

**Department of Education**  
**COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM ACCOUNT**  
**Fiscal Year 2009 Budget Request**

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## COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM ACCOUNT

For Federal administrative expenses to carry out activities related to existing facility loans pursuant to section 121 of the Higher Education Act of 1965, as amended, [\$481,000] \$461,000.<sup>1</sup> (*Department of Education Appropriations Act, 2008.*)

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

**COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM ACCOUNT**

**Analysis of Language Provisions and Changes**

Language Provision	Explanation
<p><sup>1</sup> For Federal administrative expenses to carry out activities related to existing facility loans pursuant to section 121 of the Higher Education Act of 1965, as amended, [<del>\$481,000</del>] <u>\$461,000</u>.</p>	<p>In accordance with the Federal Credit Reform Act of 1990, this language appropriates funds to service existing facilities loans obligations. Section 121 of the Higher Education Act extends the legal requirements of the program authorities, which are no longer authorized.</p>

**COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM ACCOUNT**

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

	2007	2008	2009
Discretionary appropriation:			
Appropriation	\$571	\$481	\$461
Across-the-board reduction	<u>0</u>	<u>-8</u>	<u>0</u>
Subtotal, discretionary appropriation	571	473	461
Mandatory appropriation	<u>37</u>	<u>232</u>	<u>0</u>
Subtotal, comparable discretionary and mandatory appropriation	608	705	461
Unobligated balance expiring	<u>-118</u>	<u>0</u>	<u>0</u>
Total, direct obligations	490	705	461

**COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM ACCOUNT**

**Obligations by Object Classification**  
(\$000s)

	2007	2008	2009
11.10 Full-time permanent .....	\$251	\$280	\$287
11.52 Awards .....	2	4	4
12.00 Benefits .....	<u>50</u>	<u>66</u>	<u>68</u>
Subtotal, personnel .....	303	350	359
21.00 Travel and transportation .....	0	7	7
23.10 Rent to GSA .....	17	17	17
23.31 Communications .....	7	1	0
25.21 Other Services .....	85	37	1
25.30 Goods/Services from Government.....	0	53	53
25.71 Operations/Maintenance of Equipment .....	11	0	0
25.72 Information Technology Services/Contracts .....	29	6	20
26.00 Supplies .....	0	2	2
31.10 IT Equipment/Software.....	1	0	2
41.02 Subsidies for credit programs .....	<u>37</u>	<u>232</u>	<u>0</u>
Total .....	490	705	461

**COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM ACCOUNT**

**Summary of Changes**  
(\$000s)

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2008 .....	\$705
2009 .....	<u>461</u>
Net change.....	-244

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	<u>2008 base</u>	<u>Change from base</u>
<b>Increases:</b>		
<u>Built in:</u>		
Increase in personnel compensation primarily for annualization of the enacted 3.5 percent FY 2008 pay raise and proposed 2.9 percent FY 2009 pay raise.	\$350	+\$9
<b>Increases:</b>		
<u>Program:</u>		
Increase in information technology services/contracts and equipment/software costs.	6	<u>+16</u>
Subtotal, increases		+25
<b>Decreases:</b>		
<u>Built in:</u>		
Decrease in credit subsidy because the reestimate for the FY 2009 budget is not executed until the end of FY 2008.	232	-232
<u>Program:</u>		
Decrease in communications due to reallocation of central support contract costs among programs.	37	-1
Decrease in other services costs due to lower anticipated costs of servicing and administering this program based on its declining loan volume.	37	<u>-36</u>
Subtotal, decreases		-269
Net change		-244

**COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM ACCOUNT**

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

Activity	2008 Authorized	2008 Appropriation	2009 Authorized	2009 Request
Federal administration ( <i>Federal Credit Reform Act of 1990, section 505(e) and Higher Education Act, section 212</i> )	<u>Indefinite</u>	<u>\$473</u>	<u>Indefinite</u>	<u>\$461</u>
Total definite authorization				
Total appropriation		473		461

## COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM ACCOUNT

### Appropriations History (\$000s)

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	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
2000	\$737	\$698	\$737	\$737
2001	737	737	737	762
2002	762	762	762	762
2003	787	762	762	757
2004	774	774	774	769
2005	578	578	578	573
2006	573	573	573	567
2007	486	N/A <sup>1</sup>	N/A <sup>1</sup>	571
2008	481	481	481	473
2009	461			

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

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## COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM ACCOUNT

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### Federal administration

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

FY 2009 Authorization (\$000s): Indefinite

Budget Authority (\$000s):

	<u>2008</u>	<u>2009</u>	<u>Change</u>
Personnel costs	\$350	\$359	+\$9
Non-personnel costs	<u>123</u>	<u>102</u>	<u>-21</u>
Total	473	461	-12
Full-time equivalent	3	3	0

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### FY 2009 BUDGET REQUEST

For fiscal year 2009, the Administration requests \$461,000, a decrease of \$12,000 for Federal Administration of the facilities loans programs. Between 1950 and 1993, the College Housing Loans (CHL), Higher Education Facilities Loans (HEFL), and College Housing and Academic Facilities Loans (CHAFL) programs helped to ensure that postsecondary institutions were able to make the capital improvements they needed to maintain and increase their ability to provide a high-quality education. Since 1994, no new loans have been made, and the Department's role has been to manage the outstanding loans.

The fiscal year 2009 budget request reflects cost reductions that are made possible by the decreasing number of outstanding facilities loans and the software application used to track loan activity, process billings, and provide for other servicing functions. Since fiscal year 2001 when the software upgrade was initiated, funding for this account has remained flat or decreased every year despite annual salary increases.

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

## COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM ACCOUNT

### Federal administration

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#### PROGRAM OUTPUT MEASURES (\$000s)

	<u>2007</u>	<u>2007</u>	<u>2008</u>
<b>College Housing and Academic Facilities Loans:</b>			
Number of outstanding loans	66	65	65
Outstanding principal	\$95,909	\$92,736	\$89,479
<b>College Housing Loans:</b>			
Number of outstanding loans	262	242	230
Outstanding principal	\$162,602	\$146,342	\$131,991
<b>Higher Education Facilities Loans:</b>			
Number of outstanding loans	28	25	22
Outstanding principal	<u>\$15,225</u>	<u>\$13,687</u>	<u>\$12,197</u>
Total number of outstanding loans	356	332	317
Total outstanding principal	\$273,736	\$252,765	\$233,667

#### PROGRAM PERFORMANCE INFORMATION

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