Total subsidy outlays	-638	-3,433	-607
Student loan administrative expense data:			
3510 Budget authority	618	735	770
3590 Outlays	544	681	721

The Federal Government operates two major student loan programs: the Federal Family Education Loan (FFEL) program—formerly the Guaranteed Student Loan (GSL) program—and the William D. Ford Federal Direct Loan (Direct Loan) program. The President is committed to improving the efficiency of both programs and allowing individual institutions 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. As part of his 2001 Budget, the President is proposing a number of changes for the Direct Loan and FFEL programs. These changes are discussed as part of this program description.

From its inception in 1965 through 1999, the FFEL program has provided over \$300 billion in loans to postsecondary students and their parents. Since July 1, 1994, the Direct Loan program has provided almost \$57 billion in new and consolidation loans to students and parents. Taken together, the FFEL and Direct Loan programs will make almost \$32 billion in new loans available in 2000. 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, and with Perkins Loans in particular, as part of the overall Federal effort to ensure 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 Higher Education Amendments of 1998 (HEA) fundamentally restructured the guaranty agency system, reducing the need for agencies to hold Federal reserve funds. Accordingly, the Administration is proposing to bring forward \$359 million in reserve recalls included in the HEA. In addition, the Administration is proposing \$950 million in new recalls for 2001. (Amounts recalled in 2001 will be used to offset discretionary spending.) To provide guaranty agencies the maximum flexibility under this new structure, the Administration is also proposing to allow the Secretary of Education to expand the use of voluntary flexible agreements. These agreements, a limited number of which were authorized in the HEA, afford agencies greater discretion in their financial and operational organization.

The Direct Loan program was created by the Student Loan Reform Act (SLRA) of 1993. Under this program, the Federal Government provides loan funds to postsecondary institutions

directly or through an alternative originator. Direct Loans offer a streamlined system that is simpler for student and parent borrowers, less prone to waste and abuse, and less expensive for the Federal taxpayer than the FFEL program. The program also offers income-contingent repayment options that allow borrowers to consider lower-paying careers, such as public service, without fear of default.

The Direct Loan program began operation in academic year 1994–1995 with 7 percent of overall loan volume. The program grew to 31 percent of overall volume in academic year 1995–1996, and is expected to account for 33 percent in academic year 1999–2000. 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 for parents, 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.

The borrower interest rate for new Stafford Loans 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 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 carry the same borrower interest rate as Stafford loans, but have no interest subsidy. For new PLUS loans, 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.

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 new Stafford and Unsubsidized Stafford loans, for example, the Federal Government must pay lenders a special allowance if the average 3-month commercial paper rate for a given quarter plus 2.34 percent—or 1.74 percent during in-school, grace, or deferment periods—is higher than the current interest rate charged borrowers.

The basis for interest subsidies to FFEL lenders was changed to 3-month commercial paper rates from the 91-day Treasury bill—the instrument upon which student interest rates are based—as part of the Ticket to Work and Work Incentives Improvement Act 1999. This change was not intended to increase lender returns. In fact, however, the change has increased lender yields in two ways. Under current economic forecasts, Federal interest subsidies to lenders are 11 basis points higher than would have been the case under the previous formula. In addition, the move to commercial paper also reduces lender costs by 20 basis points by eliminating the need for hedging—insurance against future interest rate changes. In order to reestablish the cost-neutrality of the change to commercial paper, the Administration is therefore proposing to reduce lender subsidies by a total of 31 basis points, setting the special allowance formula at the 3-month commercial paper rate plus 2.03 percent during repayment and plus 1.43 percent during in-school, grace, or deferment periods.

The Administration is also proposing to eliminate interest subsidy payments on FFEL loans funded through tax-exempt securities that are currently subject to a 9.5 percent interest rate floor. Lenders with access to tax-exempt financing have a lower cost of funding than their private competitors; the proposed elimination of Federal interest subsidies on loans subject to this unnecessary floor provision will bring the re-

turn on tax-exempt-funded loans roughly in line with those realized on loans funded with private capital.

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 have the option of waiving this premium and FFEL lenders have the option of paying some or all of a borrower's origination fee for Stafford Loan borrowers. Direct Loan borrowers are charged an origination fee equal to 3 percent of principal, which partially offsets Federal program operation costs.

Loan limits are also identical across the two programs. In addition, loans made under both programs are discharged when borrowers die, are totally and permanently disabled, or, under some circumstances, declare bankruptcy. The HEA limited discharges due to bankruptcy to borrowers who can demonstrate that repayment would constitute an “undue hardship.”

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. The HEA created an extended repayment plan of up to 25 years for new borrowers with outstanding loans totalling more than \$30,000. FFEL borrowers may change repayment plans annually.

The Administration is proposing a number of changes to improve the management and collection of defaulted loans which build on provisions enacted in the HEA. The amount guaranty agencies may retain on default collections will be reduced from 24 percent to 18.5 percent—approximately the rate paid on loans collected by the Department of Education through competitively awarded contracts. (The HEA lowered the guaranty agency retention rate from 27 percent to 24 percent through 2003, and to 23 percent thereafter.) Second, the rate guaranty agencies may retain on collections stemming from the consolidation of a defaulted loan will be further reduced to 12 percent to reflect the lower costs associated with this type of collection.

In order to ensure the uninterrupted availability of aid funds for students and parents, Congress provided permanent funding to support student aid administration and expenses. These funds support Department personnel and contractors for Direct Loan origination and servicing, payments to guaranty agencies, as well as certain costs associated with activities common to Direct Loans, FFEL and other student assistance programs, such as application printing and processing. Discretionary funds requested for the FFEL program support additional Department personnel and administrative activities associated with operating the program.

Performance indicators have been developed on a broad spectrum of policy objectives in both the Direct Loan and FFEL programs. These indicators measure program efficiency,

Credit accounts—Continued**FEDERAL DIRECT STUDENT LOAN PROGRAM, PROGRAM ACCOUNT—
Continued**

Federal costs, and financial management, as well as borrower and institutional satisfaction.

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 under the President's budget and legislative request.

Funding Levels (In thousands of dollars)

	1999 actual	2000 est.	2001 est.
Program Cost:			
FFEL:			
Liquidating ¹	-550,000	-691,237	-599,901
Program ²	3,421,720	3,643,377	3,277,052
Reestimate of Prior Year Costs	-687,572	1,105,545	
Non-Contractual Modifications ³			-502,297
Subtotal, FFEL ²	2,184,148	4,057,685	2,124,854
Direct Loans:			
Program ²	-67,846	-899,266	-341,106
Reestimate of Prior Year Costs	-552,730	-2,028,650	
Subtotal, Direct Loans ²	-620,576	-2,927,916	-341,106
Consolidation Loans:			
FFEL:	63,666	87,839	123,249
Reestimate of Prior Year Costs	534,438	-329,544	
Non-Contractual Modifications ³			-87,703
Direct Loans	-310,366	-413,490	-175,085
Reestimate of Prior Year Costs	191,850	-413,636	
Subtotal, Consolidation Loans	479,589	-1,068,829	-139,539
Administration:			
FFEL ⁴	47,276	48,000	48,000
Student Aid ⁵	617,591	735,000	770,000
Subtotal, Administration	664,867	783,000	818,000
Total, FFEL and Direct Loans	2,708,028	843,939	2,462,210
Program Cost Outlays:			
FFEL:			
Liquidating ¹	-1,163,000	-706,100	-615,772
Program ²	2,812,329	3,120,968	2,994,621
Reestimate of Prior Year Costs ²	-687,572	1,105,545	
Non-Contractual Modifications ³			-502,297
Subtotal, FFEL ²	961,757	3,520,412	1,876,553
Direct Loans:			
Program ²	38,566	-581,786	-434,554
Reestimate of Prior Year Costs ²	-552,730	-2,028,650	
Subtotal, Direct Loans ²	-514,164	-2,610,437	-434,554
Consolidation Loans:			
FFEL	94,044	86,582	121,485
Reestimate of Prior Year Costs	534,438	-329,544	
Non-Contractual Modifications ³			-87,703
Direct Loans	-314,479	-407,586	-172,586
Reestimate of Prior Year Costs	191,850	-413,636	
Subtotal, Consolidation Loans	505,854	-1,064,184	-138,804
Administration:			
FFEL ⁴	52,248	47,198	49,921
Student Aid ⁵	543,409	681,353	721,944
Subtotal, Administration	595,657	728,551	771,865
Total, FFEL and Direct Loans	1,549,104	574,342	2,075,060

¹ Liquidating account reflects loans made prior to 1992.

² Because these figures do not include consolidation loans, they do not correspond with those shown in account-specific schedules.

³ Reflect costs and savings associated with policy changes that do not change the terms of existing or future loans.

⁴ Reflects annual discretionary appropriation. Amount for 1999 reflects transfer from Treasury of \$794,000 for Year 2000-related activities.

⁵ Supports account maintenance fee payments to FFEL guaranty agencies, as well as a range of administrative activities such as application printing, mailing, and processing that are common to all Federal student financial assistance programs. Amount for 1999 reflects transfer from Treasury of \$591,000 for Year 2000-related activities.

Summary of Loans Available (net commitments in millions of dollars)¹

	1999 actual	2000 est.	2001 est.
FFEL:			
Stafford	10,427	10,529	10,901

Unsubsidized Stafford	7,771	8,223	8,813
PLUS	1,908	2,207	2,442
Total, FFEL	20,106	20,959	22,156
Direct Loans:			
Stafford	5,318	5,568	5,770
Unsubsidized Stafford	3,437	3,798	4,068
PLUS	1,198	1,239	1,372
Total, Direct Loans	9,953	10,605	11,210
Consolidation Loans:			
FFEL	4,720	4,581	4,745
Direct Loans	8,006	4,250	4,403
Subtotal, Consolidation Loans	12,726	8,831	9,148
Total, All Loans	42,786	40,395	42,516

¹ Net commitments equal gross commitments minus loan cancellations.

Number of Loans (In thousands)

	1999 actual	2000 est.	2001 est.
FFEL:			
Stafford	3,091	3,198	3,291
Unsubsidized Stafford	1,970	2,124	2,237
PLUS	293	345	371
Total, FFEL	5,354	5,667	5,899
Direct Loans:			
Stafford	1,659	1,652	1,701
Unsubsidized Stafford	1,027	1,029	1,085
PLUS	205	191	205
Total, Direct Loans	2,891	2,872	2,991
Consolidation Loans:			
FFEL	266	261	268
Direct Loans	412	207	213
Subtotal, Consolidation Loans	677	468	481
Total, All Loans	8,922	9,007	9,371

Average Loan Size (in whole dollars)

	1999 actual	2000 est.	2001 est.
FFEL:			
Stafford	3,373	3,292	3,312
Unsubsidized Stafford	3,945	3,872	3,939
PLUS	6,522	6,401	6,590
Weighted Average, FFEL	3,756	3,699	3,756
Direct Loans:			
Stafford	3,206	3,370	3,393
Unsubsidized Stafford	3,346	3,690	3,751
PLUS	5,837	6,497	6,690
Weighted Average, Direct Loans	3,443	3,692	3,749
Consolidation Loans:			
FFEL	17,754	17,582	17,696
Direct Loans	19,449	20,520	20,653
Subtotal, Consolidation Loans	18,784	18,883	19,006
Weighted Average, All Loans	4,795	4,485	4,537

Composition of Consolidation Loans

	1999 actual	2000 est.	2001 est.
Net commitments (in millions of dollars):			
FFEL:			
Standard consolidations	4,160	3,965	4,108
Consolidations from Default	560	616	638
Subtotal, FFEL	4,720	4,581	4,745
Direct Loans:			
Standard consolidations	6,637	2,473	2,561
Consolidations from Default	1,369	1,778	1,841
Subtotal, Direct Loans	8,006	4,250	4,403
Total:			
Standard consolidations	6,637	2,473	2,561

Consolidations from Default	1,369	1,778	1,841
Total, Consolidated Loans	12,726	8,831	9,148

Internal Revenue Service Tax Refund Offsets	15,265	26,768	49,880
Total, Direct Loans	64,286	179,854	305,265
Total, FFEL and Direct Loan	4,742,406	2,571,852	2,776,136

Summary of Subsidy Rates, Default Rates, Interest Rates, and Discount Rates

	1999 actual	2000 est.	2001 est.
Subsidy Rates (in percent) ¹			
FFEL:			
Stafford	22.16	23.21	20.84
Unsubsidized Stafford	7.63	8.20	5.36
PLUS	5.47	5.49	5.17
Weighted Average, FFEL ²	14.89	15.39	12.89
Direct Loans:			
Stafford	3.73	3.39	8.03
Unsubsidized Stafford	-19.35	-20.49	-14.36
PLUS	-15.61	-16.39	-12.36
Weighted Average, Direct Loans ²	-6.70	-7.61	-2.73
Consolidation Loans:			
FFEL	2.79	1.89	2.56
Direct Loans	-6.84	-9.59	-3.92
Weighted Average, Consolidation Loans	-3.26	-3.63	-0.56
Default Rates (in percent) ³			
FFEL:			
Stafford	16.79	16.94	16.97
Unsubsidized Stafford	15.76	15.80	15.80
PLUS	10.09	10.05	10.05
Weighted Average, FFEL ²	15.76	15.77	15.74
Direct Loans:			
Stafford	16.33	16.30	16.32
Unsubsidized Stafford	15.88	15.91	15.78
PLUS	9.36	9.44	9.42
Weighted Average, Direct Loans ²	15.34	15.31	15.28
Consolidation Loans:			
FFEL	22.02	21.96	21.96
Direct Loans	22.02	21.96	21.96
Weighted Average, Consolidation Loans	22.02	21.96	21.96
Borrower Interest Rates (in percent)			
FFEL:			
Stafford ⁴	7.46	6.92	7.78
Unsubsidized Stafford ⁴	7.46	6.92	7.78
PLUS ⁴	8.26	7.72	8.58
Direct Loans:			
Stafford ⁴	7.46	6.92	7.78
Unsubsidized Stafford ⁴	7.46	6.92	7.78
PLUS ⁴	8.26	7.72	8.58
Federal Borrowing Rate for Direct Loans (in percent)	5.67	5.01	6.25

¹Subsidy rates represent the Federal portion of non-administrative costs—principally interest subsidies and defaults—associated with each borrowed dollar. For example, a \$1,000 loan with Federal subsidy costs of \$100 would have a subsidy rate of 10 percent.

²Because these figures do not include totals for consolidation loans, they do not correspond with totals shown in account-specific schedules.

³Default 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 three years of repayment to determine institutional eligibility to participate in Federal loan programs. These three-year rates tend to be lower than those included in this table.

⁴Rates shown are those set beginning July 1st of the previous fiscal year.

⁵Consolidation Loan interest rates are set at the weighted average of the rates of the loans consolidated, rounded up to the nearest eighth of a percent.

Composition of Loan Collections (In thousands of dollars)

	1999 actual	2000 est.	2001 est.
FFEL:			
Collections by Guaranty Agencies ¹	2,438,858	1,398,596	1,454,052
Collections by Department of Education	892,109	428,392	439,804
Internal Revenue Service Tax Refund Offsets	1,347,153	565,011	577,016
Total, FFEL	4,678,120	2,391,999	2,470,872
Direct Loans:			
Collections by Department of Education	49,022	153,086	255,385

¹These figures show total collections by guaranty agencies. Actual Federal revenues resulting from these collections are lower than the amount shown because agencies retain a portion of the amount collected.

Projected Participation in Repayment Plans ¹ (in percent)

	1999 cohort	2000 cohort	2001 cohort
FFEL: ¹			
Standard:			
Percent of Loan Volume: ²			
Stafford	100.00	100.00	100.00
Unsubsidized Stafford	100.00	100.00	100.00
PLUS	100.00	100.00	100.00
Consolidation	100.00	100.00	100.00
Subsidy Rate (in percent):			
Stafford	22.16	23.21	20.84
Unsubsidized Stafford	7.63	8.20	5.36
PLUS	5.47	5.49	5.17
Consolidation	2.79	1.89	2.56
Direct Loans ¹			
Standard			
Percent of Loan Volume ²			
Stafford	78.60	74.36	70.35
Unsubsidized Stafford	74.99	70.97	67.16
PLUS	78.56	78.56	78.56
Consolidation	33.09	33.09	33.09
Subsidy Rate (in percent):			
Stafford	9.25	5.84	9.67
Unsubsidized Stafford	-10.50	-17.36	-12.45
PLUS	-8.08	-12.82	-9.95
Consolidation	1.14	-2.50	0.29
Graduated: ³			
Percent of Loan Volume: ²			
Stafford	15.67	18.98	22.10
Unsubsidized Stafford	17.76	20.79	23.67
PLUS	15.51	15.51	15.51
Consolidation	21.80	21.80	21.80
Subsidy Rate (in percent):			
Stafford	4.37	-4.13	3.92
Unsubsidized Stafford	-16.45	-29.87	-19.57
PLUS	-17.97	-29.73	-21.36
Consolidation	-6.74	-15.42	-8.23
Extended: ³			
Percent of Loan Volume: ²			
Stafford	4.44	5.38	6.26
Unsubsidized Stafford	5.79	6.78	7.72
PLUS	5.94	5.94	5.94
Consolidation	20.98	20.98	20.98
Subsidy Rate (in percent):			
Stafford	4.44	-3.50	4.37
Unsubsidized Stafford	-16.35	-29.11	-19.05
PLUS	-18.08	-29.15	-20.82
Consolidation	-6.62	-14.56	-7.59
Income-Contingent:			
Percent of Loan Volume ²			
Stafford	1.29	1.29	1.29
Unsubsidized Stafford	1.46	1.46	1.46
Consolidation	24.13	24.13	24.13
Subsidy Rate (in percent):			
Stafford	2.72	0.24	6.86
Unsubsidized Stafford	2.70	0.14	6.79
Consolidation	-4.09	-12.50	-4.05

¹No data is included for the Alternative repayment plan under either FFEL or Direct Loans. Borrowers are not expected to participate in this plan due to the flexibility available under the other options. For FFEL, no data is included for income-sensitive repayment. This option, which has been available for a number of years, has never made up more than a tiny portion of overall loan volume. For Direct Loans, income-contingent repayment is not available for PLUS borrowers.

²Percent of Loan Volume represents aggregate data. Individual borrowers may move between plans over time.

³Maximum terms under the Extended and Graduated repayment plans reflect the following "classes" based on borrower debt levels.

Credit accounts—Continued

FEDERAL DIRECT STUDENT LOAN PROGRAM, PROGRAM ACCOUNT—Continued

Debt Level	Maximum Term (in years)	Percent of Volume Within Direct Extended and Graduated Plans (Stafford) FY 00
Below \$10,000	12	5.65
\$10,000–\$20,000	15	15.79
\$20,000–\$40,000	20	31.39
\$40,000–\$60,000	25	20.02
Above \$60,000	30	27.15

The Higher Education Amendments of 1998 broadened the availability of alternative repayment plans in the FFEL program. Data on the extent to which FFEL borrowers will take advantage of these plans is not yet available.

Subsidy costs for the FFEL and Direct Loan programs are estimated in accordance with procedures set out in the Credit Reform Act of 1990. Subsidy costs for each loan type are estimated separately and, because costs can vary widely within a program depending on the characteristics of the individual borrower, cost estimates are aggregated from data for homogeneous groups within risk categories.

Risk categories for Stafford and Unsubsidized Stafford Loans are based on the type of school attended by the borrower. Since PLUS loan borrowers are all parents, they are assumed to share similar risk profiles and are grouped together in a single category. For Consolidation Loans, risk categories distinguish between standard Consolidation Loans—in which borrowers in repayment consolidate a number of outstanding loans—and loans consolidated out of default.

Default rates are a major cause of differences in subsidy between risk categories. The default rates in the following tables reflect estimates of the percent of borrowers who will default over the lifetime of the loans. These estimates are revised annually based on an analysis of default trends prepared each year by an independent auditor. Within each risk group, it is assumed that borrowers choosing similar repayment plans will have similar default rates, regardless of whether they borrow under the FFEL or Direct Loan program.

The risk group data below also reflect proposed policy changes and interest rate projections in the President's 2001 Budget. These factors substantially decrease subsidy rates across years in the FFEL program.

FFEL RISK CATEGORIES: STAFFORD LOANS

Subsidy Rate (as a percentage of loan commitments)			
Risk Categories:	1999 actual	2000 est.	2001 est.
Category 1: 4 year college, 1st and 2nd year students	26.04	28.04	25.64
Category 2: 4 year college, 3rd and 4th year students	18.25	19.79	17.75
Category 3: 2 year college, all students	21.96	22.85	21.24
Category 4: Proprietary school, all students	23.83	23.88	22.92
Category 5: Graduate students	20.28	22.33	19.98

Gross Default Rates (in percent)			
Risk Categories:	1999 actual	2000 est.	2001 est.
Category 1: 4 year college, 1st and 2nd year students	19.67	19.68	19.66
Category 2: 4 year college, 3rd and 4th year students	13.17	13.18	13.17
Category 3: 2 year college, all students	32.69	32.68	32.67
Category 4: Proprietary school, all students	49.25	49.25	49.26
Category 5: Graduate students	8.86	8.87	8.87

UNSUBSIDIZED STAFFORD LOANS

Subsidy Rate (as a percentage of loan commitments)			
Risk Categories:	1999 actual	2000 est.	2001 est.
Category 1: 4 year college, 1st and 2nd year students	8.76	8.97	6.25

Category 2: 4 year college, 3rd and 4th year students	5.86	6.20	3.81
Category 3: 2 year college, all students	11.94	11.66	9.69
Category 4: Proprietary school, all students	16.99	16.42	15.26
Category 5: Graduate students	5.92	6.51	3.84

Gross Default Rates (in percent)			
Risk Categories:	1999 actual	2000 est.	2001 est.
Category 1: 4 year college, 1st and 2nd year students	20.01	20.04	20.02
Category 2: 4 year college, 3rd and 4th year students	13.08	13.09	13.09
Category 3: 2 year college, all students	32.07	32.07	32.06
Category 4: Proprietary school, all students	48.16	48.21	48.21
Category 5: Graduate students	8.74	8.75	8.75

PLUS LOANS

Subsidy Rate (as a percentage of loan commitments)			
All PLUS Loans	1999 actual	2000 est.	2001 est.
All PLUS Loans	5.47	5.49	5.17

Gross Default Rates (in percent)			
All PLUS Loans	1999 actual	2000 est.	2001 est.
All PLUS Loans	10.09	10.05	10.05

DIRECT LOAN RISK CATEGORIES: STAFFORD LOANS

Subsidy Rate (as a percentage of loan commitments)			
Risk Categories:	1999 actual	2000 est.	2001 est.
Category 1: 4 year college, 1st and 2nd year students	12.51	7.69	12.68
Category 2: 4 year college, 3rd and 4th year students	5.30	0.45	4.92
Category 3: 2 year college, all students	10.69	4.94	9.96
Category 4: Proprietary school, all students	15.83	10.67	15.03
Category 5: Graduate students	7.13	2.65	7.00

Gross Default Rates (in percent)			
Risk Categories:	1999 actual	2000 est.	2001 est.
Category 1: 4 year college, 1st and 2nd year students	20.02	20.03	20.00
Category 2: 4 year college, 3rd and 4th year students	13.16	13.15	13.14
Category 3: 2 year college, all students	33.25	33.24	33.23
Category 4: Proprietary school, all students	49.49	49.42	49.42
Category 5: Graduate students	8.84	8.83	8.82

UNSUBSIDIZED STAFFORD LOANS

Subsidy Rate (as a percentage of loan commitments)			
Risk Categories:	1999 actual	2000 est.	2001 est.
Category 1: 4 year college, 1st and 2nd year students	-10.96	-20.63	-13.59
Category 2: 4 year college, 3rd and 4th year students	-13.47	-21.98	-16.14
Category 3: 2 year college, all students	-6.72	-15.97	-9.79
Category 4: Proprietary school, all students	1.09	-7.38	-1.87
Category 5: Graduate students	-13.44	-21.50	-15.77

Gross Default Rates (in percent)			
Risk Categories:	1999 actual	2000 est.	2001 est.
Category 1: 4 year college, 1st and 2nd year students	20.02	20.04	20.02
Category 2: 4 year college, 3rd and 4th year students	13.04	13.03	13.03
Category 3: 2 year college, all students	32.45	32.45	32.44
Category 4: Proprietary school, all students	48.35	48.30	48.30
Category 5: Graduate students	8.73	8.72	8.72

PLUS LOANS

Subsidy Rate (as a percentage of loan commitments)			
All PLUS Loans	1999 actual	2000 est.	2001 est.
All PLUS Loans	-15.61	-16.39	-12.36

Gross Default Rates (in percent)			
All PLUS Loans	1999 actual	2000 est.	2001 est.
All PLUS Loans	9.36	9.44	9.42

Summary of Program Costs and Offsets (in thousands of dollars)

	1999 actual	2000 est.	2001 est.
Interest costs:			
Interest benefits:			
FFEL Liquidating	29,205	2,014	
FFEL Program	3,629,000	1,845,606	1,968,452
Direct Loans ¹	884,326	881,577	980,630
	4,542,531	2,729,197	2,949,082
Special allowance:			
FFEL Liquidating	20,499	65,889	32,033
FFEL Program	837,528	822,719	573,388
	858,027	888,608	605,421

Default costs and offsets:

Default costs²:			
FFEL Liquidating	413,325	167,886	94,348
FFEL Program	3,225,804	3,306,394	3,585,518
Direct Loans	642,037	1,365,850	1,679,715
	<u>4,281,166</u>	<u>4,840,130</u>	<u>5,359,582</u>
Gross default collections:			
FFEL Liquidating	2,803,024	1,095,176	876,097
FFEL Program	1,875,096	1,296,823	1,594,775
Direct Loans	64,286	179,854	305,265
	<u>4,742,406</u>	<u>2,571,852</u>	<u>2,776,136</u>
Default collection costs:			
FFEL Liquidating:			
Contract collection costs	20,254	46,163	40,669
Guaranty agency retention	121,024	99,446	53,526
	<u>141,278</u>	<u>145,609</u>	<u>94,194</u>
FFEL Program:			
Contract collection costs	73,000	19,846	31,781
Guaranty agency retention	136,096	190,765	159,412
	<u>209,096</u>	<u>210,612</u>	<u>191,192</u>
Direct Loans:			
Collection costs ³	246	885	2,325
Net default costs:⁴			
FFEL Liquidating	-2,248,421	-781,681	-687,554
FFEL Program	1,559,804	2,220,183	2,181,935
Direct Loans	577,996	1,186,882	1,376,775
	<u>-110,621</u>	<u>2,265,384</u>	<u>2,871,156</u>
Death, disability, and bankruptcy costs:			
FFEL Liquidating	80,768	26,910	18,821
FFEL Program	424,453	251,536	279,518
Direct Loans	39,284	80,725	108,464
	<u>544,505</u>	<u>359,172</u>	<u>406,803</u>
Administrative Costs:			
Federal administration:			
FFEL ⁵	47,276	48,000	48,000
Student Aid Management ⁶	617,591	735,000	770,000
Guaranty agency administrative payments:			
Account Maintenance Fee	177,000	180,000	170,000
Loan Issuance and Processing Fee	253,000	153,910	162,749
Supplemental preclaims assistance	6,607		
Lender-paid default prevention fee			
Fees:			
Borrower origination fees:			
FFEL	636,857	620,412	651,824
Direct Loans	386,626	348,292	344,129
Lender origination fee ⁷	106,143	126,307	132,365
Sallie Mae offset fee ⁷	26,000	53,600	51,100
Consolidation loan holder fees ⁷	196,000	220,695	253,119

¹ This represents net interest costs associated with Direct Loans.

² Default costs under FFEL reflect claims paid to guaranty agencies. Default costs under Direct Loans reflect outstanding balances at time of default.

³ In the budget schedules, Direct Loan collections are displayed net of collection costs.

⁴ Net default costs equal default claims minus net collections (gross collections minus contract collection costs and guaranty agency retention).

⁵ Amount for 1999 reflects transfer from Treasury of \$794,000 for Year 2000-related activities.

⁶ A number of expenses related to the administration of the student assistance programs are paid out of Student Aid Management funds. One of these expenses, account maintenance fee payments to guaranty agencies, is shown as a separate line. Amount for 1999 includes transfer from Treasury of \$591,000 for Year 2000-related activities.

⁷ Applies to FFEL Program only.

Object Classification (in millions of dollars)

Identification code 91-0243-0-1-502	1999 actual	2000 est.	2001 est.
Personnel compensation:			
11.1 Full-time permanent	31	37	38
11.3 Other than full-time permanent	1		
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	<u>33</u>	<u>38</u>	<u>39</u>
12.1 Civilian personnel benefits	7	8	9
21.0 Travel and transportation of persons	3	4	3
23.1 Rental payments to GSA	5	5	5
23.3 Communications, utilities, and miscellaneous charges	36	43	45
24.0 Printing and reproduction	7	6	7
25.1 Advisory and assistance services	6	1	1
25.2 Other services	21	12	17
25.3 Purchases of goods and services from Government accounts	4	1	2
25.7 Operation and maintenance of equipment	307	417	455
31.0 Equipment	4	1	2
32.0 Land and structures		19	15

41.0 Grants, subsidies, and contributions	177	180	170
99.9 Total new obligations	<u>610</u>	<u>735</u>	<u>770</u>

Personnel Summary

Identification code 91-0243-0-1-502	1999 actual	2000 est.	2001 est.
1001 Total compensable workyears: Full-time equivalent employment	551	571	571

FEDERAL DIRECT STUDENT LOAN PROGRAM, FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 91-4253-0-3-502	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
Direct loans:			
01.01 Stafford	6,072	6,129	6,354
01.02 Unsubsidized Stafford	3,925	4,235	4,537
01.03 PLUS	1,296	1,459	1,615
01.04 Consolidated	7,950	4,312	4,466
01.91 Subtotal, direct loans obligations	<u>19,243</u>	<u>16,135</u>	<u>16,972</u>
Payment for consolidations:			
02.04 Consolidated	29	15	15
03.01 Payment of contract collections		1	2
04.01 Interest payment to Treasury	3,483	3,364	4,093
Other obligations:			
08.01 Payment of negative subsidy to program account	378	1,200	607
08.02 Payment of downward reestimate to program account	361	2,442	
08.91 Subtotal, other obligations	<u>739</u>	<u>3,642</u>	<u>607</u>
10.00 Total new obligations	<u>23,494</u>	<u>23,157</u>	<u>21,689</u>

Budgetary resources available for obligation:

21.40 Unobligated balance available, start of year	5		
22.00 New financing authority (gross)	23,489	23,157	21,689
23.90 Total budgetary resources available for obligation	<u>23,494</u>	<u>23,157</u>	<u>21,689</u>
23.95 Total new obligations	-23,494	-23,157	-21,689
24.40 Unobligated balance available, end of year			

New financing authority (gross), detail:

Mandatory:			
67.15 Authority to borrow (indefinite)	19,977	19,778	17,579
69.00 Offsetting collections (cash)	8,199	5,863	8,044
69.10 From Federal sources: Change in receivables and unpaid, unfilled orders	-88		
69.47 Portion applied to repay debt	-4,599	-2,484	-3,934
69.90 Spending authority from offsetting collections (total mandatory)	<u>3,512</u>	<u>3,379</u>	<u>4,110</u>
70.00 Total new financing authority (gross)	<u>23,489</u>	<u>23,157</u>	<u>21,689</u>

Change in unpaid obligations:

Unpaid obligations, start of year:			
72.40 Obligated balance, start of year	5,396	6,718	3,415
72.95 Receivables from program account	88		
72.99 Total unpaid obligations, start of year	<u>5,484</u>	<u>6,718</u>	<u>3,415</u>
73.10 Total new obligations	23,494	23,157	21,689
73.20 Total financing disbursements (gross)	-22,256	-26,460	-21,489
73.40 Adjustments in expired accounts (net)	-5		
Unpaid obligations, end of year:			
74.40 Obligated balance, end of year	6,718	3,415	3,614
74.95 Receivables from program account			
74.99 Total unpaid obligations, end of year	<u>6,718</u>	<u>3,415</u>	<u>3,614</u>
87.00 Total financing disbursements (gross)	<u>22,256</u>	<u>26,460</u>	<u>21,489</u>

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Federal sources:			
Payments from subsidy account:			
88.00 Stafford	-196		
88.00 Unsubsidized Stafford	85		

Credit accounts—Continued

FEDERAL DIRECT STUDENT LOAN PROGRAM, FINANCING ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 91-4253-0-3-502		1999 actual	2000 est.	2001 est.
88.00	PLUS	24		
88.00	Consolidated	4		
88.00	Downward reestimate			
88.25	Interest on uninvested funds	-1,088		
	Non-Federal sources:			
	Stafford loans:			
88.40	Repayment of principal, Stafford	-2,229	-1,012	-1,445
88.40	Interest received on loans, Stafford	-284	-961	-1,348
88.40	Fees, Stafford	-221	-179	-171
88.40	Repayment of principal, Unsubsidized Stafford	-1,527	-612	-909
88.40	Interest received on loans, Unsubsidized Stafford	-237	-608	-895
88.40	Fees, Unsubsidized Stafford	-131	-120	-120
88.40	Repayment of principal, PLUS	-519	-267	-348
88.40	Interest received on loans, PLUS	-193	-322	-432
88.40	Fees, PLUS	-36	-50	-53
88.40	Payment of principal, Consolidated	-1,283	-680	-959
88.40	Interest received on loans, Consolidated	-368	-1,052	-1,364
88.90	Total, offsetting collections (cash)	-8,199	-5,863	-8,044
	Against gross financing authority only:			
88.95	Change in receivables from program accounts	88		
Net financing authority and financing disbursements:				
89.00	Financing authority	15,378	17,294	13,645
90.00	Financing disbursements	14,056	20,597	13,445

Status of Direct Loans (in millions of dollars)

Identification code 91-4253-0-3-502		1999 actual	2000 est.	2001 est.
STAFFORD				
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans			
1131	Direct loan obligations exempt from limitation	6,072	6,129	6,353
1150	Total direct loan obligations	6,072	6,129	6,353
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	16,844	19,699	24,153
1231	Disbursements: Direct loan disbursements	5,502	5,469	5,705
1251	Repayments: Repayments and prepayments	-2,228	-981	-1,382
1261	Adjustments: Capitalized interest	88		
	Write-offs for default:			
1263	Direct loans	-14	-34	-44
1264	Other adjustments, net	-493		
1290	Outstanding, end of year	19,699	24,153	28,432
UNSUBSIDIZED STAFFORD				
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans			
1131	Direct loan obligations exempt from limitation	3,925	4,235	4,537
1150	Total direct loan obligations	3,925	4,235	4,537
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	9,239	11,216	14,857
1231	Disbursements: Direct loan disbursements	3,432	3,676	3,992
1251	Repayments: Repayments and prepayments	-1,526	-593	-870
1261	Adjustments: Capitalized interest	360	576	721
	Write-offs for default:			
1263	Direct loans	-8	-18	-25
1264	Other adjustments, net	-281		
1290	Outstanding, end of year	11,216	14,857	18,675
PLUS				
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans			
1131	Direct loan obligations exempt from limitation	1,296	1,459	1,615
1150	Total direct loan obligations	1,296	1,459	1,615
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	2,296	2,848	3,792

1231	Disbursements: Direct loan disbursements	1,039	1,241	1,330
1251	Repayments: Repayments and prepayments	-519	-276	-358
1261	Adjustments: Capitalized interest	111		
	Write-offs for default:			
1263	Direct loans	-8	-21	-26
1264	Other adjustments, net	-71		
1290	Outstanding, end of year	2,848	3,792	4,738
CONSOLIDATED				
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans			
1131	Direct loan obligations exempt from limitation	7,950	4,312	4,466
1150	Total direct loan obligations	7,950	4,312	4,466
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	4,986	12,067	15,674
1231	Disbursements: Direct loan disbursements	8,097	4,250	4,402
1251	Repayments: Repayments and prepayments	-1,282	-666	-929
1261	Adjustments: Capitalized interest	579	36	42
	Write-offs for default:			
1263	Direct loans	-11	-13	-23
1264	Other adjustments, net	-302		
1290	Outstanding, end of year	12,067	15,674	19,166

Balance Sheet (in millions of dollars)

Identification code 91-4253-0-3-502	1998 actual	1999 actual	2000 est.	2001 est.	
ASSETS:					
1101	Federal assets: Fund balances with Treasury	5,396	-6,718	3,415	3,614
	Net value of assets related to post-1991 direct loans receivable:				
	Direct loans receivable, gross:				
1401	Stafford	15,988	19,698	24,152	28,432
1401	Unsubsidized Stafford	8,769	11,216	14,857	18,675
1401	PLUS	2,180	2,848	3,792	4,738
1401	Consolidated	4,733	12,067	15,638	19,165
	Interest receivable:				
1402	Interest receivable, Stafford	80	333	408	480
1402	Interest receivable, Unsub Stafford	462	405	516	649
1402	Interest receivable, PLUS	3	1,965	2,616	3,268
1402	Interest receivable, Consolidated	77	427	554	678
1405	Allowance for subsidy cost (-)	-1,575	-1,558	-1,306	-1,374
1499	Net present value of assets related to direct loans	30,717	47,401	61,227	74,711
1999	Total assets	36,113	40,683	64,642	78,325
LIABILITIES:					
2103	Federal liabilities: Debt	35,097	52,070	69,364	83,009
2999	Total liabilities	35,097	52,070	69,364	83,009
NET POSITION:					
3100	Appropriated capital	1,016	-11,386	-4,721	-4,682
3999	Total net position	1,016	-11,386	-4,721	-4,682
4999	Total liabilities and net position	36,113	40,684	64,643	78,327

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. The amounts in this account are a means of financing and are not included in the budget totals.

FEDERAL FAMILY EDUCATION LOAN PROGRAM ACCOUNT

For Federal administrative expenses to carry out guaranteed student loans authorized by title IV, part B, of the Higher Education Act of 1965, as amended, \$48,000,000. (*Department of Education Appropriations Act, 2000, as enacted by section 1000(a)(4) of the Consolidated Appropriations Act, 2000 (P.L. 106-113).*)

Note.—The following tables display the program account which includes the subsidy costs and administrative expenses associated with guaranteed student loan commitments beginning in 1992.

Program and Financing (in millions of dollars)

Identification code 91-0231-0-1-502	1999 actual	2000 est.	2001 est.	
Obligations by program activity:				
00.02	Guaranteed Loan Net Subsidy	3,485	3,731	4,004

00.07	Upward Reestimate	21	627	
00.08	Interest on Reestimate	-174	187	
	Administrative expenses:			
00.09	Administrative expenses due to limitations	47	48	48
10.00	Total new obligations	3,379	4,593	4,052

Budgetary resources available for obligation:				
22.00	New budget authority (gross)	3,379	4,592	4,052
23.95	Total new obligations	-3,379	-4,593	-4,052

New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation (Federal administration)	46	48	48
42.00	Transferred from other accounts	1		
43.00	Appropriation (total discretionary)	47	48	48
Mandatory:				
60.05	Appropriation (indefinite)	3,332	4,507	4,004
69.00	Offsetting collections (cash)		37	
70.00	Total new budget authority (gross)	3,379	4,592	4,052

Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance, start of year	859	1,433	1,959
73.10	Total new obligations	3,379	4,593	4,052
73.20	Total outlays (gross)	-2,805	-4,067	-3,549
74.40	Unpaid obligations, end of year: Obligated balance, end of year	1,433	1,959	2,464

Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	33	35	23
86.93	Outlays from discretionary balances	19	11	22
86.97	Outlays from new mandatory authority	1,926	3,015	2,378
86.98	Outlays from mandatory balances	827	1,006	1,125
87.00	Total outlays (gross)	2,805	4,067	3,549

Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources		-37	

Net budget authority and outlays:				
89.00	Budget authority	3,379	4,555	4,052
90.00	Outlays	2,805	4,030	3,549

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	1999 actual	2000 est.	2001 est.
Budget Authority	3,379	4,555	4,052
Outlays	2,805	4,030	3,548
Legislative proposal, subject to PAYGO:			
Budget Authority			
Outlays			
Legislative proposal, discretionary offset:			
Budget Authority			-1,244
Outlays			-977
Total:			
Budget Authority	3,379	4,555	2,808
Outlays	2,805	4,030	2,571

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

Identification code 91-0231-0-1-502	1999 actual	2000 est.	2001 est.	
Guaranteed loan levels supportable by subsidy budget authority:				
2150	Stafford	11,671	11,791	12,210
2150	Unsubsidized Stafford	8,836	9,351	10,023
2150	PLUS	2,195	2,536	2,806
2150	Consolidated	4,795	4,648	4,814
2159	Total loan guarantee levels	27,497	28,326	29,853
Guaranteed loan subsidy (in percent):				
2320	Stafford	21.55	23.21	23.53
2320	Unsubsidized Stafford	7.84	8.20	8.38
2320	PLUS	5.94	5.49	5.38
2320	Consolidated	1.35	1.89	2.91
2329	Weighted average subsidy rate	12.51	13.17	13.41
Guaranteed loan subsidy budget authority:				
2330	Stafford	2,199	3,578	2,873

2330	Unsubsidized Stafford	175	1,062	840
2330	PLUS	158	83	151
2330	Consolidated	598	-242	140
2330	SLS	203	26	
2339	Total subsidy budget authority	3,333	4,507	4,004
Guaranteed loan subsidy outlays:				
2340	Stafford	1,821	3,204	2,520
2340	Unsubsidized Stafford	-15	932	717
2340	PLUS	116	64	128
2340	Consolidated	628	-243	138
2340	SLS	203	26	
2349	Total subsidy outlays	2,753	3,983	3,503

Administrative expense data:				
3510	Budget authority	46	48	48
3590	Outlays	52	47	45

As required by the Federal Credit Reform Act of 1990, this program account records for this program the subsidy costs associated with Federal Family Education Loans (FFEL), formerly guaranteed student loans (GSL), committed in 1992 and beyond, as well as certain administrative expenses of the program. Administrative expenses include discretionary expenses for salaries, expenses and overhead of employees working directly on the program. Beginning with the 1993 cohort, mandatory administrative costs, specifically contract collection costs, are included in the FFEL subsidy estimates of each year's cohort. Another mandatory administrative cost, supplemental pre-claims assistance, was repealed by the Higher Education Amendments of 1998. 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.

Object Classification (in millions of dollars)

Identification code 91-0231-0-1-502	1999 actual	2000 est.	2001 est.	
11.1	Personnel compensation: Full-time permanent	20	23	22
12.1	Civilian personnel benefits	5	5	6
21.0	Travel and transportation of persons		1	1
23.1	Rental payments to GSA	2	5	5
23.3	Communications, utilities, and miscellaneous charges	1	2	1
25.2	Other services	1	1	2
25.3	Purchases of goods and services from Government accounts	1	1	2
25.7	Operation and maintenance of equipment	15	9	6
31.0	Equipment	1	1	1
32.0	Land and structures	1		
41.0	Grants, subsidies, and contributions	3,332	4,545	4,006
99.9	Total new obligations	3,379	4,593	4,052

Personnel Summary

Identification code 91-0231-0-1-502	1999 actual	2000 est.	2001 est.	
1001	Total compensable workyears: Full-time equivalent employment	356	356	356

FEDERAL FAMILY EDUCATION LOAN PROGRAM ACCOUNT
(Legislative proposal, discretionary offset)

Program and Financing (in millions of dollars)

Identification code 91-0231-6-1-502	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
Guaranteed loan subsidy:			
02.01	Stafford		-328
02.02	Unsubsidized Stafford		-303
02.03	PLUS		-6
02.05	Consolidated		-17
02.07	Upward reestimate		
02.08	Interest on reestimate		
02.91	Subtotal, subsidy cost		-654
Administrative expenses:			
07.01	Administrative expenses due to limitations		

Credit accounts—Continued

FEDERAL FAMILY EDUCATION LOAN PROGRAM ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 91-0231-6-1-502	1999 actual	2000 est.	2001 est.
10.00 Total new obligations (object class 41.0)			- 654
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			- 654
23.95 Total new obligations			654
New budget authority (gross), detail:			
Mandatory:			
60.05 Appropriation (indefinite)			- 654
69.00 Offsetting collections (cash)			590
69.27 Capital transfer to general fund			- 590
69.90 Spending authority from offsetting collections (total mandatory)			
70.00 Total new budget authority (gross)			- 654
Change in unpaid obligations:			
73.10 Total new obligations			- 654
73.20 Total outlays (gross)			387
74.40 Unpaid obligations, end of year: Obligated balance, end of year			- 267
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority			- 387
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources			- 590
Net budget authority and outlays:			
89.00 Budget authority			- 1,244
90.00 Outlays			- 977
Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)			
Identification code 91-0231-6-1-502	1999 actual	2000 est.	2001 est.
Guaranteed loan subsidy (in percent):			
2320 Stafford			- 0.03
2320 Unsubsidized Stafford			- 0.03
2320 PLUS			0.00
2320 Consolidated			0.00
2329 Weighted average subsidy rate			- 0.02
Guaranteed loan subsidy budget authority:			
2330 Stafford			- 328
2330 Unsubsidized Stafford			- 303
2330 PLUS			- 6
2330 Consolidated			- 17
2339 Total subsidy budget authority			- 654
Guaranteed loan subsidy outlays:			
2340 Stafford			- 191
2340 Unsubsidized Stafford			- 176
2340 PLUS			- 3
2340 Consolidated			- 17
2340 SLS			
2340 Contractual Modification			- 590
2349 Total subsidy outlays			- 977
Administrative expense data:			
3510 Budget authority			
3590 Outlays			

FEDERAL FAMILY EDUCATION LOAN PROGRAM, FINANCING ACCOUNT

Note.—The financing account includes all cash flows to and from the Government from guaranteed student loans committed after 1991.

Program and Financing (in millions of dollars)

Identification code 91-4251-0-3-502	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
Stafford loans:			
01.01 Interest benefits	3,629	1,845	1,969
01.02 Special allowance	524	481	311
01.03 Default claims	1,477	1,588	1,649
01.04 Death, disability, and bankruptcy claims	103	112	120
01.06 Supplemental preclaims assistance	2		
01.07 Contract collection costs	44	13	18
01.08 Loan Processing Fee	131	77	79
01.91 Subtotal, Stafford loans	5,910	4,116	4,146
Unsubsidized Stafford loans:			
02.02 Special allowance	165	260	211
02.03 Default claims	591	864	1,013
02.04 Death, disability, and bankruptcy claims	44	50	60
02.06 Supplemental preclaims assistance	1		
02.07 Contract collection costs	6	2	3
02.08 Loan Processing Fee	98	61	65
02.91 Subtotal, Unsubsidized Stafford loans	905	1,237	1,352
PLUS loans:			
03.02 Special allowance	42	21	19
03.03 Default claims	41	147	166
03.04 Death, disability, and bankruptcy claims	39	50	56
03.07 Loan Processing Fee	24	16	18
03.91 Subtotal, PLUS loans	146	234	259
SLS loans:			
04.02 Special allowance	15	2	1
04.03 Default claims	130	105	79
04.04 Death, disability and bankruptcy claims	50	9	7
04.06 Supplemental preclaims assistance	2		
04.07 Contract collection costs	17	4	5
04.91 Subtotal, SLS loans	214	120	92
Consolidation loans:			
05.02 Special allowance	92	59	61
05.03 Default claims	987	602	678
05.04 Death, disability, and bankruptcy claims	187	30	37
05.06 Supplemental preclaims assistance	1		
05.07 Contract collection costs	6	2	3
05.91 Subtotal, Consolidations loans	1,273	693	779
07.01 Interest paid to Treasury	9		
08.02 Downward reestimate	- 21	19	
08.04 Interest on downward reestimate	174	120	
08.91 Direct Program by Activities—Subtotal (1 level)	153	139	
10.00 Total new obligations	8,610	6,539	6,628
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	8,657	5,338	5,528
22.00 New financing authority (gross)	5,290	6,730	6,471
23.90 Total budgetary resources available for obligation	13,947	12,068	11,999
23.95 Total new obligations	- 8,610	- 6,539	- 6,628
24.40 Unobligated balance available, end of year	5,338	5,528	5,371
New financing authority (gross), detail:			
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	6,234	6,551	6,352
68.10 From Federal sources: Change in receivables and unpaid, unfilled orders	- 827	179	119
68.47 Portion applied to repay debt	- 117		
68.90 Spending authority from offsetting collections (total discretionary)	5,290	6,730	6,471
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Obligated balance, start of year	- 557	3,539	- 687
72.95 Receivables from program account	827		179
72.99 Total unpaid obligations, start of year	270	3,539	- 508
73.10 Total new obligations	8,610	6,539	6,628
73.20 Total financing disbursements (gross)	- 5,341	- 10,587	- 6,618

73.40	Adjustments in expired accounts (net)			
	Unpaid obligations, end of year:			
74.40	Obligated balance, end of year	3,539	-687	-796
74.95	Receivables from program account		179	298
74.99	Total unpaid obligations, end of year	3,539	-508	-498
87.00	Total financing disbursements (gross)	5,341	10,587	6,618

Offsets:

	Against gross financing authority and financing disbursements:			
	Offsetting collections (cash) from:			
	Federal sources:			
	Payment from subsidy account:			
88.00	Stafford loans	-2,204	-2,364	-2,520
88.00	Unsubsidized Stafford	-459	-637	-717
88.00	PLUS loans	-98	-120	-128
88.00	SLS loans	-37		
88.00	Consolidated loans	-108	-87	-138
88.00	Scheduled payments from Liquidating account for noncontractual modifications	-125		
88.00	Upward reestimate		-828	
88.25	Interest on uninvested funds: Stafford loans	-441	-387	-392
	Non-Federal sources:			
	Student Loans: Stafford, Unsubsidized Stafford, PLUS, SLS & Consolidation:			
88.40	Stafford recoveries on defaults	-1,088	-636	-758
88.40	Stafford origination fees	-392	-368	-377
88.40	Stafford Sallie Mae offset fees	-15	-30	-28
88.40	Stafford other fees	-54		
88.40	Unsubsidized Stafford recoveries on defaults	-173	-178	-252
88.40	Unsubsidized Stafford origination fees	-282	-283	-301
88.40	Unsubsidized Stafford Sallie Mae offset fees	-7	-16	-17
88.40	PLUS recoveries on defaults	-100	-48	-58
88.40	PLUS origination fees	-69	-73	-82
88.40	PLUS Sallie Mae offset fees	-3	-6	-6
88.40	PLUS other fees	-1		
88.40	SLS recoveries on defaults	-137	-102	-105
88.40	SLS Sallie Mae offset fees	-1	-1	-1
88.40	SLS other fees	-2		
88.40	Consolidation recoveries on defaults	-241	-143	-196
88.40	Consolidation other fees	-1		
88.40	Consolidation origination fees		-23	-24
88.40	Consolidated loan holders fee	-196	-221	-252
88.90	Total, offsetting collections (cash)	-6,234	-6,551	-6,352
	Against gross financing authority only:			
88.95	Change in receivables from program accounts	827	-179	-119

Net financing authority and financing disbursements:

89.00	Financing authority	-117		
90.00	Financing disbursements	-893	4,036	266

Status of Guaranteed Loans (in millions of dollars)

Identification code 91-4251-0-3-502	1999 actual	2000 est.	2001 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	11,671	11,791	12,210
2150	Total guaranteed loan commitments	11,671	11,791	12,210
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	50,168	55,035	57,428
2231	Disbursements of new guaranteed loans	9,919	10,508	10,759
2251	Repayments and prepayments	-4,092	-6,404	-7,636
Adjustments:				
2261	Terminations for default that result in loans receivable	-1,056	-1,599	-1,668
2263	Terminations for default that result in claim payments	-61	-112	-120
2264	Other adjustments, net	157		
2290	Outstanding, end of year	55,035	57,428	58,763
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	55,035	57,428	58,763

Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	4,701	4,596	5,481
2331	Disbursements for guaranteed loan claims	1,056	1,599	1,668
2351	Repayments of loans receivable	-1,045	-638	-758
2361	Write-offs of loans receivable	-116	-76	-91
2390	Outstanding, end of year	4,596	5,481	6,300

UNSUBSIDIZED STAFFORD				
Position with respect to appropriations act limitation on commitments:				
2131	Guaranteed loan commitments exempt from limitation	8,836	9,351	10,023
2150	Total guaranteed loan commitments	8,836	9,351	10,023

Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	23,397	28,565	33,256
2231	Disbursements of new guaranteed loans	7,120	8,090	8,614
2251	Repayments and prepayments	-1,809	-2,511	-3,361
Adjustments:				
2261	Terminations for default that result in loans receivable	-392	-838	-1,007
2263	Terminations for default that result in claim payments	-20	-50	-60
2264	Other adjustments, net	269		
2290	Outstanding, end of year	28,565	33,256	37,442

Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	28,565	33,256	37,442

Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	924	1,115	1,754
2331	Disbursements for guaranteed loan claims	392	838	1,007
2351	Repayments of loans receivable	-178	-178	-252
2361	Write-offs of loans receivable	-23	-21	-30
2390	Outstanding, end of year	1,115	1,754	2,479

PLUS				
Position with respect to appropriations act limitation on commitments:				
2131	Guaranteed loan commitments exempt from limitation	2,195	2,536	2,806
2150	Total guaranteed loan commitments	2,195	2,536	2,806

Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	5,745	6,693	7,554
2231	Disbursements of new guaranteed loans	1,816	2,082	2,354
2251	Repayments and prepayments	-947	-1,039	-1,230
Adjustments:				
2261	Terminations for default that result in loans receivable	-70	-132	-165
2263	Terminations for default that result in claim payments	-20	-50	-56
2264	Other adjustments, net	169		
2290	Outstanding, end of year	6,693	7,554	8,457

Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	6,693	7,554	8,457

Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	327	315	393
2331	Disbursements for guaranteed loan claims	70	132	165
2351	Repayments of loans receivable	-74	-48	-58
2361	Write-offs of loans receivable	-8	-6	-7
2390	Outstanding, end of year	315	393	493

SLS				
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	3,034	2,467	1,522
2251	Repayments and prepayments	-400	-825	-711
Adjustments:				
2261	Terminations for default that result in loans receivable	-104	-111	-85
2263	Terminations for default that result in claim payments	-8	-9	-7

Credit accounts—Continued

FEDERAL FAMILY EDUCATION LOAN PROGRAM, FINANCING ACCOUNT—Continued

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

Identification code 91-4251-0-3-502	1999 actual	2000 est.	2001 est.
2264 Other adjustments, net	- 55		
2290 Outstanding, end of year	2,467	1,522	719
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	2,467	1,522	719
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	987	907	904
2331 Disbursements for guaranteed loan claims	104	111	85
2351 Repayments of loans receivable	- 160	- 102	- 105
2361 Write-offs of loans receivable	- 24	- 12	- 13
2390 Outstanding, end of year	907	904	871
CONSOLIDATED			
Position with respect to appropriations act limitation on commitments:			
2131 Guaranteed loan commitments exempt from limitation	4,795	4,648	4,814
2150 Total guaranteed loan commitments	4,795	4,648	4,814
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	17,164	20,008	22,532
2231 Disbursements of new guaranteed loans	3,059	4,581	4,745
2251 Repayments and prepayments	270	- 1,355	- 1,692
Adjustments:			
2261 Terminations for default that result in loans receivable	- 423	- 672	- 679
2263 Terminations for default that result in claim payments	- 49	- 30	- 37
2264 Other adjustments, net	- 13		
2290 Outstanding, end of year	20,008	22,532	24,869
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	20,008	22,532	24,869
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	1,507	1,768	2,280
2331 Disbursements for guaranteed loan claims	423	672	679
2351 Repayments of loans receivable	- 125	- 143	- 196
2361 Write-offs of loans receivable	- 37	- 17	- 23
2390 Outstanding, end of year	1,768	2,280	2,740

Balance Sheet (in millions of dollars)

Identification code 91-4251-0-3-502	1998 actual	1999 actual	2000 est.	2001 est.
ASSETS:				
Federal assets: Fund balances with Treasury				
1101	7,830	6,384	6,867	6,871
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:				
1501	6,083	8,701	10,812	12,883
1599	6,083	8,701	10,812	12,883
1999	13,913	15,085	17,679	19,754
LIABILITIES:				
2103	354	117		
2999	354	117		
NET POSITION:				
3100	13,559	14,968	17,679	19,754

3999	Total net position	13,559	14,968	17,679	19,754
4999	Total liabilities and net position	13,913	15,085	17,679	19,754

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.

FEDERAL FAMILY EDUCATION LOAN PROGRAM, FINANCING ACCOUNT (Legislative proposal, discretionary offset)

Program and Financing (in millions of dollars)

Identification code 91-4251-6-3-502	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
Stafford loans:			
01.02	Special allowance		- 16
01.07	Contract collection costs		1
01.91	Subtotal, Stafford loans		- 15
Unsubsidized Stafford loans:			
02.02	Special allowance		- 13
08.03	Contractual modification to program account		550
10.00	Total new obligations		522

Budgetary resources available for obligation:

21.40	Unobligated balance available, start of year		
22.00	New financing authority (gross)		- 562
23.90	Total budgetary resources available for obligation		- 562
23.95	Total new obligations		- 522
24.40	Unobligated balance available, end of year		- 1,086

New financing authority (gross), detail:

Discretionary:			
68.00	Spending authority from offsetting collections (gross): Offsetting collections (cash)		- 562

Change in unpaid obligations:

73.10	Total new obligations		522
73.20	Total financing disbursements (gross)		- 497
74.40	Unpaid obligations, end of year: Obligated balance, end of year		26
87.00	Total financing disbursements (gross)		497

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Federal sources:			
Payment from subsidy account:			
88.00	Stafford loans		293
88.00	Unsubsidized Stafford		266
88.00	PLUS loans		5
88.00	Consolidated loans		17
88.25	Interest on uninvested funds: Stafford loans		47
Non-Federal sources:			
Stafford loans:			
88.40	Recoveries on defaults		- 36
88.40	Recoveries on defaults		- 13
88.40	Recoveries on defaults		- 3
88.40	Recoveries on defaults		- 4
88.40	Recoveries on defaults		- 10
88.90	Total, offsetting collections (cash)		562

Net financing authority and financing disbursements:

89.00	Financing authority		
90.00	Financing disbursements		1,059

Status of Guaranteed Loans (in millions of dollars)

Identification code 91-4251-6-3-502	1999 actual	2000 est.	2001 est.
STAFFORD			
Position with respect to appropriations act limitation on commitments:			
2111	Limitation on guaranteed loans made by private lenders		
2150	Total guaranteed loan commitments		
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310	Outstanding, start of year		
2351	Repayments of loans receivable		-36
2361	Write-offs of loans receivable		-4
2390	Outstanding, end of year		-40
UNSUBSIDIZED STAFFORD			
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310	Outstanding, start of year		
2351	Repayments of loans receivable		-13
2361	Write-offs of loans receivable		-2
2390	Outstanding, end of year		-15
PLUS			
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310	Outstanding, start of year		
2351	Repayments of loans receivable		-3
2390	Outstanding, end of year		-3
SLS			
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310	Outstanding, start of year		
2351	Repayments of loans receivable		-4
2390	Outstanding, end of year		-4
CONSOLIDATED			
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310	Outstanding, start of year		
2351	Repayments of loans receivable		-10
2361	Write-offs of loans receivable		-1
2390	Outstanding, end of year		-11

Balance Sheet (in millions of dollars)

Identification code 91-4251-6-3-502	1998 actual	1999 actual	2000 est.	2001 est.
ASSETS:				
1101	Federal assets: Fund balances with Treasury			-1,086
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:				
1501	Defaulted guaranteed loans receivable, gross			-74
1599	Net present value of assets related to defaulted guaranteed loans			-74
1999	Total assets			-1,160
LIABILITIES:				
2103	Federal liabilities: Debt			
2999	Total liabilities			
NET POSITION:				
3100	Appropriated capital			-1,160
3999	Total net position			-1,160

4999	Total liabilities and net position			-1,160
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FEDERAL FAMILY EDUCATION LOAN LIQUIDATING ACCOUNT

Note.—The following tables display the liquidating account, which includes all cash flows to and from the Government from guaranteed student loan commitments prior to 1992.

Program and Financing (in millions of dollars)

Identification code 91-0230-0-1-502	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
Stafford loans:			
01.01	Interest benefits, net of origination fees	29	2
01.02	Special allowance net of origination fees	18	63
01.03	Default claims	336	141
01.04	Death, disability, and bankruptcy claims	65	23
01.07	Contract collection costs	17	37
01.91	Subtotal, Stafford loans	465	266
PLUS/SLS loans:			
02.01	Default claims	77	26
02.02	Death, disability, and bankruptcy claims	16	4
02.05	Contract collection costs	3	9
02.06	Special allowance net of origination fees	3	3
02.91	Subtotal, PLUS/SLS loans	99	42
Miscellaneous costs:			
03.01	Scheduled payments to finance account for non-contractual modifications	125	
10.00	Total new obligations	689	308
Budgetary resources available for obligation:			
21.40	Unobligated balance available, start of year	149	209
22.00	New budget authority (gross)	2,147	308
22.10	Resources available from recoveries of prior year obligations	-1,400	
22.40	Capital transfer to general fund		-209
23.90	Total budgetary resources available for obligation	896	308
23.95	Total new obligations	-689	-308
24.40	Unobligated balance available, end of year	209	
New budget authority (gross), detail:			
Mandatory:			
69.00	Offsetting collections (cash)	2,697	1,001
69.27	Capital transfer to general fund	-548	-693
69.75	Reduction pursuant to P.L. 106-51	-2	
69.90	Spending authority from offsetting collections (total mandatory)	2,147	308
Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance, start of year	741	1,296
73.10	Total new obligations	689	308
73.20	Total outlays (gross)	-1,534	-294
73.45	Adjustments in unexpired accounts	1,400	
74.40	Unpaid obligations, end of year: Obligated balance, end of year	1,296	1,310
Outlays (gross), detail:			
86.97	Outlays from new mandatory authority	793	85
86.98	Outlays from mandatory balances	741	209
87.00	Total outlays (gross)	1,534	294
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Non-Federal sources:			
Federal student loans:			
88.40	Federal collections on defaulted loans	-625	-232
88.40	Federal collections on bankruptcies	-13	-5
88.40	Offsets against Federal tax refunds	-768	-285
88.40	Reimbursements from guaranty agencies	-881	-327

Credit accounts—Continued

FEDERAL FAMILY EDUCATION LOAN LIQUIDATING ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 91-0230-0-1-502	1999 actual	2000 est.	2001 est.
88.40 Federal collections on defaulted loans, PLUS/SLS	-168	-62	-55
88.40 Federal collections on bankruptcies, PLUS/SLS	-2	-1	
88.40 Offsets against Federal tax refunds, PLUS/SLS	-97	-36	-30
88.40 Reimbursements from guaranty agencies, PLUS/SLS	-143	-53	-40
88.90 Total, offsetting collections (cash)	-2,697	-1,001	-803
Net budget authority and outlays:			
89.00 Budget authority	-550	-693	-619
90.00 Outlays	-1,163	-707	-629

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	1999 actual	2000 est.	2001 est.
Budget Authority	-550	-693	-619
Outlays	-1,163	-707	-629
Legislative proposal, not subject to PAYGO:			
Budget Authority			21
Outlays			14
Total:			
Budget Authority	-550	-693	-598
Outlays	-1,163	-707	-615

Status of Guaranteed Loans (in millions of dollars)

Identification code 91-0230-0-1-502	1999 actual	2000 est.	2001 est.
STAFFORD LOANS			
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	14,127	10,364	6,749
2251 Repayments and prepayments	-3,519	-3,430	-2,404
Adjustments:			
2261 Terminations for default that result in loans receivable	-218	-158	-99
2263 Terminations for default that result in claim payments	-26	-27	-19
2290 Outstanding, end of year	10,364	6,749	4,227
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	10,408	5,938	3,416
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	12,237	10,394	9,743
2331 Disbursements for guaranteed loan claims	218	158	99
2351 Repayments of loans receivable	-1,661	-482	-374
2361 Write-offs of loans receivable	-303	-250	-230
2364 Other adjustments, net	-97	-77	-59
2390 Outstanding, end of year	10,394	9,743	9,179
PLUS/SLS LOANS			
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	4,170	3,546	3,077
2251 Repayments and prepayments	-516	-433	-247
Adjustments:			
2261 Terminations for default that result in loans receivable	-96	-32	-10
2263 Terminations for default that result in claim payments	-12	-4	-2
2290 Outstanding, end of year	3,546	3,077	2,818
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	3,546	705	446

Addendum:

Identification code 91-0230-0-1-502	1998 actual	1999 actual	2000 est.	2001 est.
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310 Outstanding, start of year	3,072	2,793	2,649	
2331 Disbursements for guaranteed loan claims	96	32	10	
2351 Repayments of loans receivable	-283	-86	-69	
2361 Write-offs of loans receivable	-76	-77	-72	
2364 Other adjustments, net	-16	-13	-9	
2390 Outstanding, end of year	2,793	2,649	2,509	

Statement of Operations (in millions of dollars)

Identification code 91-0230-0-1-502	1998 actual	1999 actual	2000 est.	2001 est.
Stafford:				
0111 Revenue	699	1,019	842	842
0112 Expense	-889	-585	-410	-410
0115 Net income or loss (-)	-190	434	432	432
PLUS/SLS:				
0121 Revenue	91	169	147	147
0122 Expense	-67	-66	-40	-40
0125 Net income or loss (-)	24	103	107	107
0191 Total revenues	790	1,188	989	989
0192 Total expenses	-956	-651	-450	-450
0195 Total income or loss (-)	-166	537	539	539
0199 Total comprehensive income	-166	537	539	539

Balance Sheet (in millions of dollars)

Identification code 91-0230-0-1-502	1998 actual	1999 actual	2000 est.	2001 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	741	116	68	68
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1701 Defaulted guaranteed loans, gross	11,458	10,591	9,807	9,807
1704 Defaulted guaranteed loans and interest receivable, net	11,458	10,591	9,807	9,807
1799 Value of assets related to loan guarantees	11,458	10,591	9,807	9,807
1999 Total assets	12,199	10,707	9,875	9,875
NET POSITION:				
3100 Appropriated capital	12,199	10,707	9,875	9,875
3999 Total net position	12,199	10,707	9,875	9,875

¹ Excludes interest and premium collections on insured loans.

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 in 1992 and beyond is recorded in corresponding program and financing accounts.

Object Classification (in millions of dollars)

Identification code 91-0230-0-1-502	1999 actual	2000 est.	2001 est.
25.2 Other services	20	46	38
33.0 Investments and loans	413	167	95
41.0 Grants, subsidies, and contributions	175	68	32
42.0 Insurance claims and indemnities	81	27	19
99.9 Total new obligations	689	308	184

FEDERAL FAMILY EDUCATION LOAN LIQUIDATING ACCOUNT

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 91-0230-2-1-502	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
Stafford loans:			
01.07 Contract collection costs			2
PLUS/SLS loans:			
02.05 Contract collection costs			1
Miscellaneous costs:			
03.01 Scheduled payments to finance account for non-contractual modifications			40
10.00 Total new obligations			43
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year			
22.00 New budget authority (gross)			43
23.90 Total budgetary resources available for obligation			43
23.95 Total new obligations			-43
24.40 Unobligated balance available, end of year			
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)			22
69.27 Capital transfer to general fund			21
69.90 Spending authority from offsetting collections (total mandatory)			43
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year			
73.10 Total new obligations			43
73.20 Total outlays (gross)			-36
74.40 Unpaid obligations, end of year: Obligated balance, end of year			7
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority			36
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Federal student loans:			
Non-Federal sources:			
88.40 Reimbursements from guaranty agencies			-19
88.40 Reimbursements from guaranty agencies, PLUS/SLS			-3
88.90 Total, offsetting collections (cash)			-22
Net budget authority and outlays:			
89.00 Budget authority			21
90.00 Outlays			14

Status of Guaranteed Loans (in millions of dollars)

Identification code 91-0230-2-1-502	1999 actual	2000 est.	2001 est.
STAFFORD LOANS			
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year			
2331 Disbursements for guaranteed loan claims			
2351 Repayments of loans receivable			-12
2361 Write-offs of loans receivable			
2364 Other adjustments, net			-5
2390 Outstanding, end of year			-17
PLUS/SLS LOANS			
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year			
2331 Disbursements for guaranteed loan claims			
2351 Repayments of loans receivable			-2
2364 Other adjustments, net			-1

2390 Outstanding, end of year -3

Object Classification (in millions of dollars)

Identification code 91-0230-2-1-502	1999 actual	2000 est.	2001 est.
25.2 Other services			3
41.0 Grants, subsidies, and contributions			40
99.9 Total new obligations			43

OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT

Federal Funds

General and special funds:

EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT

[For carrying out activities authorized by the Educational Research, Development, Dissemination, and Improvement Act of 1994, including part E; the National Education Statistics Act of 1994, including sections 411 and 412; section 2102 of title II, and parts A, B, and K and section 10102, section 10105, and 10601 of title X, and part C of title XIII of the Elementary and Secondary Education Act of 1965, as amended, and title VI of Public Law 103-227, \$596,892,000: *Provided*, That \$50,000,000 shall be available to demonstrate effective approaches to comprehensive school reform, to be allocated and expended in accordance with the instructions relating to this activity in the statement of managers on the conference report accompanying Public Law 105-78 and in the statement of the managers on the conference report accompanying Public Law 105-277: *Provided further*, That the funds made available for comprehensive school reform shall become available on July 1, 2000, and remain available through September 30, 2001, and in carrying out this initiative, the Secretary and the States shall support only approaches that show the most promise of enabling children to meet challenging State content standards and challenging State student performance standards based on reliable research and effective practices, and include an emphasis on basic academics and parental involvement: *Provided further*, That \$30,000,000 of the funds provided for the national education research institutes shall be allocated notwithstanding section 912(m)(1)(B-F) and subparagraphs (B) and (C) of section 931(c)(2) of Public Law 103-227: *Provided further*, That of the funds appropriated under section 10601 of title X of the Elementary and Secondary Education Act of 1965, as amended, \$1,500,000 shall be used to conduct a violence prevention demonstration program: *Provided further*, That \$45,000,000 shall be available to support activities under section 10105 of part A of title X of the Elementary and Secondary Education Act of 1965, of which up to \$2,250,000 may be available for evaluation, technical assistance, and school networking activities: *Provided further*, That funds made available to local educational agencies under this section shall be used only for activities related to establishing smaller learning communities in high schools: *Provided further*, That funds made available for section 10105 of part A of title X of the Elementary and Secondary Education Act of 1965 shall become available on July 1, 2000, and remain available through September 30, 2001: *Provided further*, That of the funds available for part A of title X of the Elementary and Secondary Education Act of 1965, \$10,000,000 shall be awarded to the National Constitution Center, established by Public Law 100-433, for exhibition design, program planning and operation of the center, \$10,000,000 shall be provided to continue a demonstration of public school facilities to the Iowa Department of Education, \$1,000,000 shall be made available to the New Mexico Department of Education for school performance improvement and drop-out prevention, \$300,000 shall be made available to Semos Unlimited, Inc., in New Mexico to support bilingual education and literacy programs, \$700,000 shall be awarded to Loyola University Chicago for recruitment and preparation of new teacher candidates for employment in rural and inner-city schools, \$500,000 shall be awarded to Shedd Aquarium/Brookfield Zoo for science education/exposure programs for local elementary school students, \$3,000,000 shall be awarded to Big Brothers/Big Sisters of America to expand school-based mentoring, \$2,500,000 shall be awarded to the Chicago Public School System to support a substance abuse pilot program in conjunction with Elgin and East Aurora School Systems, \$1,000,000 shall be awarded to

General and special funds—Continued

EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT—Continued

the University of Virginia Center for Governmental Studies for the Youth Leadership Initiative, \$800,000 shall be awarded to the Institute for Student Achievement at Holmes Middle School and Annandale High School in Virginia for academic enrichment programs, \$100,000 shall be awarded to the Mountain Arts Center for educational programming, \$1,500,000 shall be awarded to the University of Louisville for research in the area of academic readiness, \$500,000 shall be awarded to the West Ed Regional Educational Laboratory for the 24 Challenge and Jumping Levels Math Demonstration Project, \$1,000,000 shall be awarded to Central Michigan University for a charter schools development and performance institute, \$950,000 shall be awarded to the Living Science Interactive Learning Model partnership in Indian River, Florida for a science education program, \$825,000 shall be awarded to the North Babylon Community Youth Services for an educational program, \$1,000,000 shall be awarded to the Los Angeles County Office of Education/Educational Telecommunications and Technology for a pilot program for teachers, \$650,000 shall be awarded to the University of Northern Iowa for an institute of technology for inclusive education, \$500,000 shall be awarded to Youth Crime Watch of America to expand a program to prevent crime, drugs and violence in schools, \$892,000 shall be awarded to Muhlenberg College in Pennsylvania for an environmental science program, \$560,000 shall be awarded to the Western Suffolk St. Johns-LaSalle Academy Science and Technology Mentoring Program, \$4,000,000 shall be awarded to the National Teaching Academy of Chicago for a model teacher recruitment, preparation and professional development program, \$2,000,000 shall be awarded to the University of West Florida for a teacher enhancement program, \$1,000,000 shall be awarded to Delta State University in Mississippi for innovative teacher training, \$1,000,000 shall be awarded to the Alaska Humanities Forum, Inc., in Anchorage, Alaska, \$250,000 shall be awarded to An Achievable Dream in Newport News, Virginia to improve academic performance of at-risk youths, \$250,000 shall be awarded to the Rock School of Ballet in Philadelphia, Pennsylvania, to expand its community-outreach programs for inner-city children and underprivileged youth in Camden, New Jersey and southern New Jersey, \$1,000,000 shall be awarded to the University of Maryland Center for Quality and Productivity to provide a link for the Blue Ribbon Schools, \$1,000,000 shall be awarded to the Continuing Education Center and Teachers' Institute in South Boston, Virginia to promote participation among youth in the United States democratic process, \$1,000,000 shall be for the National Museum of Women in the Arts to expand its "Discovering Art" program to elementary and secondary schools and other educational organizations, \$400,000 shall be awarded to the Alaska Department of Education's summer reading program, \$400,000 shall be awarded to the Partners in Education, Inc., to foster successful business-school partnerships, \$250,000 shall be for the Kodiak Island Borough School District for development of an environmental education program, \$2,000,000 shall be for the Reach Out and Read Program to expand literacy and health awareness for at-risk families, \$1,000,000 shall be for the Virginia Living Museum in Newport News, Virginia for an educational program, \$450,000 shall be for the Challenger Learning Center in Hardin County, Kentucky for technology assistance and teacher training, \$250,000 shall be for the Crawford County School System in Georgia for technology and curriculum support, \$500,000 shall be for the Berrien County School System in Georgia for technology development, \$35,000 shall be for the Louisville Salvation Army Boys and Girls Club Diversion Enhancement Program, \$100,000 shall be awarded to the Philadelphia Orchestra's Philly Pops to operate the Jazz in the Schools program in the Philadelphia school district, \$500,000 for the Mississippi Delta Education for a teacher incentive program initiative, \$500,000 shall be for A Community of Agile Partners in Education and the Pennsylvania Telecommunications Exchange Network for a technology resource sharing initiative, \$500,000 shall be for enhanced teacher training in reading in the District of Columbia, \$100,000 shall be awarded to the Project 2000 D.C. mentoring project, and \$1,250,000 shall be awarded to Helen Keller World Wide to expand the ChildSight vision screening program and provide eyeglasses to additional children whose educational performance may be hindered by poor vision, \$750,000 shall be awarded to the Explornet Technology Learning Project in North Carolina, \$1,750,000 shall be awarded to the Connecticut Early Reading Success Institute to broaden the training of professionals in best practices in reading instruction, \$400,000 shall be awarded to the National

Academy of Recording Artists and Sciences Foundation for the GRAMMY in the Schools program to provide music education to high school students, \$1,000,000 shall be awarded to the Rosa and Raymond Parks Institute for Self-Development for the Pathways to Freedom program for civil rights education for young people and for community learning centers, \$500,000 shall be awarded to the Milton S. Eisenhower Foundation to replicate and scientifically evaluate full-service community schools, \$500,000 shall be awarded to the Henry Abbott Technical High School in Danbury, Connecticut for workforce education and training activities, \$1,000,000 shall be awarded to the Educational Performance Foundation, CPI music education program called "From the Top", \$250,000 shall be awarded to the Mount Vernon School District in Mount Vernon, New York for the Institute of Student Achievement program, \$2,000,000 shall be awarded to the National Council of La Raza for a project to improve educational outcomes and opportunities for Hispanic children, \$250,000 shall be awarded to the Oakland Unified School District in California for an African American Literacy and Culture Project, \$300,000 shall be awarded to the Vasona Center Youth Science Institute, \$750,000 shall be awarded to the Life Learning Academy Charter School in San Francisco, California, \$250,000 shall be awarded to the National Urban Coalition Say YES To A Youngster's Future Program to provide math and science education, \$750,000 shall be awarded to the Wisconsin Academy Staff Development Initiative in Chippewa Falls, Wisconsin to provide math, science, and technology teacher training, \$500,000 shall be awarded to the University of Missouri-St. Louis to develop a plan to improve the education system in the City of St. Louis, Missouri, \$313,000 shall be awarded to the City of Houston for the ASPIRE after-school program, \$900,000 shall be awarded to the Boston Music Education Collaborative comprehensive interdisciplinary music program and teacher resource center in Boston, Massachusetts, \$250,000 shall be awarded to the Baltimore Reads after-school tutoring program in Baltimore, Maryland, \$300,000 shall be awarded to the School of International Training in Brattleboro, Vermont to develop an education curriculum addressing child labor issues in collaboration with the Brattleboro Union High School, \$750,000 shall be awarded to the University of Puerto Rico for the continuation and expansion of the Hispanic Educational Linkages Program in New York City, including the South Bronx, New York, \$250,000 shall be awarded to the Community Service Society of New York for mentoring, tutoring and technology activities in New York City public schools, including schools in the South Bronx, \$250,000 shall be awarded to the Smithsonian Institution for a jazz music education program in Washington, D.C., \$500,000 shall be awarded to Johnson Elementary School in Cedar Rapids, Iowa, to develop an innovative arts education model which could be replicated in other schools, \$2,000,000 shall be awarded to the Boys and Girls Clubs of America for after-school programs, \$500,000 shall be for the University of New Orleans for a teacher preparation and educational technology initiative, and \$250,000 shall be for the Florida Department of Education for an Internet-based teacher recruitment model, \$250,000 shall be awarded to the Kennedy Center for the Performing Arts for the "Make a Ballet" arts education program in the New York City area: *Provided further*, That of the funds available for section 10601 of title X of such Act, \$2,000,000 shall be awarded to the Center for Educational Technologies for production and distribution of an effective CD-ROM product that would complement the "We the People: The Citizen and the Constitution" curriculum: *Provided further*, That, in addition to the funds for title VI of Public Law 103-227 and notwithstanding the provisions of section 601(c)(1)(C) of that Act, \$1,000,000 shall be available to the Center for Civic Education to conduct a civic education program with Northern Ireland and the Republic of Ireland and, consistent with the civics and Government activities authorized in section 601(c)(3) of Public Law 103-227, to provide civic education assistance to democracies in developing countries. The term "developing countries" shall have the same meaning as the term "developing country" in the Education for the Deaf Act.】 (*Department of Education Appropriations Act, 2000, as enacted by section 1000(a)(4) of the Consolidated Appropriations Act, 2000 (P.L. 106-113).*)

Program and Financing (in millions of dollars)

Identification code 91-1100-0-1-503	1999 actual	2000 est.	2001 est.
Direct program:			
Obligations by program activity:			
Research, development and dissemination:			
00.01 National education research institutes	64	85	.....

00.02	Regional educational laboratories	61	65	.....
00.03	National dissemination activities	19	19	.....
00.04	Statistics	68	68	.....
00.05	Assessment	40	40	.....
00.06	Eisenhower professional development federal activities	23	23	.....
00.07	Fund for the improvement of education	150	244	.....
00.08	Javits gifted and talented education	6	6	.....
00.09	Eisenhower regional mathematics and science education consortia	15	15	.....
00.10	21st Century community learning centers	200	.....	.....
00.11	National writing project	7	9	.....
00.12	Civic education	8	10	.....
00.13	International education exchange	7	7	.....
01.00	Total direct program	668	591	.....
09.01	Reimbursable program	7	7	.....
10.00	Total new obligations	675	598	.....
Budgetary resources available for obligation:				
21.40	Unobligated balance available, start of year	12	.....	.....
22.00	New budget authority (gross)	664	598	.....
23.90	Total budgetary resources available for obligation	676	598	.....
23.95	Total new obligations	-675	-598	.....
23.98	Unobligated balance expiring or withdrawn	-1	.....	.....

New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	659	597	.....
40.76	Reduction pursuant to P.L. 106-113 .....	.....	-6	.....
41.00	Transferred to other accounts	-2	.....	.....
43.00	Appropriation (total discretionary)	657	591	.....
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	7	7	.....
70.00	Total new budget authority (gross)	664	598	.....

Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance, start of year	496	682	582
73.10	Total new obligations	675	598	.....
73.20	Total outlays (gross)	-485	-698	-455
73.40	Adjustments in expired accounts (net)	-2	.....	.....
74.40	Unpaid obligations, end of year: Obligated balance, end of year	682	582	127

Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	103	152	.....
86.93	Outlays from discretionary balances	383	545	455
87.00	Total outlays (gross)	485	698	455

Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-7	-7	.....

Net budget authority and outlays:				
89.00	Budget authority	657	591	.....
90.00	Outlays	479	691	455

Note.—Excludes \$15 million in budget authority in 2001 that the Eisenhower regional mathematics and science education consortia transferred to the School Improvement Programs account. Comparable amounts for 1999 (\$15 million) and 2000 (\$15 million) are included above.

The Administration has proposed legislation to revise and reauthorize programs currently authorized under the Education Research, Development, Dissemination, and Improvement Act, the National Education Statistics Act, the Elementary and Secondary Education Act, and the Goals 2000: Educate America Act. When new authorizing legislation is enacted, resources will be requested for the Education Research, Statistics and Improvement account. See the "Legislative proposal, not subject to PAYGO" schedule for additional details.

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	1999 actual	2000 est.	2001 est.
Budget Authority	657	591	.....
Outlays	479	690	455
Legislative proposal, not subject to PAYGO:			
Budget Authority			503

Outlays			149
Total:			
Budget Authority	657	591	503
Outlays	479	690	604

Object Classification (in millions of dollars)

Identification code 91-1100-0-1-503	1999 actual	2000 est.	2001 est.
Direct obligations:			
11.3	Personnel compensation: Other than full-time permanent	1	1
24.0	Printing and reproduction	3	3
25.1	Advisory and assistance services	4	4
25.2	Other services	119	121
25.3	Purchases of goods and services from Government accounts	16	16
25.5	Research and development contracts	29	31
25.7	Operation and maintenance of equipment	4	4
41.0	Grants, subsidies, and contributions	492	411
99.0	Subtotal, direct obligations	668	591
99.0	Reimbursable obligations	7	7
99.9	Total new obligations	675	598

Personnel Summary

Identification code 91-1100-0-1-503	1999 actual	2000 est.	2001 est.
1001	Total compensable workyears: Full-time equivalent employment	14	15

EDUCATIONAL RESEARCH, STATISTICS AND IMPROVEMENT

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 91-1100-2-1-503	1999 actual	2000 est.	2001 est.
Direct program:			
Obligations by program activity:			
00.01	Research, development, and dissemination		199
00.02	Statistics		84
00.03	Assessment		42
00.04	America's tests		5
00.05	Fund for the Improvement of Education		137
00.06	Javits gifted and talented education		8
00.07	National writing project		10
00.08	Civic education		10
00.09	International education exchange		8
01.00	Total direct program		503
09.01	Reimbursable program		7
10.00	Total new obligations		510

Budgetary resources available for obligation:			
21.40	Unobligated balance available, start of year .....		.....
22.00	New budget authority (gross)		510
23.90	Total budgetary resources available for obligation		510
23.95	Total new obligations		-510
23.98	Unobligated balance expiring or withdrawn .....		.....

New budget authority (gross), detail:			
Discretionary:			
40.00	Appropriation		503
68.00	Spending authority from offsetting collections: Offsetting collections (cash)		7
70.00	Total new budget authority (gross)		510

Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance, start of year .....		.....
73.10	Total new obligations		510
73.20	Total outlays (gross)		-156
74.40	Unpaid obligations, end of year: Obligated balance, end of year		354

Outlays (gross), detail:			
86.90	Outlays from new discretionary authority		156

General and special funds—Continued

EDUCATIONAL RESEARCH, STATISTICS AND IMPROVEMENT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 91-1100-2-1-503	1999 actual	2000 est.	2001 est.
Offsets:			
Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources		-7
Net budget authority and outlays:			
89.00	Budget authority		503
90.00	Outlays		149

Research, development, and dissemination.—The proposal would establish a national institute of education research to improve education in the United States by supporting education research, development, and dissemination activities designed to improve teaching and learning; improve the ability of schools, school districts, and States to implement reforms; and use new knowledge from research to design and implement effective improvement strategies. Funds would support national research and development centers, field-initiated studies, directed studies, interagency initiatives, expert study panels, regional educational laboratories, information clear-houses, and a national library of education.

Statistics.—Funds would support the collection of statistics on educational institutions and on individuals to monitor trends in education. Funds also would support a coordinated program of statistical services to assist States in the development of comparable databases and analyses of the implications of data.

Assessment.—Funds would support the National Assessment of Educational Progress, which surveys young Americans to provide reliable information about educational attainments in important skill areas. Both national- and State-representative data are collected.

America's Tests.—Funds would support the development and field testing of voluntary national tests in reading for fourth grade students and in mathematics for eighth grade students. The tests will provide parents, teachers, and policy-makers with information needed to assess student achievement and improve instruction.

Fund for the improvement of education (FIE).—Funds would support nationally significant projects to improve the quality of education, help all students meet challenging standards, and contribute to the achievement of the National Education Goals.

Javits gifted and talented education.—Funds would support projects designed to help educators identify and meet the special educational needs of gifted and talented students and, where appropriate, to adapt strategies successful with those students to improve instruction for all students.

National writing project.—Funds would support a national professional development project to improve the teaching of writing by teachers of all subject areas to improve the quality of student writing and learning.

Civic education.—Funds would support a program to educate students about the history and principles of the Constitution of the United States, including the Bill of Rights, and to foster civic competence and responsibility.

International education exchange.—Funds would support international exchange programs to help improve civics and economics education in central and eastern European countries, countries that were part of the former Soviet Union, and the United States. Funds would also be used to conduct civic education programs with Northern Ireland, the Republic of Ireland, and democracies in other developing countries.

Object Classification (in millions of dollars)

Identification code 91-1100-2-1-503	1999 actual	2000 est.	2001 est.
Direct obligations:			
11.3	Personnel compensation: Other than full-time permanent		1
24.0	Printing and reproduction		3
25.1	Advisory and assistance services		4
25.2	Other services		139
25.3	Purchases of goods and services from Government accounts		16
25.5	Research and development contracts		30
25.7	Operation and maintenance of equipment		4
41.0	Grants, subsidies, and contributions		306
99.0	Subtotal, direct obligations		503
99.0	Reimbursable obligations		7
99.9	Total new obligations		510

Personnel Summary

Identification code 91-1100-2-1-503	1999 actual	2000 est.	2001 est.
1001	Total compensable workyears: Full-time equivalent employment		15

DEPARTMENTAL MANAGEMENT

Federal Funds

General and special funds:

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 two passenger motor vehicles, **[\$383,184,000] \$413,184,000.** (*Department of Education Appropriations Act, 2000, as enacted by section 1000(a)(4) of the Consolidated Appropriations Act, 2000 (P.L. 106-113).*)

Program and Financing (in millions of dollars)

Identification code 91-0800-0-1-503	1999 actual	2000 est.	2001 est.	
Obligations by program activity:				
00.01	Program Administration	357	383	413
00.02	Y2K Activities	7	1	
09.01	Reimbursable program	1	1	1
10.00	Total new obligations	365	385	414
Budgetary resources available for obligation:				
21.40	Unobligated balance available, start of year		2	
22.00	New budget authority (gross)	368	384	414
23.90	Total budgetary resources available for obligation	368	386	414
23.95	Total new obligations	-365	-385	-414
23.98	Unobligated balance expiring or withdrawn	-1		
24.40	Unobligated balance available, end of year	2		
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	363	383	413
42.00	Transferred from other accounts	4		
43.00	Appropriation (total discretionary)	367	383	413
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	1	1	1
70.00	Total new budget authority (gross)	368	384	414
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance, start of year	128	138	120
73.10	Total new obligations	365	385	414
73.20	Total outlays (gross)	-346	-403	-401
73.40	Adjustments in expired accounts (net)	-9		
74.40	Unpaid obligations, end of year: Obligated balance, end of year	138	120	134
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	280	292	314

86.93	Outlays from discretionary balances	67	111	87
87.00	Total outlays (gross)	346	403	401
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	367	383	413
90.00	Outlays	345	402	400

The Program Administration account includes the direct Federal costs of providing grants and administering elementary and secondary education, bilingual education, Indian education, higher education, vocational and adult education, and special education programs, programs for persons with disabilities and a portion of the direct Federal costs for administering student financial aid programs. It also supports assessment, statistics, research and improvement activities, and costs for the Year 2000 computer conversion process.

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; budget formulation and execution; program evaluation; legal services; congressional and public relations; and intergovernmental affairs.

Also included in this account are contributions from the public. Activities supported include the Millennium Project, Satellite Town Meetings, Goals 2000 Teachers' Forum, School Recognition, and the Gifts and Bequests Miscellaneous Fund.

Reimbursable program.—Reimbursements to this account are for providing administrative services to other agencies, recycling activities, and other non-Federal sources for in-kind travel.

Object Classification (in millions of dollars)

Identification code 91-0800-0-1-503	1999 actual	2000 est.	2001 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	140	170	182
11.3	Other than full-time permanent	24	11	10
11.5	Other personnel compensation	3	3	3
11.9	Total personnel compensation	167	184	195
12.1	Civilian personnel benefits	35	40	44
21.0	Travel and transportation of persons	6	8	8
23.1	Rental payments to GSA	30	29	31
23.3	Communications, utilities, and miscellaneous charges	12	12	12
24.0	Printing and reproduction	4	6	6
25.1	Advisory and assistance services	3	5	5
25.2	Other services	27	19	21
25.3	Purchases of goods and services from Government accounts	9	7	6
25.7	Operation and maintenance of equipment	52	61	67
26.0	Supplies and materials	3	3	3
31.0	Equipment	15	8	13
32.0	Land and structures	1	2	2
99.0	Subtotal, direct obligations	364	384	413
99.0	Reimbursable obligations	1	1	1
99.9	Total new obligations	365	385	414

Personnel Summary

Identification code 91-0800-0-1-503	1999 actual	2000 est.	2001 est.	
1001	Total compensable workyears: Full-time equivalent employment	2,600	2,733	2,763

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, [**\$71,200,000**] **\$76,000,000**. (*Department of Education Appropriations Act, 2000, as enacted by section 1000(a)(4) of the Consolidated Appropriations Act, 2000 (P.L. 106-113).*)

Program and Financing (in millions of dollars)

Identification code 91-0700-0-1-751	1999 actual	2000 est.	2001 est.	
Obligations by program activity:				
00.01	Civil rights	66	71	76
10.00	Total new obligations	66	71	76
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	66	71	76
23.95	Total new obligations	-66	-71	-76
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	66	71	76
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance, start of year	18	20	15
73.10	Total new obligations	66	71	76
73.20	Total outlays (gross)	-63	-76	-74
74.40	Unpaid obligations, end of year: Obligated balance, end of year	20	15	17
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	52	60	63
86.93	Outlays from discretionary balances	11	16	11
87.00	Total outlays (gross)	63	76	74
Net budget authority and outlays:				
89.00	Budget authority	66	71	76
90.00	Outlays	63	76	74

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 discrimination), 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, and the Americans with Disabilities Act of 1990.

Object Classification (in millions of dollars)

Identification code 91-0700-0-1-751	1999 actual	2000 est.	2001 est.	
Personnel compensation:				
11.1	Full-time permanent	40	42	44
11.3	Other than full-time permanent	2	2	2
11.9	Total personnel compensation	42	44	46
12.1	Civilian personnel benefits	9	10	10
21.0	Travel and transportation of persons	1	1	1
23.1	Rental payments to GSA	5	5	5
23.3	Communications, utilities, and miscellaneous charges	1	2	2
25.2	Other services	1	1	1
25.3	Purchases of goods and services from Government accounts	1	1	2
25.7	Operation and maintenance of equipment	3	4	5
31.0	Equipment	1	2	3
32.0	Land and structures	1	2	2
99.0	Subtotal, direct obligations	65	70	75
99.5	Below reporting threshold	1	1	1
99.9	Total new obligations	66	71	76

General and special funds—Continued

OFFICE FOR CIVIL RIGHTS—Continued

Personnel Summary

Identification code 91-0700-0-1-751	1999 actual	2000 est.	2001 est.
1001 Total compensable workyears: Full-time equivalent employment	727	724	724

OFFICE OF THE INSPECTOR GENERAL

For expenses necessary for the Office of Inspector General, as authorized by section 212 of the Department of Education Organization Act, **[\$34,000,000] \$36,500,000.** (*Department of Education Appropriations Act, 2000, as enacted by section 1000(a)(4) of the Consolidated Appropriations Act, 2000 (P.L. 106-113).*)

Program and Financing (in millions of dollars)

Identification code 91-1400-0-1-751	1999 actual	2000 est.	2001 est.
Obligations by program activity:			
00.01 Inspector General	31	34	37
10.00 Total new obligations	31	34	37
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	31	34	37
23.95 Total new obligations	-31	-34	-37
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	31	34	37
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	11	9	7
73.10 Total new obligations	31	34	37
73.20 Total outlays (gross)	-33	-36	-35
74.40 Unpaid obligations, end of year: Obligated balance, end of year	9	7	9
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	27	28	30
86.93 Outlays from discretionary balances	6	8	5
87.00 Total outlays (gross)	33	36	35
Net budget authority and outlays:			
89.00 Budget authority	31	34	37
90.00 Outlays	33	36	35

The Inspector General is responsible for the quality, coverage, and coordination of audit, investigation, and security 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	1999 actual	2000 est.	2001 est.
Personnel compensation:			
11.1 Full-time permanent	16	17	18
11.3 Other than full-time permanent	1	1	1
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	18	19	20
12.1 Civilian personnel benefits	4	5	5
21.0 Travel and transportation of persons	1	2	2
23.1 Rental payments to GSA	2	2	2
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.1 Advisory and assistance services	1	1	2
25.3 Purchases of goods and services from Government accounts	1	1	1

25.7 Operation and maintenance of equipment	1	1	2
31.0 Equipment	1	1	1
99.0 Subtotal, direct obligations	30	33	36
99.5 Below reporting threshold	1	1	1
99.9 Total new obligations	31	34	37

Personnel Summary

Identification code 91-1400-0-1-751	1999 actual	2000 est.	2001 est.
1001 Total compensable workyears: Full-time equivalent employment	281	285	285

HEADQUARTERS RENOVATION

Program and Financing (in millions of dollars)

Identification code 91-1500-0-1-503	1999 actual	2000 est.	2001 est.
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	2	3	
73.20 Total outlays (gross)		-3	
74.40 Unpaid obligations, end of year: Obligated balance, end of year	3		
Outlays (gross), detail:			
86.93 Outlays from discretionary balances		3	
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays		3	

This account provided the Department of Education's portion of funds to renovate its headquarters building, including costs for administrative services, information technology, telecommunications cabling, and systems furniture. The remaining funds required for the renovation, which was completed in 1998, were provided by the General Services Administration.

GENERAL FUND RECEIPT ACCOUNTS

(in millions of dollars)

	1999 actual	2000 est.	2001 est.
Offsetting receipts from the public:			
91-022100 FFEL Guarantee agency reserve recoveries			
Legislative proposal, subject to PAYGO			
91-291500 Repayment of loans, capital contributions, higher education activities, Education	66	50	50
91-310900 HEAF reserve recoveries		27	
General Fund Offsetting receipts from the public	66	77	50

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 under 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, as amended) 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 Appropriations Committees of both Houses of Congress are notified at least 15 days in advance of any transfer.

【SEC. 305. (a) From the funds appropriated for payments to local educational agencies under section 8003(f) of the Elementary and Secondary Education Act of 1965 (“ESEA”) for fiscal year 2000, the Secretary of Education shall distribute supplemental payments for certain local educational agencies, as follows:

(1) First, from the amount of \$74,000,000, the Secretary shall make supplemental payments to the following agencies under section 8003(f) of ESEA:

(A) Local educational agencies that received assistance under section 8003(f) for fiscal year 1999—

(i) in fiscal year 1997 had at least 40 percent federally connected children described in section 8003(a)(1) in average daily attendance; and in fiscal year 1997 had a tax rate for general fund purposes which was at least 95 percent of the State average tax rate for general fund purposes; or

(ii) whose boundary is coterminous with the boundary of a Federal military installation.

(B) Local educational agencies that received assistance under section 8003(f) for fiscal year 1999; and in fiscal year 1997 had at least 30 percent federally connected children described in section 8003(a)(1) in average daily attendance; and in fiscal year 1997 had a tax rate for general fund purposes which was at least 125 percent of the State average tax rate for general fund purposes.

(C) Any eligible local educational agency that in fiscal year 1997, which had at least 25,000 children in average daily attendance, at least 50 percent federally connected children described in section 8003(a)(1) in average daily attendance, and at least 6,000 children described in subparagraphs (A) and (B) of section 8003(a)(1) in average daily attendance.

(2) From the remaining \$2,000,000 and any amounts available after making payments under paragraph (1), the Secretary shall then make supplemental payments to local educational agencies that are not described in paragraph (1) of this subsection, but that meet the requirements of paragraphs (2) and (4) of section 8003(f) of ESEA for fiscal year 2000.

(3) After making payments to all eligible local educational agencies described in paragraph (2) of subsection (a), the Secretary shall use any remaining funds from paragraph (2) for making payments to the eligible local educational agencies described in paragraph (1) of subsection (a) if the amount available under paragraph (1) is insufficient to fully fund all eligible local educational agencies.

(4) After making payments to all eligible local educational agencies as described in paragraphs 1 through 3, the Secretary shall use any remaining funds to increase basic support payments under section 8003(b) for fiscal year 2000 for all eligible applicants.

(b) In calculating the amounts of supplemental payments for agencies described in subparagraphs (1)(A) and (B) and paragraph (2) of subsection (a), the Secretary shall use the formula contained in section 8003(b)(1)(C) of ESEA, except that—

(1) eligible local educational agencies may count all children described in section 8003(a)(1) in computing the amount of those payments;

(2) maximum payments for any of those agencies that use local contribution rates identified in section 8003(b)(1)(C) (i) or (ii) shall be computed by using four-fifths instead of one-half of those rates;

(3) the learning opportunity threshold percentage of all such agencies under section 8003(b)(2)(B) shall be deemed to be 100;

(4) for an eligible local educational agency with 35 percent or more of its children in average daily attendance described in either

subparagraph (D) or (E) of section 8003(a)(1) in fiscal year 1997, the weighted student unit figure from its regular basic support payment shall be recomputed by using a factor of 0.55 for such children;

(5) for an eligible local educational agency with fewer than 100 children in average daily attendance in fiscal year 1997, the weighted student unit figure from its regular basic support payment shall be recomputed by multiplying the total number of children described in section 8003(a)(1) by a factor of 1.75; and

(6) for an eligible local educational agency whose total number of children in average daily attendance in fiscal year 1997 was at least 100, but fewer than 750, the weighted student unit figure from its regular basic support payment shall be recomputed by multiplying the total number of children described in section 8003(a)(1) by a factor of 1.25.

(c) For a local educational agency described in subsection (a)(1)(C) above, the Secretary shall use the formula contained in section 8003(b)(1)(C) of ESEA, except that the weighted student unit total from its regular basic support payment shall be recomputed by using a factor of 1.35 for children described in subparagraphs (A) and (B) of section 8003(a)(1) and its learning opportunity threshold percentage shall be deemed to be 100.

(d) For each eligible local educational agency, the calculated supplemental section 8003(f) payment shall be reduced by subtracting the agency’s fiscal year 2000 section 8003(b) basic support payment.

(e) If the sums described in subsections (a)(1) and (2) above are insufficient to pay in full the calculated supplemental payments for the local educational agencies identified in those subsections, the Secretary shall ratably reduce the supplemental section 8003(f) payment to each local educational agency.】

【SEC. 306. (a) Section 1204(b)(1)(A) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6364(b)(1)(a)) is amended—

(1) in clause (iv), by striking “and” after the semicolon;

(2) by striking clause (v) and adding the following:

“(v) 50 percent in the fifth, sixth, seventh, and eighth such years; and

“(vi) 35 percent in any subsequent such year.”.

(b) Section 1208(b) of the Elementary and Secondary Education Act of 1965 is amended—

(1) by striking paragraph (3) and inserting the following:

“(3) CONTINUING ELIGIBILITY.—In awarding subgrant funds to continue a program under this part after the first year, the State educational agency shall review the progress of each eligible entity in meeting the goals of the program referred to in section 1207(c)(1)(A) and shall evaluate the program based on the indicators of program quality developed by the State under section 1210.”; and

(2) in paragraph (5)(A), by striking the last sentence.】

【SEC. 307. (a) Notwithstanding sections 401(j) and 435(a)(2) of the Higher Education Act of 1965 (20 U.S.C. 1070a(j) and 1085(a)(2)) and subject to the requirements of subsection (b), the Secretary of Education shall—

(1) recalculate the official fiscal year 1996 cohort default rate for Jacksonville College of Jacksonville, Texas, on the basis of data corrections confirmed by the Texas Guaranteed Student Loan Corporation; and

(2) restore the eligibility of Jacksonville College to participate in the Federal Pell Grant Program for the 1999–2000 award year and succeeding award years.

(b) Jacksonville College shall implement a default management plan that is satisfactory to the Secretary of Education.

(c) For purposes of determining its Federal Pell Grant Program eligibility, Jacksonville College shall be deemed to have withdrawn from the Federal Family Education Loan program as of October 6, 1998.】

【SEC. 308. An amount of \$14,500,000 from the balances of returned reserve funds, formerly held by the Higher Education Assistance Foundation, that are currently held in Higher Education Assistance Foundation Claims Reserves, Treasury account number 91X6192, and \$12,000,000 from funds formerly held by the Higher Education Assistance Foundation, that are currently held in trust, shall be deposited in the general fund of the Treasury.】

【SEC. 309. Of the funds provided in title III of this Act, under the heading “Higher Education”, for title VII, part B of the Higher Education Act of 1965, \$250,000 shall be awarded to the Snelling Center for Government at the University of Vermont for a model school program, \$750,000 shall be awarded to Texas A&M University,

(TRANSFER OF FUNDS)—Continued

Corpus Christi, for operation of the Early Childhood Development Center, \$1,000,000 shall be awarded to Southeast Missouri State University for equipment and curriculum development associated with the University's Polytechnic Institute, \$800,000 shall be awarded to the Washington Virtual Classroom Consortium to develop, equip and implement an ecosystem curriculum, \$500,000 shall be provided to the Puget Sound Center for Technology for faculty development activities for the use of technology in the classroom, \$500,000 shall be awarded to the Center for the Advancement of Distance Education in Rural America, \$3,000,000, to be available until expended, shall be awarded to the University Center of Lake County, Illinois and \$1,000,000, to be available until expended, shall be awarded to the Oregon University System for activities authorized under title III, part A, section 311(c)(2), of the Higher Education Act of 1965, as amended, \$500,000 shall be awarded to Columbia College Illinois for a freshman retention program, \$1,500,000 shall be awarded to the University of Hawaii at Manoa for a Globalization Research Center, \$2,000,000 shall be awarded to the University of Arkansas at Pine Bluff for technology infrastructure, \$1,000,000 shall be awarded to the I Have a Dream Foundation, \$1,000,000 shall be awarded to a demonstration program for activities authorized under part G of title VIII of the Higher Education Act of 1965, as amended, \$3,000,000 shall be awarded to the Daniel J. Evans School of Public Policy at the University of Washington, \$200,000 shall be awarded to North Dakota State University for the Career Program for Dislocated Farmers and Ranchers, \$350,000 shall be awarded to North Dakota State University for the Tech-based Industry Traineeship Program, \$3,000,000 shall be awarded to Washington State University for the Thomas S. Foley Institute to support programs in congressional studies, public policy, voter education, and to ensure community access and outreach, \$200,000 shall be awarded to Minot State University for the Rural Communications Disabilities Program, \$300,000 shall be awarded to Bryant College for the Linking International Trade Education Program (LITE), \$1,000,000 shall be awarded to Concord College, West Virginia for a technology center to further enhance the technical skills of West Virginia teachers and students, \$200,000 shall be awarded to Peirce College in Philadelphia, Pennsylvania for education and training programs, \$250,000 shall be awarded to the Philadelphia Zoo for educational programs, \$800,000 shall be awarded to Spelman College in Georgia for educational operations, \$1,000,000 shall be awarded to the Philadelphia University Education Center for technology education, \$725,000 shall be awarded to Lock Haven University for technology innovations, \$250,000 for Middle Georgia College for an advanced distributed learning center demonstration program, \$1,000,000 for the University of the Incarnate Word in San Antonio, Texas, to improve teacher capabilities in technology, \$1,000,000 for Elmira College in New York for a technology enhancement initiative, \$1,000,000 shall be awarded to the Southeastern Pennsylvania Consortium on Higher Education for education programs, \$400,000 shall be awarded to Lehigh University Iacocca Institute for educational training, \$250,000 shall be awarded to Lafayette College for arts education, \$1,000,000 shall be awarded to Lewis and Clark College for the Crime Victims Law Institute, \$1,650,000 for Rust College in Mississippi for technology infrastructure, \$500,000 for the University of Notre Dame for a teacher quality initiative, \$2,400,000 shall be awarded to the Western Governors University for a distance learning initiative, \$1,000,000 shall be awarded to the Alabama A&M University for the development of a research institute, \$1,000,000 shall be awarded to Tarleton State University in Stephenville, Texas for the Center for Astronomy Education and Research summer science programs for students and teachers, \$1,500,000 shall be awarded to the Great Plains Network at Kansas University, \$350,000 shall be awarded to the Science Education and Literacy Center at Rider University in New Jersey, \$1,500,000 shall be awarded to the Indiana State University DegreeLink Partnership for a distance learning program, \$1,000,000 shall be awarded to the Ivy Technical State College in Indiana for a machine tool training program, \$1,250,000 shall be awarded to the Connecticut State University System Center for Education Technology Assessment, \$400,000 shall be awarded to Monmouth University in New Jersey for the 21st Century Science Teachers Skills Project, \$58,000 shall be awarded to the Black Hawk College International Business Education Center in Moline, Illinois for training in international economics, \$325,000 shall be awarded to the World Learning School of International Training in Brattleboro, Vermont for the expansion of a language study program, \$500,000 shall be

awarded to the Diablo Valley Community College at Contra-Costa Community College District for a model teacher program to foster interest in teaching careers among high school and community college students, \$1,000,000 shall be awarded to the Urban College of Boston, Massachusetts, for tutoring and mentoring services for educationally disadvantaged students, \$1,000,000 shall be awarded to the University of Rhode Island Center for Environmental Design, Planning, and Policy in Kingston, Rhode Island to foster environmental education, \$800,000 shall be awarded to the Wisconsin Indianhead Technical College at Ashland and Superior to provide high technology education and training, \$400,000 shall be for an award to the University of Wisconsin at Superior for Project SPARKS to link faculty with schools in the Superior School District in Wisconsin, and \$100,000 shall be awarded to the University of Nevada at Las Vegas for the Nevada Institute for Children Children's literacy program.]

[SEC. 310. (a) From the amount appropriated for title VI of the Elementary and Secondary Education Act of 1965 in accordance with this section, the Secretary of Education—(1) shall make available a total of \$6,000,000 to the Secretary of the Interior (on behalf of the Bureau of Indian Affairs) and the outlying areas for activities under this section; and (2) shall allocate the remainder by providing each State the same percentage of that remainder as it received of the funds allocated to States under section 307(a)(2) of the Department of Education Appropriations Act, 1999.

(b)(1) Each State that receives funds under this section shall distribute 100 percent of such funds to local educational agencies, of which—

(A) 80 percent of such amount shall be allocated to such local educational agencies in proportion to the number of children, aged 5 to 17, who reside in the school district served by such local educational agency from families with incomes below the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) applicable to a family of the size involved for the most recent fiscal year for which satisfactory data are available compared to the number of such individuals who reside in the school districts served by all the local educational agencies in the State for that fiscal year; and

(B) 20 percent of such amount shall be allocated to such local educational agencies in accordance with the relative enrollments of children, aged 5 to 17, in public and private nonprofit elementary and secondary schools within the boundaries of such agencies.

(2) Notwithstanding paragraph (1), if the award to a local educational agency under this section is less than the starting salary for a new fully qualified teacher in that agency who is certified within the State (which may include certification through State or local alternative routes), has a baccalaureate degree, and demonstrates the general knowledge, teaching skills, and subject matter knowledge required to teach in his or her content areas, that agency may use funds under this section to (A) help pay the salary of a full- or part-time teacher hired to reduce class size, which may be in combination with other Federal, State, or local funds; or (B) pay for activities described in subsection (c)(2)(A)(iii) which may be related to teaching in smaller classes.

(c)(1) The basic purpose and intent of this section is to reduce class size with fully qualified teachers. Each local educational agency that receives funds under this section shall use such funds to carry out effective approaches to reducing class size with fully qualified teachers who are certified within the State, including teachers certified through State or local alternative routes, and who demonstrate competency in the areas in which they teach, to improve educational achievement for both regular and special needs children, with particular consideration given to reducing class size in the early elementary grades for which some research has shown class size reduction is most effective.

(2)(A) Each such local educational agency may use funds under this section for

(i) recruiting (including through the use of signing bonuses, and other financial incentives), hiring, and training fully qualified regular and special education teachers (which may include hiring special education teachers to team-teach with regular teachers in classrooms that contain both children with disabilities and non-disabled children) and teachers of special-needs children, who are certified within the State, including teachers certified through State or local alternative routes, have a baccalaureate degree and demonstrate the general knowledge, teaching skills, and subject matter knowledge required to teach in their content areas;

(ii) testing new teachers for academic content knowledge, and to meet State certification requirements that are consistent with title II of the Higher Education Act of 1965; and

(iii) providing professional development (which may include such activities as promoting retention and mentoring) to teachers, including special education teachers and teachers of special-needs children, in order to meet the goal of ensuring that all instructional staff have the subject matter knowledge, teaching knowledge, and teaching skills necessary to teach effectively in the content area or areas in which they provide instruction, consistent with title II of the Higher Education Act of 1965.

(B)(i) Except as provided under clause (ii) a local educational agency may use not more than a total of 25 percent of the award received under this section for activities described in clauses (ii) and (iii) of subparagraph (A).

(ii) A local educational agency in an Ed-Flex Partnership State under Public Law 106-25, the Education Flexibility Partnership Act, and in which 10 percent or more of teachers in elementary schools as defined by section 14101(14) of the Elementary and Secondary Education Act of 1965 have not met applicable State and local certification requirements (including certification through State or local alternative routes), or if such requirements have been waived, may apply to the State educational agency for a waiver that would permit it to use more than 25 percent of the funds it receives under this section for activities described in subparagraph (A)(iii) for the purpose of helping teachers who have not met the certification requirements become certified.

(iii) If the State educational agency approves the local educational agency's application for a waiver under clause (ii), the local educational agency may use the funds subject to the waiver for activities described in subparagraph (A)(iii) that are needed to ensure that at least 90 percent of the teachers in elementary schools are certified within the State.

(C) A local educational agency that has already reduced class size in the early grades to 18 or less children (or has already reduced class size to a State or local class size reduction goal that was in effect on the day before the enactment of the Department of Education Appropriations Act, 2000, if that State or local educational agency goal is 20 or fewer children) may use funds received under this section—

(i) to make further class size reductions in grades kindergarten through 3;

(ii) to reduce class size in other grades; or

(iii) to carry out activities to improve teacher quality, including professional development.

(D) If a local educational agency has already reduced class size in the early grades to 18 or fewer children and intends to use funds provided under this section to carry out professional development activities, including activities to improve teacher quality, then the State shall make the award under subsection (b) to the local educational agency.

(3) Each such agency shall use funds under this section only to supplement, and not to supplant, State and local funds that, in the absence of such funds, would otherwise be spent for activities under this section.

(4) No funds made available under this section may be used to increase the salaries or provide benefits, other than participation in professional development and enrichment programs, to teachers who are not hired under this section. Funds under this section may be used to pay the salary of teachers hired under section 307 of the Department of Education Appropriations Act, 1999.

(d)(1) Each State receiving funds under this section shall report on activities in the State under this section, consistent with section 6202(a)(2) of the Elementary and Secondary Education Act of 1965.

(2) Each State and local educational agency receiving funds under this section shall publicly report to parents on its progress in reducing class size, increasing the percentage of classes in core academic areas taught by fully qualified teachers who are certified within the State and demonstrate competency in the content areas in which they teach, and on the impact that hiring additional highly qualified teachers and reducing class size, has had, if any, on increasing student academic achievement.

(3) Each school receiving funds under this section shall provide to parents upon request, the professional qualifications of their child's teacher.

(e) If a local educational agency uses funds made available under this section for professional development activities, the agency shall ensure for the equitable participation of private nonprofit elementary and secondary schools in such activities. Section 6402 of the Elementary and Secondary Education Act of 1965 shall not apply to other activities under this section.

(f) ADMINISTRATIVE EXPENSES.—A local educational agency that receives funds under this section may use not more than 3 percent of such funds for local administrative costs.

(g) REQUEST FOR FUNDS.—Each local educational agency that desires to receive funds under this section shall include in the application required under section 6303 of the Elementary and Secondary Education Act of 1965 a description of the agency's program to reduce class size by hiring additional highly qualified teachers.

(h) No funds under this section may be used to pay the salary of any teacher hired with funds under section 307 of the Department of Education Appropriations Act, 1999, unless, by the start of the 2000-2001 school year, the teacher is certified within the State (which may include certification through State or local alternative routes) and demonstrates competency in the subject areas in which he or she teaches.

(i) Titles III and IV of the Goals 2000: Educate America Act are repealed on September 30, 2000.】

【LIMITATION ON PUNITIVE DAMAGES AWARDED AGAINST INSTITUTIONS OF HIGHER EDUCATION】

【SEC. 311. Section 5 of the Y2K Act (15 U.S.C. 6604) is amended by adding at the end the following:

“(d) INSTITUTIONS OF HIGHER EDUCATION.—

“(1) IN GENERAL.—Subject to paragraph (2), punitive damages in a Y2K action may not be awarded against an institution of higher education as defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)).

“(2) EXCEPTION.—Paragraph (1) shall not apply to an institution of higher education if the Y2K failure in the Y2K action occurred in a computer-based student financial aid system of that institution of higher education, and the institution—

“(A) has not passed Y2K data exchange testing with the Department of Education; or

“(B) is not or was not in the process of performing data exchange testing with the Department of Education at the time the Department terminates such testing.”】

【SEC. 312. Section 4 of P.L. 106-71 is amended by striking subsection (c).】

【SEC. 313. HOLD HARMLESS.

(a) LOCAL CONTRIBUTION RATE.—For purposes of calculating a payment under section 8003(b) of the Elementary and Secondary Education Act of 1965 for fiscal year 1999 or 2000 with respect to any local educational agency described in subsection (b), the Secretary of Education shall not use a local contribution rate for the fiscal year that is less than the local contribution rate used for the local educational agency for fiscal year 1998.

(b) LOCAL EDUCATIONAL AGENCIES.—A local educational agency referred to in subsection (a) is any local educational agency that—

(1) is eligible to receive a payment under section 8003(b) of the Elementary and Secondary Education Act of 1965 for fiscal year 1999 or 2000, as the case may be; and

(2) received a payment under such section for fiscal year 1998 that was calculated on the basis of a local contribution rate based on generally comparable school districts using the special additional factors method.

(c) EFFECTIVE DATE.—This section shall be effective for fiscal years 1999 and 2000.】

【SEC. 314. VOTER REGISTRATION OF COLLEGE STUDENTS.

Subparagraph (C) of section 487(a)(23) of the Higher Education Act of 1965 (20 U.S.C. 1094(a)(23)) is amended to read as follows:

“(C) This paragraph shall apply to general and special elections for Federal office, as defined in section 301(3) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(3)), and to the elections for Governor or other chief executive within such State).”】 (*Department of Education Appropriations Act, 2000, as enacted by section 1000(a)(4) of the Consolidated Appropriations Act, 2000 (P.L. 106-113).*)