

DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

Federal Funds

EDUCATION FOR THE DISADVANTAGED

For carrying out title I and subpart 1 of part D of title V of the Elementary and Secondary Education Act of 1965 ("ESEA") and section 418A of the Higher Education Act of 1965, **[\$15,760,086,000]** **\$16,431,132,000**, of which **[\$4,739,881,000]** **\$5,008,427,000** shall become available on July 1, **[2009]** **2010**, and shall remain available through September 30, **[2010]** **2011**, and of which \$10,841,176,000 shall become available on October 1, **[2009]** **2010**, and shall remain available through September 30, **[2010]** **2011**, for academic year **[2009-2010]** **2010-2011**: *Provided*, That **[\$6,597,946,000]** **\$5,097,946,000** shall be for basic grants under section 1124 of the ESEA: *Provided further*, That up to \$4,000,000 of these funds shall be available to the Secretary of Education on October 1, **[2008]** **2009**, to obtain annually updated local educational-agency-level census poverty data from the Bureau of the Census: *Provided further*, That \$1,365,031,000 shall be for concentration grants under section 1124A of the ESEA: *Provided further*, That \$3,264,712,000 shall be for targeted grants under section 1125 of the ESEA: *Provided further*, That \$3,264,712,000 shall be for education finance incentive grants under section 1125A of the ESEA: *Provided further*, That \$9,167,000 shall be to carry out sections 1501 and 1503 of the ESEA: *Provided further*, That \$300,000,000 shall be for subpart 1 of part D of title V of the ESEA for the early learning challenge fund: *Provided further*, That \$1,545,633,000 shall be available for school improvement grants under section 1003(g) of the ESEA, of which up to \$30,000,000 shall be for competitive awards to local educational agencies located in counties in Louisiana, Mississippi, and Texas that were designated by the Federal Emergency Management Agency as counties eligible for Individual Assistance due to damage caused by Hurricanes Katrina, Ike, or Gustav (and such awards shall be used to improve education in areas affected by the hurricanes, including for such activities as replacing instructional materials and equipment; paying teacher incentives; constructing, modernizing, or renovating school buildings; beginning or expanding Advanced Placement or other rigorous courses; supporting the expansion of charter schools; and supporting after-school or extended learning time activities); and of which the remainder of such funds shall be allocated by the Secretary through the formula described in section 1003(g)(2), and each State educational agency shall ensure that 40 percent of its allocation under such formula is spent on school improvement activities in its middle and high schools, unless the State educational agency determines that all middle and high schools identified for school improvement can be served with a lesser amount: *Provided further*, That the ESEA title I, part A funds awarded to local educational agencies under the American Recovery and Reinvestment Act of 2009 for fiscal year 2009 shall not be considered for the purpose of calculating hold-harmless amounts under subsections 1122(c) and 1125A(g)(3) in making allocations under title I, part A for fiscal year 2010 and succeeding years. (Department of Education Appropriations Act, 2009.)

Program and Financing (in millions of dollars)

Identification code 91-0900-0-1-501	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
00.01 Grants to local educational agencies	13,352	21,605	12,992
00.02 School improvement grants	556	606	4,546
00.03 Title I early childhood grants			500
00.04 Early learning challenge fund			300
00.05 Early reading first	112	113	163
00.06 Striving readers	28	70	370
00.07 Reading first State grants	448	16	
00.08 Even start	66	69	
00.09 Literacy through school libraries	19	19	19
00.10 State agency programs	425	466	445
00.11 Comprehensive school reform	2		
00.12 Evaluation	9	9	9
00.13 Special programs for migrant students	33	34	37
00.14 High school graduation initiative			50

10.00	Total new obligations	15,050	23,007	19,431
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	265	153	3,000
22.00	New budget authority (gross)	14,937	25,854	16,431
22.10	Resources available from recoveries of prior year obligations	1		
23.90	Total budgetary resources available for obligation	15,203	26,007	19,431
23.95	Total new obligations	-15,050	-23,007	-19,431
24.40	Unobligated balance carried forward, end of year	153	3,000	
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	7,820	4,919	5,590
40.01	Appropriation, Recovery Act		13,000	
40.35	Appropriation permanently reduced	-266		
43.00	Appropriation (total discretionary)	7,554	17,919	5,590
55.00	Advance appropriation	7,383	7,935	10,841
70.00	Total new budget authority (gross)	14,937	25,854	16,431
Change in obligated balances:				
72.40	Obligated balance, start of year	10,866	11,004	18,202
73.10	Total new obligations	15,050	23,007	19,431
73.20	Total outlays (gross)	-14,872	-15,809	-21,897
73.40	Adjustments in expired accounts (net)	-39		
73.45	Recoveries of prior year obligations	-1		
74.40	Obligated balance, end of year	11,004	18,202	15,736
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	5,706	6,883	8,683
86.93	Outlays from discretionary balances	9,166	8,926	13,214
87.00	Total outlays (gross)	14,872	15,809	21,897
Net budget authority and outlays:				
89.00	Budget authority	14,937	25,854	16,431
90.00	Outlays	14,872	15,809	21,897

SUMMARY OF PROGRAM LEVEL

(in millions of dollars)

	2008-2009 Academic Year	2009-2010 Academic Year	2010-2011 Academic Year
New Budget Authority	7,555	4,919	5,590
Advance appropriation	7,935	10,841	10,841
Total program level	15,489	15,760	16,431
Change in advance appropriation from the previous year	552	2,906	0

Grants to local educational agencies.—Funds are allocated through four formulas—Basic Grants, Concentration Grants, Targeted Grants, and Education Finance Incentive Grants—for local programs that provide extra academic support to help raise the achievement of eligible students in high-poverty schools or, in the case of schoolwide programs, help all students in high-poverty schools to meet challenging State academic standards. States must annually assess all students in certain grades in at least reading, mathematics, and science. School districts must identify for improvement, and provide assistance to, participating schools that for two consecutive years do not make adequate yearly progress toward ensuring that all students reach the proficient level on the State assessments in reading and mathematics by 2014. Districts must also develop improvement plans for such schools and provide students enrolled in them the opportunity to transfer to another public school that is not identified for improvement. After three or more years of a school not making adequate yearly progress, low-income students who remain in the school may obtain supplemental educational services from a public- or private-sector provider. Schools that do not improve are subject to progressively stronger interventions and, after six

EDUCATION FOR THE DISADVANTAGED—Continued

years of not making adequate yearly progress, reconstitution under a restructuring plan.

School improvement grants.—Funds support grants to States to assist schools identified as in need of improvement because they have not met their student achievement goals for at least two consecutive years. Activities may include the development and implementation of school improvement plans, professional development for teachers and staff, corrective actions such as instituting a new curriculum, and the provision of public school choice and supplemental educational services. For 2010, States would be required to use 40 percent of their funds for school improvement activities in middle and high schools. Additionally, up to \$30 million would support competitive grants to improve education in certain Gulf Coast counties severely affected by Hurricanes Katrina, Ike, or Gustav.

Title I early childhood grants.—Funds would be used by States to provide matching grants to Title I LEAs that agree to invest Recovery Act funds in early childhood education. LEAs would use grants to expand existing pre-K programs or to develop and implement new ones serving economically disadvantaged pre-school students.

Early learning challenge fund.—Funds would provide grants to States for development of State plans and statewide infrastructure of integrated early learning supports and services for children from birth through age five in order to raise the quality of publicly funded early learning programs and improve the readiness of children for success upon school entry.

Early reading first.—Competitive grants provide assistance to support local efforts to enhance the school readiness of young children, particularly those from low-income families, through scientific, research-based strategies, and professional development that are designed to enhance the verbal skills, phonological awareness, letter knowledge, pre-reading skills, and early language development of children ages three through five.

Striving readers.—Funds support the development, implementation, and evaluation of scientifically based reading interventions for middle school or high school students reading significantly below grade level. Additionally, funds would support grants to local educational agencies to implement comprehensive evidence-based programs of reading instruction for children in the elementary grades with particular emphasis on reading comprehension and on instruction in vocabulary development, oral language fluency, and writing skills.

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

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

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

Evaluation.—Funds support a series of impact studies designed to identify effective reading interventions in Title I and studies of the implementation of key Elementary and Secondary Education Act requirements, including assessments, accountability systems, and school improvement requirements.

Special programs for migrant students.—Funds support grants to institutions of higher education and nonprofit organizations

that assist migrant students in earning a high school equivalency certificate or in completing their first year of college.

High school graduation initiative.—Funds would support grants to local educational agencies to implement proven strategies for reducing the number of students who drop out before completing secondary school and for assisting youth to reenter school after they have dropped out.

Object Classification (in millions of dollars)

Identification code 91-0900-0-1-501	2008 actual	2009 est.	2010 est.
Direct obligations:			
24.0 Printing and reproduction	3	3	3
25.1 Advisory and assistance services	6	6	6
25.2 Other services	40	40	45
41.0 Grants, subsidies, and contributions	15,001	22,958	19,377
99.9 Total new obligations	15,050	23,007	19,431

IMPACT AID

For carrying out programs of financial assistance to federally affected schools authorized by title VIII of the Elementary and Secondary Education Act of 1965, \$1,265,718,000, of which \$1,128,535,000 shall be for basic support payments under section 8003(b), \$48,602,000 shall be for payments for children with disabilities under section 8003(d), \$17,509,000 shall be for construction under section 8007(b) and shall remain available through September 30, ~~2010~~ 2011, \$66,208,000 shall be for Federal property payments under section 8002, and \$4,864,000, to remain available until expended, shall be for facilities maintenance under section 8008: *Provided*, That for purposes of computing the amount of a payment for an eligible local educational agency under section 8003(a) for school year ~~2008-2009~~ 2009-2010, children enrolled in a school of such agency that would otherwise be eligible for payment under section 8003(a)(1)(B) of such Act, but due to the deployment of both parents or legal guardians, or a parent or legal guardian having sole custody of such children, or due to the death of a military parent or legal guardian while on active duty (so long as such children reside on Federal property as described in section 8003(a)(1)(B)), are no longer eligible under such section, shall be considered as eligible students under such section, provided such students remain in average daily attendance at a school in the same local educational agency they attended prior to their change in eligibility status. (*Department of Education Appropriations Act, 2009.*)

Program and Financing (in millions of dollars)

Identification code 91-0102-0-1-501	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
00.01 Basic support payments	1,105	1,128	1,128
00.02 Payments for children with disabilities	49	49	49
00.91 Subtotal	1,154	1,177	1,177
01.01 Facilities maintenance	4	5	5
02.01 Construction		57	78
03.01 Payments for Federal property	64	66	66
10.00 Total new obligations (object class 41.0)	1,222	1,305	1,326
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	3	21	82
22.00 New budget authority (gross)	1,241	1,366	1,266
23.90 Total budgetary resources available for obligation	1,244	1,387	1,348
23.95 Total new obligations	-1,222	-1,305	-1,326
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance carried forward, end of year	21	82	22
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,263	1,266	1,266
40.01 Appropriation, Recovery Act		100	
40.35 Appropriation permanently reduced	-22		

43.00	Appropriation (total discretionary)	1,241	1,366	1,266
Change in obligated balances:				
72.40	Obligated balance, start of year	447	420	155
73.10	Total new obligations	1,222	1,305	1,326
73.20	Total outlays (gross)	-1,248	-1,570	-1,188
73.40	Adjustments in expired accounts (net)	-1		
74.40	Obligated balance, end of year	420	155	293
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	1,089	1,158	1,122
86.93	Outlays from discretionary balances	159	412	66
87.00	Total outlays (gross)	1,248	1,570	1,188
Net budget authority and outlays:				
89.00	Budget authority	1,241	1,366	1,266
90.00	Outlays	1,248	1,570	1,188

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

Basic support payments.—Payments will be made on behalf of over 930,000 federally connected students enrolled in about 1,230 local educational agencies to assist them in meeting their operation and maintenance costs. Average per-student payments will be approximately \$1,200.

Payments for children with disabilities.—Payments in addition to those provided under the Individuals with Disabilities Education Act will be provided on behalf of approximately 55,000 federally connected students with disabilities in about 900 local educational agencies. Average per-student payments will be approximately \$900.

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

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

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

SCHOOL IMPROVEMENT PROGRAMS

For carrying out school improvement activities authorized by parts A, B, and D of title II, part B of title IV, [subparts 6 and] subpart 9 of part D of title V, parts A and B of title VI, and parts B and C of title VII of the Elementary and Secondary Education Act of 1965 ("ESEA"); the McKinney-Vento Homeless Assistance Act; section 203 of the Educational Technical Assistance Act of 2002; the Compact of Free Association Amendments Act of 2003; and the Civil Rights Act of 1964, [\$5,362,016,000] \$5,182,181,000, of which [\$3,495,865,000] \$3,325,993,000 shall become available on July 1, [2009] 2010, and remain available through September 30, [2010] 2011, and of which \$1,681,441,000 shall become available on October 1, [2009] 2010, and shall remain available through September 30, [2010] 2011, for academic year [2009-2010] 2010-2011: *Provided*, That [of the funds available for section 2103(a) of the ESEA, \$5,000,000 shall be available for a school leadership partnership initiative and up to \$7,500,000 shall be available

for teacher and principal quality national activities administered by the Secretary of Education, as specified in the explanatory statement described in section 4 (in the matter preceding division A of this consolidated Act): *Provided further*, That] funds made available to carry out part B of title VII of the ESEA may be used for construction, renovation and modernization of [any] public elementary [school] schools, public secondary [school, or structure] schools, and structures related to [an] public elementary [school or] schools and secondary [school, run by the Department of Education of the State of Hawaii, that serves a predominantly Native Hawaiian student body: *Provided further*, That from the funds referred to in the preceding proviso, not less than \$1,500,000 shall be for a grant to the Department of Education of the State of Hawaii for the activities described in such proviso, and \$1,500,000 shall be for a grant to the University of Hawaii School of Law for a Center of Excellence in Native Hawaiian law] schools, if such construction, renovation or modernization would support achievement of the purposes of that part: *Provided further*, That funds made available to carry out part C of title VII of the ESEA may be used for construction: *Provided further*, That the Secretary shall implement part C of title VII of the ESEA without regard to the requirements of section 7304(d)(2): *Provided further*, That up to 100 percent of the funds available to a State educational agency under part D of title II of the ESEA may be used for subgrants described in section 2412(a)(2)(B) of such Act: *Provided further*, That \$57,113,000 shall be available to carry out section 203 of the Educational Technical Assistance Act of 2002: *Provided further*, That [\$33,791,000] \$26,328,000 shall be available to carry out part D of title V of the ESEA: *Provided further*, That no funds appropriated under this heading may be used to carry out section 5494 under the ESEA: *Provided further*, That \$17,687,000 shall be available to carry out the Supplemental Education Grants program for the Federated States of Micronesia and the Republic of the Marshall Islands: *Provided further*, That up to 5 percent of these amounts may be reserved by the Federated States of Micronesia and the Republic of the Marshall Islands to administer the Supplemental Education Grants programs and to obtain technical assistance, oversight and consultancy services in the administration of these grants and to reimburse the United States Departments of Labor, Health and Human Services, and Education for such services: *Provided further*, That [\$7,360,000] \$9,360,000 of the funds available for the Foreign Language Assistance Program shall be available for 5-year grants to local educational agencies that would work in partnership with one or more institutions of higher education to establish or expand articulated programs of study in languages critical to United States national security that will enable successful students to advance from elementary school through college to achieve a superior level of proficiency in those languages. (Department of Education Appropriations Act, 2009.)

Program and Financing (in millions of dollars)

Identification code 91-1000-0-1-501	2008 actual	2009 est.	2010 est.	
Obligations by program activity:				
00.01	Improving teacher quality State grants	2,946	2,722	2,949
00.02	Mathematics and science partnerships	182	181	179
00.03	Educational technology State grants	268	926	100
00.04	21st century community learning centers	1,082	1,142	1,131
00.05	State grants for innovative programs	1		
00.06	Javits gifted and talented education	7	7	
00.07	Foreign language assistance	26	26	26
00.08	State assessments	409	420	411
00.09	Education for homeless children and youth	64	135	65
00.10	Education for Native Hawaiians	33	33	33
00.11	Alaska Native education equity	33	33	33
00.12	Training and advisory services	7	9	7
00.13	Rural education	172	174	173
00.14	Supplemental education grants	18	18	18
00.15	Comprehensive centers	57	57	57
00.16	Emergency funds for homeless students		15	
10.00	Total new obligations	5,305	5,898	5,182
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	63	62	
22.00	New budget authority (gross)	5,304	5,836	5,182
23.90	Total budgetary resources available for obligation	5,367	5,898	5,182
23.95	Total new obligations	-5,305	-5,898	-5,182

SCHOOL IMPROVEMENT PROGRAMS—Continued
Program and Financing —Continued

Identification code 91-1000-0-1-501	2008 actual	2009 est.	2010 est.
24.40 Unobligated balance carried forward, end of year	62		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	3,963	3,681	3,501
40.01 Appropriation, Recovery Act		720	
40.35 Appropriation permanently reduced	-94		
43.00 Appropriation (total discretionary)	3,869	4,401	3,501
55.00 Advance appropriation	1,435	1,435	1,681
70.00 Total new budget authority (gross)	5,304	5,836	5,182
Change in obligated balances:			
72.40 Obligated balance, start of year	6,365	6,222	6,903
73.10 Total new obligations	5,305	5,898	5,182
73.20 Total outlays (gross)	-5,365	-5,217	-5,722
73.40 Adjustments in expired accounts (net)	-83		
74.40 Obligated balance, end of year	6,222	6,903	6,363
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	864	976	1,105
86.93 Outlays from discretionary balances	4,501	4,241	4,617
87.00 Total outlays (gross)	5,365	5,217	5,722
Net budget authority and outlays:			
89.00 Budget authority	5,304	5,836	5,182
90.00 Outlays	5,365	5,217	5,722

SUMMARY OF PROGRAM LEVEL

(in millions of dollars)

	2008-09 Academic Year	2009-10 Academic Year	2010-11 Academic Year
New Budget Authority	3,869	3,681	3,501
Advance Appropriation	1,435	1,681	1,681
Total program level	5,304	5,362	5,182
Change in advance appropriation over previous year	0	246	0

Improving teacher quality:

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

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

Other activities:

Educational technology State grants.—Funds support formula grants to States to support the deployment and integration of educational technology into classroom instruction.

21st century community learning centers.—Funds support formula grants to States, which award subgrants to local educational agencies (LEAs), community-based organizations, or other public or private entities to establish or expand centers that provide extended learning opportunities for students.

Foreign language assistance.—Funds support competitive grants to States and school districts to increase the quality and quantity of foreign language instruction in the United States.

State assessments.—Funds support formula and competitive grants to States to develop and implement the assessments, and related accountability efforts, that States use to test children in reading, mathematics, and science. 2010 funds would also support activities to strengthen States' content and achievement stand-

ards and assessments, such as activities to develop college- and career-ready standards and assessments.

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

Education for Native Hawaiians.—Funds support competitive grants to public and private entities to develop or operate innovative projects that enhance the educational services provided to Native Hawaiian children and adults.

Alaska Native education equity.—Funds support competitive grants to school districts and other public and private organizations to develop or operate innovative projects that enhance the educational services provided to Alaska Native children and adults.

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

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

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

Comprehensive centers.—Funds support at least 20 comprehensive centers that focus on building State capacity to help school districts and schools meet the requirements of the Elementary and Secondary Education Act.

Object Classification (in millions of dollars)

Identification code 91-1000-0-1-501	2008 actual	2009 est.	2010 est.
Direct obligations:			
25.1 Advisory and assistance services	6	44	28
25.2 Other services	18		
25.5 Research and development contracts	2	2	2
41.0 Grants, subsidies, and contributions	5,279	5,852	5,152
99.9 Total new obligations	5,305	5,898	5,182

INDIAN EDUCATION

For expenses necessary to carry out, to the extent not otherwise provided, title VII, part A of the Elementary and Secondary Education Act of 1965, \$122,282,000. (*Department of Education Appropriations Act, 2009.*)

Program and Financing (in millions of dollars)

Identification code 91-0101-0-1-501	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
00.01 Grants to local educational agencies	97	99	99
00.02 Special programs for Indian children	19	19	19
00.03 National activities	4	4	4
10.00 Total new obligations	120	122	122
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	120	122	122

23.95	Total new obligations	-120	-122	-122
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	122	122	122
40.35	Appropriation permanently reduced	-2		
43.00	Appropriation (total discretionary)	120	122	122
Change in obligated balances:				
72.40	Obligated balance, start of year	135	133	141
73.10	Total new obligations	120	122	122
73.20	Total outlays (gross)	-116	-114	-120
73.40	Adjustments in expired accounts (net)	-6		
74.40	Obligated balance, end of year	133	141	143
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	7	6	6
86.93	Outlays from discretionary balances	109	108	114
87.00	Total outlays (gross)	116	114	120
Net budget authority and outlays:				
89.00	Budget authority	120	122	122
90.00	Outlays	116	114	120

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

Grants to local educational agencies.—Formula grants support local educational agencies in their efforts to reform elementary and secondary school programs that serve Indian students, with the goal of ensuring that such programs assist participating students in meeting the same academic standards as all other students. In 2008, the Department made 1,270 formula grants to local educational agencies and tribal schools serving more than 476,000 students.

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

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

Object Classification (in millions of dollars)

Identification code 91-0101-0-1-501	2008 actual	2009 est.	2010 est.	
Direct obligations:				
25.2	Other services	3	3	3
41.0	Grants, subsidies, and contributions	116	118	118
99.0	Direct obligations	119	121	121
99.5	Below reporting threshold	1	1	1
99.9	Total new obligations	120	122	122

STATE FISCAL STABILIZATION FUND, RECOVERY ACT

For an additional amount for the Innovation Fund established pursuant to section 14007 of Division A of the American Recovery and Reinvestment Act of 2009, \$100,000,000.

Program and Financing (in millions of dollars)

Identification code 91-1909-0-1-999	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
00.01	State grants	43,727	4,859
00.02	Race-to-the-top incentive grants	14	4,336
00.03	The what works and innovation fund		750

00.04	Administration	3	11
10.00	Total new obligations	43,744	9,956
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year		9,856
22.00	New budget authority (gross)	53,600	100
23.90	Total budgetary resources available for obligation	53,600	9,956
23.95	Total new obligations	-43,744	-9,956
24.40	Unobligated balance carried forward, end of year	9,856	
New budget authority (gross), detail:			
Discretionary:			
40.00	Appropriation		100
40.01	Appropriation, Recovery Act	53,600	
43.00	Appropriation (total discretionary)	53,600	100
Change in obligated balances:			
72.40	Obligated balance, start of year		38,383
73.10	Total new obligations	43,744	9,956
73.20	Total outlays (gross)	-5,361	-26,811
74.40	Obligated balance, end of year	38,383	21,528
Outlays (gross), detail:			
86.90	Outlays from new discretionary authority	5,361	10
86.93	Outlays from discretionary balances		26,801
87.00	Total outlays (gross)	5,361	26,811
Net budget authority and outlays:			
89.00	Budget authority	53,600	100
90.00	Outlays	5,361	26,811

The what works and innovation fund.—The American Recovery and Reinvestment Act included funds to identify and replicate proven and innovative practices. Funds for this program continue those reform efforts. Specifically, funds support academic achievement awards to local educational agencies (LEAs), as well as partnerships between nonprofit organizations and LEAs or schools, that have made significant progress in closing educational achievement gaps, exceeded the States annual measurable objectives under ESEA Title I for two consecutive years (or demonstrated success in increasing the achievement of all the groups of students for whom schools and LEAs are held accountable under Title I), have made significant improvement in other areas (such as improving the graduation rate or recruiting high-quality teachers and school leaders), and established partnerships with private entities that will match, at some level, the funding provided through the grant.

Object Classification (in millions of dollars)

Identification code 91-1909-0-1-999	2008 actual	2009 est.	2010 est.
Direct obligations:			
11.1	Personnel compensation: Full-time permanent	2	4
12.1	Civilian personnel benefits	1	2
25.1	Advisory and assistance services		6
25.2	Other services	14	35
25.7	Operation and maintenance of equipment		2
41.0	Grants, subsidies, and contributions	43,727	9,907
99.9	Total new obligations	43,744	9,956

Employment Summary

Identification code 91-1909-0-1-999	2008 actual	2009 est.	2010 est.
Direct:			
1001	Civilian full-time equivalent employment	27	54

OFFICE OF INNOVATION AND IMPROVEMENT

Federal Funds

INNOVATION AND IMPROVEMENT

For carrying out activities authorized by part G of title I, subpart 5 of part A and parts C and D of title II, and parts B, C, and D of title VI, and section 1504 of the Elementary and Secondary Education Act of 1965 ("ESEA"), and part A of title II and part F of title VIII of the Higher Education Act of 1965, **[\$996,425,000] \$1,489,949,000: Provided, That \$10,649,000 shall be provided to the National Board for Professional Teaching Standards to carry out section 2151(c) of the ESEA, including \$1,000,000 to develop a National Board certification for principals of elementary and secondary schools: Provided further, That from funds for subpart 4, part C of title II of the ESEA, up to 3 percent shall be available to the Secretary of Education for technical assistance and dissemination of information: Provided further, That **[\$347,640,000] \$716,106,000 shall be available to carry out part D of title V of the ESEA: [Provided further, That \$88,015,000 shall be used for the projects, and in the amounts, specified under the heading "Innovation and Improvement" in the explanatory statement described in section 4 (in the matter preceding division A of this consolidated Act):] Provided further, That **[\$97,270,000] \$517,270,000 of the funds for subpart 1 of part D of title V of the ESEA shall be for competitive grants to local educational agencies, including charter schools that are local educational agencies, or States, or partnerships of: (1) a local educational agency, a State, or both; and (2) at least one non-profit organization to develop and implement performance-based [teacher and principal] compensation systems for teachers, principals, and other personnel in high-need schools: Provided further, That such performance-based compensation systems must consider gains in student academic achievement as well as classroom evaluations conducted multiple times during each school year among other factors and provide educators with incentives to take on additional responsibilities and leadership roles: Provided further, That up to 5 percent of such funds for competitive grants shall be available for technical assistance, training, peer review of applications, program outreach and evaluation activities: Provided further, That up to \$30,000,000 of such funds for competitive grants shall be available to carry out activities authorized in section 2151(a) of the ESEA: Provided further, That of the funds available for part B of title V of the ESEA, the Secretary shall use up to \$21,031,000 to carry out activities under section 5205(b) and under subpart 2, and shall use not less than \$195,000,000 to carry out other activities authorized under subpart 1. (Department of Education Appropriations Act, 2009.)******

Program and Financing (in millions of dollars)

Identification code 91-0204-0-1-501	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
00.01 Teacher incentive fund	97	97	717
00.02 Troops-to-teachers	14	14	14
00.03 Transition to teaching	44	44	44
00.04 National writing project	23	24	24
00.05 Teaching American history	118	119	119
00.06 School leadership	14	19	29
00.07 Advanced credentialing	10	11	11
School choice and flexibility:			
00.08 Charter schools grants	203	208	260
00.09 Credit enhancement for charter school facilities	8	8	8
00.10 Voluntary public school choice	26	26	26
00.11 Magnet schools assistance	105	105	105
00.12 Advanced placement	43	44	44
00.13 Close Up fellowships	2	2	.....
00.14 Ready-to-learn-television	24	25	25
00.15 Academies for American history and civics	2	2	.....
00.16 FIE programs of national significance	121	116	67
00.17 Reading is fundamental/Inexpensive book distribution	25	25	25
00.18 Ready to teach	11	11	.....
00.19 Exchanges with historic whaling and trading partners	9	9	9
00.20 Excellence in economic education	1	1	2
00.21 Mental health integration in schools	5	6	7
00.22 Foundations for learning	1	1	.....
00.23 Arts in education	37	38	38
00.24 Parental information and resource centers	39	39	39
00.25 Womens educational equity	2	2	2
00.26 Promise neighborhoods .....	.....	.....	10
00.27 Teach for America .....	.....	.....	15

00.28 Teacher quality partnership .....	.....	.....	50
01.00 Total direct program	984	996	1,690
09.01 DC School Choice	15	14	12
10.00 Total new obligations	999	1,010	1,702
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year .....	.....	.....	200
22.00 New budget authority (gross)	1,000	1,210	1,502
23.90 Total budgetary resources available for obligation	1,000	1,210	1,702
23.95 Total new obligations	-999	-1,010	-1,702
23.98 Unobligated balance expiring or withdrawn	-1	.....	.....
24.40 Unobligated balance carried forward, end of year .....	.....	200	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,003	996	1,490
40.01 Appropriation, Recovery Act .....	.....	200	.....
40.35 Appropriation permanently reduced	-18	.....	.....
43.00 Appropriation (total discretionary)	985	1,196	1,490
58.00 Spending authority from offsetting collections: Offsetting collections (cash)	15	14	12
70.00 Total new budget authority (gross)	1,000	1,210	1,502
Change in obligated balances:			
72.40 Obligated balance, start of year	1,617	1,704	1,614
73.10 Total new obligations	999	1,010	1,702
73.20 Total outlays (gross)	-904	-1,100	-1,124
73.40 Adjustments in expired accounts (net)	-8	.....	.....
74.40 Obligated balance, end of year	1,704	1,614	2,192
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	32	51	76
86.93 Outlays from discretionary balances	872	1,049	1,048
87.00 Total outlays (gross)	904	1,100	1,124
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-15	-14	-12
Net budget authority and outlays:			
89.00 Budget authority	985	1,196	1,490
90.00 Outlays	889	1,086	1,112

Note.—Includes \$50 million in budget authority in 2010 for activities previously financed from Department of Education, Office of Postsecondary Education, Higher Education account.

Recruiting and training high-quality teachers and principals Teacher incentive fund.—Funds support the development and implementation of performance-based compensation systems in high-need schools for teachers, principals, and other personnel who are raising student achievement, and also to support the National Teacher Recruitment Campaign, a comprehensive effort to reach out to potential candidates for teaching positions.

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

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

Teacher quality partnership.—Funds support grants to improve the quality of teachers working in high-need schools, early childhood education programs, and local educational agencies by creating model teacher preparation programs and model teacher residency programs.

National writing project.—Funds support a single statutorily designated award to the National Writing Project, a nationwide nonprofit educational organization that promotes and supports

K-16 teacher training programs in the effective teaching of writing.

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

School leadership.—Funds support competitive grants to assist high-need local educational agencies in recruiting, training, and retaining principals and assistant principals.

Advanced credentialing.—Funds support the outreach and candidate subsidies and support activities of the National Board for Professional Teaching Standards and would also support the continued development of its advanced credential for school leadership in elementary and secondary schools.

Teach for America.—Funds support the implementation and expansion of Teach for America's program for recruiting, selecting, training, and supporting new teachers to serve in high-need schools and districts.

School choice and flexibility

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

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

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

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

Other activities

Advanced placement.—Funds support competitive grants to State educational agencies, local educational agencies, and national nonprofit educational entities to expand access for low-income individuals to Advanced Placement (AP) or International Baccalaureate (IB) courses as well as grants to States to pay test fees for low-income students who are enrolled in AP or IB courses.

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

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

Reading is Fundamental.—Funds support a contract with Reading is Fundamental, Inc. to provide aid to local nonprofit groups and volunteer organizations that serve low-income children through book distribution and reading motivation activities.

Exchanges with historic and whaling and trading partners.—Funds support culturally based educational activities, internships, apprenticeship programs, and exchanges at certain entities in Massachusetts, Alaska, Mississippi, and Hawaii.

Excellence in economic education.—Funds support a competitive grant to a national nonprofit education organization to promote economic and financial literacy among elementary and secondary school students.

Mental health integration in schools.—Funds support competitive grants to State educational agencies, local educational agencies, and Indian tribes to increase student access to mental health services by supporting programs that link school systems with the local mental health system.

Arts in education.—Funds support noncompetitive awards to VSA Arts, a national organization that sponsors programs to encourage the involvement of, and foster greater awareness of the need for, arts programs for persons with disabilities, and to the John F. Kennedy Center for the Performing Arts for its arts education programs for children and youth, as well as competitive grants for the development of model arts education programs and for professional development for arts educators.

Parental information and resource centers.—Funds support competitive grants to provide training, information, and support to State educational agencies, local educational agencies, and other organizations that carry out parent education and family involvement programs.

Women's educational equity.—Funds support competitive awards to a variety of public and private organizations, agencies, and institutions to promote gender equity in education through programs that design and implement gender-equity policies and practices. Research, development, and dissemination activities also may be funded.

Promise Neighborhoods.—Funds support competitive planning grants to nonprofit, community-based organizations to develop programs that address the needs of children in poverty, from birth through college. Awards will enable grantees to complete a comprehensive needs assessment, establish partnerships, and develop a comprehensive plan for the program, in preparation for future awards intended to support program implementation.

Object Classification (in millions of dollars)

Identification code 91-0204-0-1-501	2008 actual	2009 est.	2010 est.
Direct obligations:			
25.1 Advisory and assistance services	2	19	40
25.2 Other services	51	35	41
25.3 Other purchases of goods and services from Government accounts	2	2	2
25.5 Research and development contracts	2		
41.0 Grants, subsidies, and contributions	927	940	1,607
99.0 Direct obligations	984	996	1,690
99.0 Reimbursable obligations	15	14	12
99.9 Total new obligations	999	1,010	1,702

OFFICE OF SAFE AND DRUG-FREE SCHOOLS

Federal Funds

SAFE SCHOOLS AND CITIZENSHIP EDUCATION

For carrying out activities authorized by [subpart 3 of part C of title II,] part A of title IV, and subparts 2 [, 3] and 10 of part D of title V of the Elementary and Secondary Education Act of 1965, [\$690,370,000, of which \$294,759,000 shall become available on July 1, 2009, and remain available through September 30, 2010] \$413,608,000: Provided, That [\$294,759,000 shall be available for subpart 1 of part A of title IV and \$220,240,000] \$283,608,000 shall be available for subpart 2 of part A of title IV, of which \$5,000,000, to remain available until expended, shall be for the Project School Emergency Response to Violence ("Project SERV") program to provide education-related services to local educational agencies and to institutions of higher education in which the learning environment has been disrupted due to a violent or traumatic crisis: Provided further,

SAFE SCHOOLS AND CITIZENSHIP EDUCATION—Continued

That **[\$141,912,000]** \$130,000,000 shall be available to carry out part D of title VI: *Provided further*, That of the funds available to carry out subpart 3 of part C of title II, up to \$13,383,000 may be used to carry out section 2345 and \$2,957,000 shall be used by the Center for Civic Education to implement a comprehensive program to improve public knowledge, understanding, and support of the Congress and the State legislatures. (Department of Education Appropriations Act, 2009.)

Program and Financing (in millions of dollars)

Identification code 91-0203-0-1-501	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
00.01 State grants	296	298	.....
00.02 National activities	137	145	251
00.03 Alcohol abuse reduction	32	33	33
00.04 Mentoring program	49	48	.....
00.91 Subtotal, Safe and drug-free schools and communities	514	524	284
01.01 Character education	24	12	.....
02.01 Elementary and secondary school counseling	49	52	52
03.01 Physical education program	76	78	78
04.01 Civic education	32	33	.....
06.00 Total direct program	695	699	414
09.00 Reimbursable program	72	72	72
10.00 Total new obligations	767	771	486
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	10	9	.....
22.00 New budget authority (gross)	766	762	486
23.90 Total budgetary resources available for obligation	776	771	486
23.95 Total new obligations	-767	-771	-486
24.40 Unobligated balance carried forward, end of year	9	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	706	690	414
40.35 Appropriation permanently reduced	-12	.....	.....
43.00 Appropriation (total discretionary)	694	690	414
58.00 Spending authority from offsetting collections: Offsetting collections (cash)	72	72	72
70.00 Total new budget authority (gross)	766	762	486
Change in obligated balances:			
72.40 Obligated balance, start of year	1,233	1,170	1,134
73.10 Total new obligations	767	771	486
73.20 Total outlays (gross)	-824	-807	-758
73.40 Adjustments in expired accounts (net)	-6	.....	.....
74.40 Obligated balance, end of year	1,170	1,134	862
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	27	15	9
86.93 Outlays from discretionary balances	797	792	749
87.00 Total outlays (gross)	824	807	758
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-72	-72	-72
Net budget authority and outlays:			
89.00 Budget authority	694	690	414
90.00 Outlays	752	735	686

Safe and drug-free schools and communities:

National activities.—Funds support competitive grants and other discretionary activities to foster a safe, secure, and drug-free learning environment, facilitate emergency management and preparedness, and prevent drug use and violence by students at all educational levels.

Alcohol abuse reduction.—Funds support competitive grants to local educational agencies for projects in secondary schools to prevent under-age drinking.

Elementary and secondary school counseling.—Funds support competitive grants to assist local educational agencies in developing or expanding elementary and secondary school counseling programs.

Physical education.—Funds support competitive grants to local educational agencies and community-based organizations to pay the Federal share of the costs of initiating, expanding, and improving physical education programs for students in kindergarten through 12th grade.

Object Classification (in millions of dollars)

Identification code 91-0203-0-1-501	2008 actual	2009 est.	2010 est.
Direct obligations:			
25.1 Advisory and assistance services	3	3	3
25.2 Other services	13	16	16
25.3 Other purchases of goods and services from Government accounts	3	3	3
25.5 Research and development contracts	3	.....	.....
41.0 Grants, subsidies, and contributions	672	677	392
99.0 Direct obligations	694	699	414
99.0 Reimbursable obligations	73	72	72
99.9 Total new obligations	767	771	486

OFFICE OF ENGLISH LANGUAGE ACQUISITION

Federal Funds

ENGLISH LANGUAGE ACQUISITION

For carrying out part A of title III of the Elementary and Secondary Education Act of 1965, \$730,000,000, which shall become available on July 1, **[2009]** 2010, and shall remain available through September 30, **[2010]** 2011, except that 6.5 percent of such amount shall be available on October 1, **[2008]** 2009, and shall remain available through September 30, **[2010]** 2011, to carry out activities under section 3111(c)(1)(C): *Provided*, That the Secretary of Education shall use **[the]** estimates of the American Community Survey child counts for the most recent 3-year period available to calculate **[State]** allocations under such part **[but**, for any State that would otherwise receive greater than a 10-percent reduction from its previous year's allocation, the Secretary shall carry out such calculation using the average of the American Community Survey child counts for the 3 most recent years]. (Department of Education Appropriations Act, 2009.)

Program and Financing (in millions of dollars)

Identification code 91-1300-0-1-501	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
00.01 English language acquisition grants	704	736	730
10.00 Total new obligations	704	736	730
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	10	6	.....
22.00 New budget authority (gross)	700	730	730
23.90 Total budgetary resources available for obligation	710	736	730
23.95 Total new obligations	-704	-736	-730
24.40 Unobligated balance carried forward, end of year	6	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	713	730	730
40.35 Appropriation permanently reduced	-13	.....	.....
43.00 Appropriation (total discretionary)	700	730	730
Change in obligated balances:			
72.40 Obligated balance, start of year	916	1,014	867
73.10 Total new obligations	704	736	730
73.20 Total outlays (gross)	-602	-883	-745
73.40 Adjustments in expired accounts (net)	-4	.....	.....

74.40	Obligated balance, end of year	1,014	867	852
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	5	37	37
86.93	Outlays from discretionary balances	597	846	708
87.00	Total outlays (gross)	602	883	745
Net budget authority and outlays:				
89.00	Budget authority	700	730	730
90.00	Outlays	602	883	745

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

Object Classification (in millions of dollars)

Identification code 91-1300-0-1-501	2008 actual	2009 est.	2010 est.	
Direct obligations:				
25.5	Research and development contracts	2	2	2
41.0	Grants, subsidies, and contributions	702	734	728
99.9	Total new obligations	704	736	730

OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

Federal Funds

SPECIAL EDUCATION

For carrying out the Individuals with Disabilities Education Act ("IDEA") and the Special Olympics Sport and Empowerment Act of 2004, \$12,579,677,000, of which \$3,726,354,000 shall become available on July 1, [2009] 2010, and shall remain available through September 30, [2010] 2011, and of which \$8,592,383,000 shall become available on October 1, [2009] 2010, and shall remain available through September 30, [2010] 2011, for academic year [2009-2010: *Provided*, That \$13,250,000 shall be for Recording for the Blind and Dyslexic, Inc., to support the development, production, and circulation of recorded educational materials: *Provided further*, That \$737,000 shall be for the recipient of funds provided by Public Law 105-78 under section 687(b)(2)(G) of the IDEA (as in effect prior to the enactment of the Individuals with Disabilities Education Improvement Act of 2004) to provide information on diagnosis, intervention, and teaching strategies for children with disabilities] 2010-2011: *Provided* [further], That the amount for section 611(b)(2) of the IDEA shall be equal to the lesser of the amount available for that activity during fiscal year [2008] 2009, increased by the amount of inflation as specified in section 619(d)(2)(B) of the IDEA, or the [percentage increase] percent change in the funds appropriated under section 611(i) of the IDEA, but not less than the amount for that activity during fiscal year 2009: *Provided further*, That funds made available for the Special Olympics Sport and Empowerment Act of 2004 may be used to support expenses associated with the Special Olympics National and World games [hosted in the United States]. (*Department of Education Appropriations Act, 2009.*)

Program and Financing (in millions of dollars)

Identification code 91-0300-0-1-501	2008 actual	2009 est.	2010 est.	
Obligations by program activity:				
State grants:				
00.01	Grants to States	9,569	21,081	11,505
00.02	Preschool grants	377	774	374
00.03	Grants for infants and families	445	939	439

00.91	Subtotal, State grants	10,391	22,794	12,318
National activities:				
01.01	State personnel development	23	48	48
01.02	Technical assistance and dissemination	48	49	49
01.03	Personnel preparation	88	91	91
01.04	Parent information centers	26	27	27
01.05	Technology and media services	40	39	39
01.91	Subtotal, National activities	225	254	254
02.00	Total Direct Program	10,616	23,048	12,572
02.01	Special Olympics education programs	12	8	8
10.00	Total new obligations	10,628	23,056	12,580

Budgetary resources available for obligation:

21.40	Unobligated balance carried forward, start of year	79	12	
22.00	New budget authority (gross)	10,561	23,044	12,580
23.90	Total budgetary resources available for obligation	10,640	23,056	12,580
23.95	Total new obligations	-10,628	-23,056	-12,580
24.40	Unobligated balance carried forward, end of year	12		

New budget authority (gross), detail:

Discretionary:				
40.00	Appropriation	5,325	3,988	3,988
40.01	Appropriation, Recovery Act		12,200	
40.35	Appropriation permanently reduced	-188		
43.00	Appropriation (total discretionary)	5,137	16,188	3,988
55.00	Advance appropriation	5,424	6,856	8,592
70.00	Total new budget authority (gross)	10,561	23,044	12,580

Change in obligated balances:

72.40	Obligated balance, start of year	9,316	7,635	18,957
73.10	Total new obligations	10,628	23,056	12,580
73.20	Total outlays (gross)	-12,280	-11,734	-16,851
73.40	Adjustments in expired accounts (net)	-29		
74.40	Obligated balance, end of year	7,635	18,957	14,686

Outlays (gross), detail:

86.90	Outlays from new discretionary authority	3,568	5,683	6,689
86.93	Outlays from discretionary balances	8,712	6,051	10,162
87.00	Total outlays (gross)	12,280	11,734	16,851

Net budget authority and outlays:

89.00	Budget authority	10,561	23,044	12,580
90.00	Outlays	12,280	11,734	16,851

SUMMARY OF GRANTS TO STATES PROGRAM LEVEL

[in millions of dollars]

	2008-2009 Academic Year	2009-2010 Academic Year	2010-2011 Academic Year
Current Budget Authority	\$4,091	\$2,913	\$2,913
Advance appropriation	6,856	8,592	8,592
Total program level	10,947	11,505	11,505
Change in advance appropriation from the previous year	+1,432	+1,736	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 three through five 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,

SPECIAL EDUCATION—Continued

comprehensive, multi-disciplinary interagency programs to provide early intervention services to children with disabilities, birth through age two, and their families.

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

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

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

Performance data related to program goals include:

	2004-2005 actual	2005-2006 actual	2006-2007 actual
Status of Exiting Students			
Percent / number of students with disabilities aged 14-21 leaving special education:			
Graduated with a diploma	32.13% / 214,986	32.9% / 224,553	32.8% / 221,460
Graduated through certification	9.0% / 60,123	9.0% / 61,676	9.6% / 65,133
Transferred to regular education	10.1% / 67,707	10.5% / 71,473	9.9% / 66,926
Dropped out of school/not known to continue	16.6% / 111,343	15.3% / 104,414	14.9% / 100,913
Moved, but known to have continued in education	31.1% / 207,797	31.0% / 211,162	31.6% / 213,688
Reached maximum age for services/other	1.1% / 7,127	1.2% / 8,389	1.5% / 7,955
Total	100% / 669,083	100% / 681,667	100% / 676,075

Note—Percentages may not add to 100% due to rounding.

Note—Previous versions of this table did not contain the categories "Transferred to regular education" and "Moved, but known to have continued in education." The Department of Education recently revised its data collection forms to include these additional items, which track additional students with disabilities ages 14 and older who leave special education, and are mutually exclusive with other categories included in this table. Because this is the case, the percentages reported in this table are not comparable with percentages reported in the same table in previous years.

Object Classification (in millions of dollars)

Identification code 91-0300-0-1-501	2008 actual	2009 est.	2010 est.
Direct obligations:			
25.1 Advisory and assistance services		4	4
25.2 Other services	4	1	1
41.0 Grants, subsidies, and contributions	10,624	23,051	12,575
99.9 Total new obligations	10,628	23,056	12,580

REHABILITATION SERVICES AND DISABILITY RESEARCH

For carrying out, to the extent not otherwise provided, the Rehabilitation Act of 1973, the Assistive Technology Act of 1998, and the Helen Keller National Center Act, [§3,387,762,000: *Provided*, That \$3,088,000 shall be used for the projects, and in the amounts, specified under the heading "Rehabilitation Services and Disability Research" in the explanatory statement described in section 4 (in the matter preceding division A of this consolidated Act)] §3,500,735,000. (*Department of Education Appropriations Act, 2009.*)

Program and Financing (in millions of dollars)

Identification code 91-0301-0-1-506	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
00.01 Vocational rehabilitation State grants	2,874	3,515	3,085
00.02 Client assistance State grants	12	12	12
00.03 Training	38	38	38
00.04 Demonstration and training programs	10	10	7
00.05 Migrant and seasonal farmworkers	2	2	2
00.06 Recreational programs	3	2	2
00.07 Protection and advocacy of individual rights	16	17	17
00.08 Projects with industry	19	19	19

00.09 Supported employment State grants	29	29	29
00.10 Independent living	128	187	225
00.11 Program improvement	1	1	1
00.12 Evaluation	1	1	1
00.13 Helen Keller National Center	8	8	8
00.14 National Institute on Disability and Rehabilitation Research	106	108	111
00.15 Assistive technology	30	31	31
01.00 Total direct program	3,277	3,980	3,588
09.01 Reimbursable program	2	2	2
10.00 Total new obligations	3,279	3,982	3,590

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year			88
22.00 New budget authority (gross)	3,279	4,070	3,503
23.90 Total budgetary resources available for obligation	3,279	4,070	3,591
23.95 Total new obligations	-3,279	-3,982	-3,590
24.40 Unobligated balance carried forward, end of year		88	1

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	410	413	416
40.01 Appropriation, Recovery Act		680	
40.35 Appropriation permanently reduced	-7		
43.00 Appropriation (total discretionary)	403	1,093	416
58.00 Spending authority from offsetting collections: Offsetting collections (cash)	2	2	2
Mandatory:			
60.00 Appropriation	2,874	2,975	3,085
70.00 Total new budget authority (gross)	3,279	4,070	3,503

Change in obligated balances:

72.40 Obligated balance, start of year	1,430	1,452	1,519
73.10 Total new obligations	3,279	3,982	3,590
73.20 Total outlays (gross)	-3,246	-3,915	-3,848
73.40 Adjustments in expired accounts (net)	-13		
74.10 Change in uncollected customer payments from Federal sources (expired)	2		
74.40 Obligated balance, end of year	1,452	1,519	1,261

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	79	504	292
86.93 Outlays from discretionary balances	327	404	503
86.97 Outlays from new mandatory authority	1,963	2,082	2,159
86.98 Outlays from mandatory balances	877	925	894
87.00 Total outlays (gross)	3,246	3,915	3,848

Offsets:

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-4	-2	-2
Against gross budget authority only:			
88.96 Portion of offsetting collections (cash) credited to expired accounts	2		

Net budget authority and outlays:

89.00 Budget authority	3,277	4,068	3,501
90.00 Outlays	3,242	3,913	3,846

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

The program performance measures for this program are based on State VR agency performance indicators developed pursuant to Section 106 of the Rehabilitation Act. One of these indicators measures the percentage of general and combined State VR agencies that assist at least 55.8 percent of individuals receiving services to achieve an employment outcome. In 2007, 82 percent of the agencies met this performance criterion. Another indicator

measures the percentage of general and combined State VR agencies that assist at least 85 percent of individuals with employment outcomes to achieve competitive employment. In 2007, 96 percent of general and combined agencies met this performance criterion. These outcome data are based on the approximately 344,510 individuals whose service records were closed in 2007 after receiving services.

Client assistance State grants.—Formula grants are made to States to provide assistance in informing and advising clients and applicants about 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 and improve the provision of rehabilitation services or that further the purposes of 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.

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 agencies and organizations to assist individuals with disabilities to obtain or advance in employment in the competitive labor market by engaging the participation of business and industry. PWI projects provide job development, job placement, and career development services, and if needed, job training services.

Supported Employment (SE) State grants.—Formula grants are made to State VR agencies to provide supported employment services for individuals with the most significant disabilities. States use these supplemental funds in combination with the funds they receive under the VR State grants program to assist VR consumers with the most significant disabilities in achieving supported employment outcomes in integrated settings. Extended services needed to support and maintain employment after the individual has transitioned from the SE program are provided by other public or nonprofit agencies or organizations.

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.

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

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

Helen Keller National Center for Deaf-Blind Youths and Adults.—The Center provides services to deaf-blind youths and

adults and provides training and technical assistance to professional and allied personnel at its national headquarters center and through its regional representatives and affiliate agencies.

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

Assistive technology.—Assistive Technology (AT) programs support AT State grants to implement comprehensive Statewide programs designed to maximize the ability of individuals with disabilities of all ages to obtain assistive technology. States conduct activities that include alternative financing programs, device reutilization programs, device loan programs, and device demonstrations. Formula grants are also provided under the AT Protection and Advocacy program to systems established under the Developmental Disabilities Assistance and Bill of Rights Act for protection and advocacy services to assist individuals with disabilities of all ages. Funds also support national technical assistance activities for these formula grant programs.

Object Classification (in millions of dollars)

Identification code 91-0301-0-1-506	2008 actual	2009 est.	2010 est.
Direct obligations:			
25.1 Advisory and assistance services	9	11	11
25.3 Other purchases of goods and services from Government accounts	1	1	1
41.0 Grants, subsidies, and contributions	3,267	3,968	3,576
99.0 Direct obligations	3,277	3,980	3,588
99.0 Reimbursable obligations	2	2	2
99.9 Total new obligations	3,279	3,982	3,590

SPECIAL INSTITUTIONS FOR PERSONS WITH DISABILITIES

AMERICAN PRINTING HOUSE FOR THE BLIND

For carrying out the Act of March 3, 1879, \$22,599,000. (*Department of Education Appropriations Act, 2009.*)

Program and Financing (in millions of dollars)

Identification code 91-0600-0-1-501	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
00.01 American printing house for the blind	22	23	23
10.00 Total new obligations (object class 41.0)	22	23	23
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	22	23	23
23.95 Total new obligations	-22	-23	-23
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	22	23	23
Change in obligated balances:			
72.40 Obligated balance, start of year	3	5	1
73.10 Total new obligations	22	23	23
73.20 Total outlays (gross)	-20	-27	-23
74.40 Obligated balance, end of year	5	1	1
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	17	22	22
86.93 Outlays from discretionary balances	3	5	1

AMERICAN PRINTING HOUSE FOR THE BLIND—Continued
Program and Financing —Continued

Identification code 91-0600-0-1-501	2008 actual	2009 est.	2010 est.
87.00 Total outlays (gross)	20	27	23
Net budget authority and outlays:			
89.00 Budget authority	22	23	23
90.00 Outlays	20	27	23

The Federal appropriation supports: the production and distribution of free educational materials for students below the college level who are blind, research related to developing and improving products, and advisory services to consumer organizations on the availability and use of materials. In 2008, the portion of the Federal appropriation allocated to educational materials represented approximately 70 percent of the Printing House's total sales. The full appropriation represented approximately 72 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, [\$64,212,000] \$68,437,000, of which [\$1,175,000] \$5,400,000 shall be for construction and shall remain available until expended: *Provided*, That from the total amount available, the Institute may at its discretion use funds for the endowment program as authorized under section 207 of such Act. (*Department of Education Appropriations Act, 2009.*)

Program and Financing (in millions of dollars)

Identification code 91-0601-0-1-502	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
00.01 Operations	58	63	63
00.02 Construction	2	1	5
10.00 Total new obligations (object class 41.0)	60	64	68
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	60	64	68
23.95 Total new obligations	-60	-64	-68
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	61	64	68
40.35 Appropriation permanently reduced	-1		
43.00 Appropriation (total discretionary)	60	64	68
Change in obligated balances:			
72.40 Obligated balance, start of year		2	6
73.10 Total new obligations	60	64	68
73.20 Total outlays (gross)	-58	-60	-65
74.40 Obligated balance, end of year	2	6	9
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	58	59	60
86.93 Outlays from discretionary balances		1	5
87.00 Total outlays (gross)	58	60	65
Net budget authority and outlays:			
89.00 Budget authority	60	64	68
90.00 Outlays	58	60	65

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 2008, the Federal appropriation represented 75 percent of the Institute's operating budget. The request includes funds for one main construction

project, a necessary update to the heating, ventilation, and air conditioning (HVAC) system. The request also includes funds for the Endowment Grant program.

GALLAUDET UNIVERSITY

For the Kendall Demonstration Elementary School, the Model Secondary School for the Deaf, and the partial support of Gallaudet University under titles I and II of the Education of the Deaf Act of 1986, [\$124,000,000] \$120,000,000, of which [\$6,000,000] \$2,000,000 shall be for construction and shall remain available until expended: *Provided*, That from the total amount available, the University may at its discretion use funds for the endowment program as authorized under section 207 of such Act. (*Department of Education Appropriations Act, 2009.*)

Program and Financing (in millions of dollars)

Identification code 91-0602-0-1-502	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
00.01 Operations	113	118	118
00.02 Construction		6	2
10.00 Total new obligations (object class 41.0)	113	124	120
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	113	124	120
23.95 Total new obligations	-113	-124	-120
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	115	124	120
40.35 Appropriation permanently reduced	-2		
43.00 Appropriation (total discretionary)	113	124	120
Change in obligated balances:			
72.40 Obligated balance, start of year			12
73.10 Total new obligations	113	124	120
73.20 Total outlays (gross)	-113	-112	-120
74.40 Obligated balance, end of year		12	12
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	113	112	111
86.93 Outlays from discretionary balances			9
87.00 Total outlays (gross)	113	112	120
Net budget authority and outlays:			
89.00 Budget authority	113	124	120
90.00 Outlays	113	112	120

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

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

In 2008, the appropriation for Gallaudet represented 56 percent of the total revenue for university-level programs and 99 percent of the revenue related to the elementary and secondary schools. In addition, the University receives other Federal funds such as student financial aid, vocational rehabilitation, Endowment Grant program income, and competitive grants and contracts. The re-

quest includes \$2,000,000 for the demolition of two MSSD dormitories and the renovation of the remaining MSSD dormitories. The request also includes funds for the Endowment Grant program.

**OFFICE OF VOCATIONAL AND ADULT
EDUCATION**

Federal Funds

CAREER, TECHNICAL, AND ADULT EDUCATION

For carrying out, to the extent not otherwise provided, the Carl D. Perkins Career and Technical Education Act of 2006, the Adult Education and Family Literacy Act ("AEFLA"), subpart 4 of part D of title V of the Elementary and Secondary Education Act of 1965 ("ESEA") and title VIII-D of the Higher Education Amendments of 1998, **[\$1,944,348,000]** \$2,018,447,000, of which \$4,400,000 shall become available on October 1, **[2008]** 2009, and remain available until September 30, **[2010]** 2011, of which **[\$1,148,948,000]** \$1,223,047,000 shall become available on July 1, **[2009]** 2010, and shall remain available through September 30, **[2010]** 2011, and of which \$791,000,000 shall become available on October 1, **[2009]** 2010, and shall remain available through September 30, **[2010]** 2011: *Provided*, That the Secretary of Education shall first distribute up to \$66,995,000 to those States that, due to administrative error, were underpaid for fiscal years 2003 through 2008 in the amounts such States were underpaid: *Provided further*, That the Secretary shall not reduce the allocations for those years to the States that were overpaid through such error, or take other corrective action with respect to those overpayments: *Provided further*, That the additional funds provided to States to correct the administrative error shall not be considered in determining the "hold-harmless" amounts under section 211(f) of the Adult Education and Family Literacy Act for fiscal year 2011 or subsequent fiscal years: *Provided further*, That of the amount provided for Adult Education State Grants, **[\$67,896,000]** \$75,000,000 shall be made available for integrated English literacy and civics education services to immigrants and other limited English proficient populations: *Provided further*, That of the amount reserved for integrated English literacy and civics education, notwithstanding section 211 of the Adult Education and Family Literacy Act, 65 percent shall be allocated to States based on a State's absolute need as determined by calculating each State's share of a 10-year average of the United States Citizenship and Immigration Services data for immigrants admitted for legal permanent residence for the 10 most recent years, and 35 percent allocated to States that experienced growth as measured by the average of the 3 most recent years for which United States Citizenship and Immigration Services data for immigrants admitted for legal permanent residence are available, except that no State shall be allocated an amount less than \$60,000: *Provided further*, That of the amounts made available for the Adult Education and Family Literacy Act, **[\$6,878,000]** \$13,346,000 shall be for national leadership activities under section 243 [and \$6,468,000 shall be for the National Institute for Literacy under section 242]: *Provided further*, That \$88,000,000 shall be available to support the activities authorized under subpart 4 of part D of title V of the ESEA, of which up to 5 percent shall become available October 1, **[2008]** 2009, and shall remain available through September 30, **[2010]** 2011, for evaluation, technical assistance, school networks, peer review of applications, and program outreach activities, and of which not less than 95 percent shall become available on July 1, **[2009]** 2010, and remain available through September 30, **[2010]** 2011, for grants to local educational agencies: *Provided further*, That funds made available to local educational agencies under this subpart shall be used only for activities related to establishing smaller learning communities within large high schools or small high schools that provide alternatives for students enrolled in large high schools: *Provided further*, That the Secretary of Education may use amounts available under this heading for the necessary costs of any close-out of the National Institute for Literacy. (Department of Education Appropriations Act, 2009.)

Program and Financing (in millions of dollars)

Identification code 91-0400-0-1-501	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
00.01 State grants	1,164	1,162	1,161
00.02 National programs	10	16	8
00.04 Tech prep education State grants	103	103	103
00.91 Total, Career and technical education	1,277	1,281	1,272
01.01 State grants	555	564	628
01.02 National leadership activities	8	14	13
01.03 National Institute for Literacy	6	12	.....
01.91 Total, adult education	569	590	641
02.01 Smaller learning communities	120	142	88
03.01 State grants for workplace and community transition training of incarcerated individuals	22	17	17
09.01 Reimbursable program	1	.....	.....
10.00 Total new obligations	1,989	2,030	2,018
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	132	86	.....
22.00 New budget authority (gross)	1,942	1,944	2,018
22.10 Resources available from recoveries of prior year obligations ...	1	.....	.....
23.90 Total budgetary resources available for obligation	2,075	2,030	2,018
23.95 Total new obligations	-1,989	-2,030	-2,018
24.40 Unobligated balance carried forward, end of year	86	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,185	1,153	1,227
40.35 Appropriation permanently reduced	-35	.....	.....
43.00 Appropriation (total discretionary)	1,150	1,153	1,227
55.00 Advance appropriation from prior year	791	791	791
58.10 Spending authority from offsetting collections: Change in uncollected customer payments from Federal sources (unexpired)	1	.....	.....
70.00 Total new budget authority (gross)	1,942	1,944	2,018
Change in obligated balances:			
72.40 Obligated balance, start of year	1,792	1,877	1,819
73.10 Total new obligations	1,989	2,030	2,018
73.20 Total outlays (gross)	-1,895	-2,088	-1,956
73.40 Adjustments in expired accounts (net)	-7	.....	.....
73.45 Recoveries of prior year obligations	-1	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-1	.....	.....
74.40 Obligated balance, end of year	1,877	1,819	1,881
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	570	613	615
86.93 Outlays from discretionary balances	1,325	1,475	1,341
87.00 Total outlays (gross)	1,895	2,088	1,956
Offsets:			
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-1	.....	.....
Net budget authority and outlays:			
89.00 Budget authority	1,941	1,944	2,018
90.00 Outlays	1,895	2,088	1,956

Career and Technical Education

State grants.—Funds support formula grants to States for programs that focus on improving the academic achievement and career and technical skills of secondary and postsecondary students.

National programs.—Funds support discretionary activities to help improve career and technical education programs in high schools and community colleges, including a national research center on career and technical education, and evaluation activities.

Tech prep education state grants.—Funds support formula grants to States for the development of structural links between

CAREER, TECHNICAL AND ADULT EDUCATION—Continued

secondary and postsecondary institutions that integrate academic and career and technical education.

Adult education

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

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.

Smaller learning communities.—Funds provide competitive awards to LEAs to support the creation of smaller, more personalized learning environments in large high schools.

State grants for workplace and community transition training of incarcerated individuals.—Funds support formula grants to State correctional agencies that assist and encourage incarcerated individuals to acquire postsecondary education, counseling, and vocational training.

Object Classification (in millions of dollars)

Identification code 91-0400-0-1-501	2008 actual	2009 est.	2010 est.
Direct obligations:			
11.3 Personnel compensation: Other than full-time permanent	1	2	.....
25.1 Advisory and assistance services	3	13	18
25.2 Other services	5	9	12
25.5 Research and development contracts	10	16	4
41.0 Grants, subsidies, and contributions	1,967	1,989	1,984
99.0 Direct obligations	1,986	2,029	2,018
99.0 Reimbursable obligations	1	.....	.....
99.5 Below reporting threshold	2	1	.....
99.9 Total new obligations	1,989	2,030	2,018

Employment Summary

Identification code 91-0400-0-1-501	2008 actual	2009 est.	2010 est.
Direct:			
1001 Civilian full-time equivalent employment	13	16	.....

OFFICE OF POSTSECONDARY EDUCATION

Federal Funds

HIGHER EDUCATION

For carrying out, to the extent not otherwise provided, titles [II,] III, IV, V, VI, and VII of the Higher Education Act of 1965 ("HEA"), section 1543 of the Higher Education Amendments of 1992, the Mutual Educational and Cultural Exchange Act of 1961, title VIII of the Higher Education Amendments of 1998, part I of subtitle A of title VI of the America COMPETES Act, [section 515 of the Federal Mine Safety and Health Act of 1977,] and section 117 of the Carl D. Perkins Career and Technical Education Act of 2006, [\$2,100,150,000] \$2,000,191,000: *Provided*, That \$9,687,000, to remain available through September 30, [2010] 2011, shall be available to fund fellowships for academic year [2010-2011] 2011-2012 under subpart 1 of part A of title VII of the HEA, under the terms and conditions of such subpart 1: *Provided further*, That \$609,000 shall be for data collection and evaluation activities for programs under the HEA, including such activities needed to comply with the Government Performance and Results Act of 1993: *Provided further*, That notwithstanding any other provision of law, funds made available in this Act to carry out title VI of the HEA and section 102(b)(6) of the Mutual Educational and Cultural Exchange Act of 1961 may be used to support visits and study in foreign countries by individuals who are participating in

advanced foreign language training and international studies in areas that are vital to United States national security and who plan to apply their language skills and knowledge of these countries in the fields of government, the professions, or international development: *Provided further*, That of the funds referred to in the preceding proviso up to 1 percent may be used for program evaluation, national outreach, and information dissemination activities: [Provided further, That up to \$6,556,000 shall be available to continue funding for recipients of multi-year awards under section 204 of the HEA, as that Act was in effect prior to the date of enactment of the Higher Education Opportunity Act ("HEOA"), in accordance with the terms of their awards: *Provided further*, That notwithstanding any other provision of law, funds available under section 371 of the HEA for Tribal Colleges and Universities may be used for construction grants, including such funds to recipients of continuation grants for multi-year awards that were made in fiscal year 2008 under section 316 of the HEA, as that Act was in effect prior to the date of enactment of the HEOA, in accordance with the terms of such multi-year awards:] *Provided further*, That notwithstanding any other provision of law, a recipient of a multi-year award under section 316 of the HEA, as that section was in effect prior to the date of enactment of the [HEOA] Higher Education Opportunity Act ("HEOA"), that would have otherwise received a continuation award for fiscal year [2009] 2010 under that section, shall receive under section 316, as amended by the HEOA, not less than the amount that such recipient would have received under such a continuation award: *Provided further*, That the portion of the funds received under section 316 by a recipient described in the preceding proviso that is equal to the amount of such continuation award shall be used in accordance with the terms of such continuation award: *Provided further*, That \$1,000,000, to remain available until expended, shall be available to carry out a scholarship program for the purpose of increasing the skilled workforce for industrial health and safety occupations, including mine safety: *Provided further*, That the Secretary of Education shall identify these scholarships as "Erma Byrd Scholarships": *Provided further*, That such scholarships shall be awarded without regard to an applicant's prior work experience, but the Secretary shall, notwithstanding section 437 of the General Education Provisions Act and 5 U.S.C. 553, by notice in the Federal Register, establish the eligibility requirements, service obligations, payback requirements, and other program requirements similar to those specified in section 515 of the Federal Mine Safety and Health Act as are necessary to implement such a program: *Provided further*, That such scholarship funds may be used to replace a student's expected family contribution, but institutions accepting such scholarship funds may not use these funds to supplant existing institutional aid: *Provided further*, That the Secretary shall be authorized to accept contributions for such scholarships from private sources: *Provided further*, That these funds shall be used for scholarships for academic year [2009-2010] 2010-2011 and may be available for scholarships in academic year [2010-2011: *Provided further*, That \$91,243,000 shall be used for the projects, and in the amounts, specified under the heading "Higher Education" in the explanatory statement described in section 4 (in the matter preceding division A of this consolidated Act)] 2011-2012. (*Department of Education Appropriations Act, 2009.*)

Program and Financing (in millions of dollars)

Identification code 91-0201-0-1-502	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
00.01 Strengthening institutions	78	80	84
00.02 Strengthening tribally controlled colleges and universities	53	53	24
00.03 Strengthening Alaska Native and Native Hawaiian-serving institutions	20	32	12
00.04 Strengthening historically Black colleges and universities	323	323	250
00.05 Strengthening historically Black graduate institutions	57	58	61
00.06 Masters degree programs for HBCUs and predominantly Black institutions .....	.....	11	11
00.07 Strengthening predominantly Black institutions	12	17	8
00.08 Strengthening Asian American and Native American Pacific Islander-serving institutions	5	8	3
00.09 Strengthening Native American-serving nontribal institutions	5	5	3
00.10 Minority science and engineering improvement	9	9	9
00.91 Subtotal, aid for institutional development	562	596	465
Other aid for institutions:			
01.01 Developing Hispanic-serving institutions	93	93	98

01.02	Developing Hispanic-serving institution STEM and articulation programs	100	100	.....
01.03	Promoting baccalaureate opportunities for Hispanic Americans		11	11
01.04	International education and foreign language studies	109	119	119
01.05	Fund for the Improvement of Postsecondary Education	120	134	47
01.06	Demonstration projects to support postsecondary faculty, staff, and administrators in educating students with disabilities	7	7	7
01.07	Interest subsidy grants	1	1	1
01.08	Tribally controlled postsecondary vocational and technical institutions	7	8	8
01.91	Subtotal, other aid for institutions	437	473	291
	Assistance for students:			
02.01	Federal TRIO programs	885	905	905
02.02	Gaining early awareness and readiness for undergraduate programs (GEAR UP)	303	313	313
02.03	Byrd honors scholarships	40	41	41
02.04	Javits fellowships	10	10	10
02.05	Graduate assistance in areas of national need	30	31	31
02.06	Thurgood Marshall legal educational opportunity	3	3	3
02.07	B.J. Stupak Olympic scholarships	1	1	1
02.08	Child care access means parents in school	16	16	16
02.91	Subtotal, assistance for students	1,288	1,320	1,320
03.01	Teachers for a competitive tomorrow	2	2	2
03.02	Teacher quality partnerships	34	150	.....
03.03	GPRA data/HEA program evaluation	1	1	1
03.04	Underground railroad program	2	2	2
03.06	College access challenge grant program	66	66	.....
03.07	Hurricane aid for postsecondary institutions		15	.....
03.91	Subtotal, other higher education activities	105	236	5
10.00	Total new obligations	2,392	2,625	2,081
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	14	27	12
22.00	New budget authority (gross)	2,415	2,601	2,080
22.30	Expired unobligated balance transfer to unexpired account		9	.....
23.90	Total budgetary resources available for obligation	2,429	2,637	2,092
23.95	Total new obligations	-2,392	-2,625	-2,081
23.98	Unobligated balance expiring or withdrawn	-10	.....	.....
24.40	Unobligated balance carried forward, end of year	27	12	11
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	2,073	2,100	2,000
40.01	Appropriation, Recovery Act		100	.....
40.35	Appropriation permanently reduced	-36	.....	.....
43.00	Appropriation (total discretionary)	2,037	2,200	2,000
Mandatory:				
60.00	Appropriation	378	401	80
70.00	Total new budget authority (gross)	2,415	2,601	2,080
Change in obligated balances:				
72.40	Obligated balance, start of year	2,719	3,057	3,335
73.10	Total new obligations	2,392	2,625	2,081
73.20	Total outlays (gross)	-2,029	-2,347	-2,519
73.40	Adjustments in expired accounts (net)	-25	.....	.....
74.40	Obligated balance, end of year	3,057	3,335	2,897
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	52	105	100
86.93	Outlays from discretionary balances	1,949	1,978	2,077
86.97	Outlays from new mandatory authority	28	20	4
86.98	Outlays from mandatory balances		244	338
87.00	Total outlays (gross)	2,029	2,347	2,519
Net budget authority and outlays:				
89.00	Budget authority	2,415	2,601	2,080
90.00	Outlays	2,029	2,347	2,519

Aid for institutional development:

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

Strengthening tribally controlled colleges and universities.—Funds support grants to American Indian tribally controlled colleges and universities with scarce resources to enable them to improve and expand their capacity to serve Indian students.

Strengthening Alaska Native and Native Hawaiian-serving institutions.—Funds support Alaska Native and Native Hawaiian-serving institutions to enable them to improve and expand their capacity to serve Alaska Native and Native Hawaiian students.

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

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

Master's degree programs at historically Black colleges and universities and predominantly Black institutions.—Mandatory funds support Historically Black Colleges and Universities (HBCUs) and Predominantly Black Institutions (PBIs) to improve and expand their capacity to serve students, and to strengthen management and fiscal operations.

Strengthening predominantly Black institutions.—Funds support grants to predominantly Black institutions to plan, develop, undertake, and implement programs to enhance the institution's capacity to serve more low- and middle-income Black American students; to expand higher education opportunities for students; and to strengthen the financial ability of the PBI to serve the academic needs of students.

Strengthening Asian American and Native American Pacific Islander-serving institutions.—Funds support grants to help Asian American and Native American Pacific Islander-serving institutions to improve and expand their capacity to serve students, and to strengthen management and fiscal operations.

Strengthening Native American-serving nontribal institutions.—Funds support grants to help Native American-serving nontribal institutions to improve and expand their capacity to serve Native American students.

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

Aid for Hispanic-serving institutions:

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

Promoting postbaccalaureate opportunities for Hispanic Americans.—Mandatory funds support Hispanic-serving Institutions to enable them to expand and improve postbaccalaureate educational opportunities and the academic attainment of Hispanic students.

Other aid for institutions:

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

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

Demonstration projects to support postsecondary faculty, staff, and administrators in educating students with disabilities.—Funds support technical assistance and professional development activities for faculty and administrators in institutions

HIGHER EDUCATION—Continued

of higher education in order to improve the quality of education for students with disabilities.

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

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

Assistance for students:

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

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

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

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

Thurgood Marshall legal educational opportunity program.—Funds support grants to provide low-income, minority, or disadvantaged secondary school and college students with the information, preparation, and financial assistance needed to gain access to and complete law school study and admission to law practice.

B.J. Stupak Olympic scholarships.—Funds support scholarships to athletes who are training at the United States Olympic Education Center or one of the United States Olympic Training Centers and who are pursuing a postsecondary education.

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

Teachers for a competitive tomorrow: Baccalaureate STEM and foreign language teacher training.—Funds support grants to enhance and improve teachers content knowledge by funding the development of baccalaureate level degree programs that provide integrated courses of study in science, technology, engineering, mathematics (STEM), or critical foreign languages, and teacher education.

Teachers for a competitive tomorrow: Masters STEM and foreign language teacher training.—Funds support grants to enhance and improve teachers content knowledge by funding the development of masters level degree programs that provide integrated courses of study in science, technology, engineering, mathematics (STEM), or critical foreign languages, and teacher education.

Other activities:

GPRA data/HEA program evaluation: Funds support data collection and evaluation activities for programs under the Higher Education Act (HEA) of 1965, including such activities

needed to comply with the Government Performance and Results Act (GPRA) of 1993.

Underground railroad program.—Funds support grants to nonprofit educational organizations to establish facilities that house, display, interpret, and communicate information regarding artifacts and other materials relating to the history of the Underground Railroad, as well as to make the interpretive efforts available to elementary and secondary schools, institutions of higher education, and the general public.

Object Classification (in millions of dollars)

Identification code 91-0201-0-1-502	2008 actual	2009 est.	2010 est.
Direct obligations:			
25.1 Advisory and assistance services	3	2	4
25.2 Other services	8	9	9
25.3 Other purchases of goods and services from Government accounts	2	2	2
25.7 Operation and maintenance of equipment	1	1	1
41.0 Grants, subsidies, and contributions	2,378	2,611	2,065
99.9 Total new obligations	2,392	2,625	2,081

HOWARD UNIVERSITY

For partial support of Howard University, \$234,977,000, of which not less than **[\$3,464,000]** \$3,600,000 shall be for a matching endowment grant pursuant to the Howard University Endowment Act and shall remain available until expended. (*Department of Education Appropriations Act, 2009.*)

Program and Financing (in millions of dollars)

Identification code 91-0603-0-1-502	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
00.01 General support	204	206	206
00.02 Howard University Hospital	29	29	29
10.00 Total new obligations (object class 41.0)	233	235	235
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	4	4	4
22.00 New budget authority (gross)	233	235	235
23.90 Total budgetary resources available for obligation	237	239	239
23.95 Total new obligations	-233	-235	-235
24.40 Unobligated balance carried forward, end of year	4	4	4
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	237	235	235
40.35 Appropriation permanently reduced	-4		
41.00 Transferred to other accounts	-3		
42.00 Transferred from other accounts	3		
43.00 Appropriation (total discretionary)	233	235	235
Change in obligated balances:			
72.40 Obligated balance, start of year		3	10
73.10 Total new obligations	233	235	235
73.20 Total outlays (gross)	-230	-228	-235
74.40 Obligated balance, end of year	3	10	10
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	230	221	221
86.93 Outlays from discretionary balances		7	14
87.00 Total outlays (gross)	230	228	235
Net budget authority and outlays:			
89.00 Budget authority	233	235	235
90.00 Outlays	230	228	235

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 2008, Federal funding represented approximately 50 percent of the university's revenue.

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM

For Federal administrative expenses to carry out activities related to existing facility loans pursuant to section 121 of the Higher Education Act of 1965, \$461,000.

HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING PROGRAM ACCOUNT

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

For the cost of guaranteed loans, 【\$10,000,000】 \$20,228,000, as authorized pursuant to Part D of title III of the 【HEA】 *Higher Education Act of 1965 ("HEA")*: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed 【\$100,000,000】 \$178,221,000. In addition, for administrative expenses to carry out the Historically Black College and University Capital Financing Program entered into pursuant to part D of title III of the HEA, \$354,000. (*Department of Education Appropriations Act, 2009.*)

Program and Financing (in millions of dollars)

Identification code 91-0241-0-1-502	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
00.01 Direct loan subsidy		10	20
00.05 Reestimates of direct loan subsidy	2	1	
00.06 Interest on reestimates of direct loan subsidy	16	1	
00.09 Federal administration	1	1	1
10.00 Total new obligations	19	13	21
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	19	13	21
23.95 Total new obligations	-19	-13	-21
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1	11	21
Mandatory:			
60.00 Appropriation	18	2	
70.00 Total new budget authority (gross)	19	13	21
Change in obligated balances:			
73.10 Total new obligations	19	13	21
73.20 Total outlays (gross)	-19	-13	-21
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1	11	21
86.97 Outlays from new mandatory authority	18	2	
87.00 Total outlays (gross)	19	13	21
Net budget authority and outlays:			
89.00 Budget authority	19	13	21
90.00 Outlays	19	13	21

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

Identification code 91-0241-0-1-502	2008 actual	2009 est.	2010 est.
Direct loan levels supportable by subsidy budget authority:			
115002 Historically Black Colleges and Universities		61	178

115999 Total direct loan levels		61	178
Direct loan subsidy (in percent):			
132002 Historically Black Colleges and Universities	0.00	16.31	11.35
132999 Weighted average subsidy rate	0.00	16.31	11.35
Direct loan subsidy budget authority:			
133002 Historically Black Colleges and Universities		10	20
133999 Total subsidy budget authority		10	20
Direct loan subsidy outlays:			
134002 Historically Black Colleges and Universities		10	20
134999 Total subsidy outlays		10	20
Direct loan upward reestimates:			
135001 College housing and academic facilities loans		1	
135002 Historically Black Colleges and Universities	2	1	
135003 HBCU Hurricane Supplemental	16		
135999 Total upward reestimate budget authority	18	2	
Direct loan downward reestimates:			
137001 College housing and academic facilities loans	-2	-1	
137002 Historically Black Colleges and Universities	-1	-2	
137003 HBCU Hurricane Supplemental	-17	-25	
137999 Total downward reestimate budget authority	-20	-28	
Administrative expense data:			
3510 Budget authority	1	1	1
3590 Outlays from new authority	1	1	1

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

College Housing and Academic Facilities Loans Program.—Funds for this activity pay the Federal costs for administering the College Housing and Academic Facilities Loans (CHAFL), College Housing Loans (CHL), and Higher Education Facilities Loans (HEFL) programs. Prior to 1994, these programs provided financing for the construction, reconstruction, and renovation of housing, academic, and other educational facilities. Although no new loans have been awarded since 1993, costs for administering the outstanding loans will remain through 2030.

Historically Black College and University Capital Financing Program.—The Historically Black College and University (HBCU) Capital Financing Program provides HBCUs with access to capital financing for the repair, renovation, and construction of classrooms, libraries, laboratories, dormitories, instructional equipment, and research instrumentation. The authorizing statute gives the Department authority to enter into insurance agreements with a private for-profit Designated Bonding Authority. The bonding authority issues the loans and maintains an escrow account in which five percent of each institution's principal is deposited. The Administration's proposal would include \$20.228 million in loan subsidy, allowing the program to guarantee an estimated \$178 million in new loans in 2010. In addition, the Administration's proposal provides funds for Federal administrative activities. These funds will allow the Department to provide technical assistance activities that improve the financial stability of HBCUs.

Object Classification (in millions of dollars)

Identification code 91-0241-0-1-502	2008 actual	2009 est.	2010 est.
41.0 Direct obligations: Grants, subsidies, and contributions	18	12	20
99.5 Below reporting threshold	1	1	1
99.9 Total new obligations	19	13	21

**COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM
ACCOUNT—Continued
Employment Summary**

Identification code 91-0241-0-1-502	2008 actual	2009 est.	2010 est.
Direct:			
1001 Civilian full-time equivalent employment	4	4	4

**COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS FINANCING ACCOUNT
Program and Financing (in millions of dollars)**

Identification code 91-4252-0-3-502	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
00.02 Interest paid to Treasury	1	1	1
08.02 Payment of downward reestimates		1	
08.04 Payment of interest on downward reestimates to receipt account	2		
08.91 Direct Program by Activities - Subtotal (1 level)	2	1	
10.00 Total new obligations	3	2	1
Budgetary resources available for obligation:			
22.00 New financing authority (gross)	3	2	1
23.95 Total new obligations	-3	-2	-1
New financing authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	6	2	2
69.47 Portion applied to repay debt	-3		-1
69.90 Spending authority from offsetting collections (total mandatory)	3	2	1
Change in obligated balances:			
73.10 Total new obligations	3	2	1
73.20 Total financing disbursements (gross)	-3	-2	-1
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	3	2	1
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-1		
88.40 Interest repayments	-1	-1	-1
88.40 Principal repayments	-4	-1	-1
88.90 Total, offsetting collections (cash)	-6	-2	-2
Net financing authority and financing disbursements:			
89.00 Financing authority	-3		-1
90.00 Financing disbursements	-3		-1

Status of Direct Loans (in millions of dollars)

Identification code 91-4252-0-3-502	2008 actual	2009 est.	2010 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	16	12	11
1251 Repayments: Repayments and prepayments	-4	-1	-1
1290 Outstanding, end of year	12	11	10

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

Balance Sheet (in millions of dollars)

Identification code 91-4252-0-3-502	2007 actual	2008 actual
ASSETS:		
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	16	12
1405 Allowance for subsidy cost (-)	-3	-1
1499 Net present value of assets related to direct loans	13	11
1999 Total assets	13	11
LIABILITIES:		
2103 Federal liabilities: Debt	13	11
2999 Total liabilities	13	11
4999 Total liabilities and net position	13	11

**COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS LIQUIDATING ACCOUNT
Program and Financing (in millions of dollars)**

Identification code 91-0242-0-1-502	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
00.02 Interest paid to Treasury	7	7	6
10.00 Total new obligations (object class 43.0)	7	7	6
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	7	7	6
23.95 Total new obligations	-7	-7	-6
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	2	2	2
69.00 Offsetting collections (cash)	27	27	26
69.27 Capital transfer to general fund	-19	-19	-19
69.47 Portion applied to repay debt	-3	-3	-3
69.90 Spending authority from offsetting collections (total mandatory)	5	5	4
70.00 Total new budget authority (gross)	7	7	6
Change in obligated balances:			
72.40 Obligated balance, start of year	1	1	1
73.10 Total new obligations	7	7	6
73.20 Total outlays (gross)	-7	-7	-6
74.40 Obligated balance, end of year	1	1	1
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	7	7	6
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.40 Repayments of principal	-19	-19	-19
88.40 Interest received on loans	-8	-8	-7
88.90 Total, offsetting collections (cash)	-27	-27	-26
Net budget authority and outlays:			
89.00 Budget authority	-20	-20	-20
90.00 Outlays	-20	-20	-20

Status of Direct Loans (in millions of dollars)

Identification code 91-0242-0-1-502	2008 actual	2009 est.	2010 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	216	198	195
1251 Repayments: Repayments and prepayments	-18	-3	-4
1290 Outstanding, end of year	198	195	191

As required by the Federal Credit Reform Act of 1990, the College Housing and Academic Facilities Loans Liquidating Account records all cash flows to and from the Government resulting from direct loans obligated prior to 1992. This account includes loans

made under the College Housing and Academic Facilities Loans, College Housing Loans, and Higher Education Facilities Loans programs, which continue to be administered separately.

Balance Sheet (in millions of dollars)

Identification code 91-0242-0-1-502	2007 actual	2008 actual
ASSETS:		
1601 Direct loans, gross	216	198
1602 Interest receivable	5	5
1699 Value of assets related to direct loans	221	203
1999 Total assets	221	203
LIABILITIES:		
Federal liabilities:		
2103 Debt	67	64
2104 Resources payable to Treasury	154	139
2999 Total liabilities	221	203
4999 Total liabilities and net position	221	203

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	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
00.01 Direct loan awards		61	178
00.02 Interest paid to Treasury	8	11	10
00.03 Subsidy Payments - Interest Subsidy	7	3	
00.91 Subtotal	15	75	188
08.02 Payment of downward reestimate	18	24	
08.04 Interest on downward reestimates		3	
08.91 Subtotal	18	27	
10.00 Total new obligations	33	102	188
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	319	329	329
22.00 New financing authority (gross)	43	102	229
23.90 Total budgetary resources available for obligation	362	431	558
23.95 Total new obligations	-33	-102	-188
24.40 Unobligated balance carried forward, end of year	329	329	370
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow		61	178
69.00 Offsetting collections (cash)	47	71	78
69.47 Portion applied to repay debt	-4	-30	-27
69.90 Spending authority from offsetting collections (total mandatory)	43	41	51
70.00 Total new financing authority (gross)	43	102	229
Change in obligated balances:			
72.40 Obligated balance, start of year	308	283	287
73.10 Total new obligations	33	102	188
73.20 Total financing disbursements (gross)	-58	-98	-133
74.40 Obligated balance, end of year	283	287	342
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	58	98	133
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-18	-12	-20
88.25 Interest on uninvested funds	-17	-18	-21
88.40 Interest repayments	-8	-11	-10
88.40 Principal repayments	-4	-30	-27
88.90 Total, offsetting collections (cash)	-47	-71	-78

Net financing authority and financing disbursements:

89.00 Financing authority	-4	31	151
90.00 Financing disbursements	11	27	55

Status of Direct Loans (in millions of dollars)

Identification code 91-4255-0-3-502	2008 actual	2009 est.	2010 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans		61	178
1150 Total direct loan obligations		61	178
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	314	338	395
1231 Disbursements: Direct loan disbursements	28	87	123
1251 Repayments: Repayments and prepayments	-4	-30	-27
1290 Outstanding, end of year	338	395	491

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

Balance Sheet (in millions of dollars)

Identification code 91-4255-0-3-502	2007 actual	2008 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	319	332
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	314	337
1402 Interest receivable	5	
1499 Net present value of assets related to direct loans	319	337
1999 Total assets	638	669
LIABILITIES:		
Federal liabilities:		
2102 Interest payable	5	
2103 Debt	314	337
2201 Non-Federal liabilities: Undisbursed direct loans	319	332
2999 Total liabilities	638	669
4999 Total liabilities and net position	638	669

OFFICE OF FEDERAL STUDENT AID**Federal Funds**

STUDENT FINANCIAL ASSISTANCE

(INCLUDING [DEFERRAL] CANCELLATION OF FUNDS)

For carrying out subparts [1,] 3[.], and 4 of part A, and part C [and part E] of title IV of the Higher Education Act of 1965, [\$19,156,973,000] \$1,801,809,000, which shall remain available through September 30, [2010] 2011.

[The maximum Pell Grant for which a student shall be eligible during award year 2009-2010 shall be \$4,860.]

Of the funds made available under section 401A(e)(1)(D) of the Higher Education Act of 1965, [\$887,000,000 shall not be available until October 1, 2009] \$511,000,000 is hereby permanently cancelled. (Department of Education Appropriations Act, 2009.)

STUDENT FINANCIAL ASSISTANCE—Continued
Program and Financing (in millions of dollars)

Identification code 91-0200-0-1-502	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
01.01 Federal Pell grants	18,000	24,815	7,087
02.01 Federal supplemental educational opportunity grants (SEOG)	759	759	757
02.02 Federal work-study	989	1,181	981
02.04 Federal Perkins loans: Loan cancellations	64	67	.....
02.91 Campus-based activities - Subtotal (1 level)	1,812	2,007	1,738
03.01 Leveraging educational assistance partnership	64	64	64
10.00 Total new obligations (object class 41.0)	19,876	26,886	8,889
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2,191	483	11,327
22.00 New budget authority (gross)	18,122	37,730	5,663
22.10 Resources available from recoveries of prior year obligations	46	.....	.....
23.90 Total budgetary resources available for obligation	20,359	38,213	16,990
23.95 Total new obligations	-19,876	-26,886	-8,889
24.40 Unobligated balance carried forward, end of year	483	11,327	8,101
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	16,114	19,157	1,802
40.01 Appropriation, Recovery Act .....	.....	15,840	.....
40.35 Appropriation permanently reduced	-33	.....	.....
43.00 Appropriation (total discretionary)	16,081	34,997	1,802
Mandatory:			
60.00 Appropriation	2,041	2,733	3,861
70.00 Total new budget authority (gross)	18,122	37,730	5,663
Change in obligated balances:			
72.40 Obligated balance, start of year	9,560	12,250	16,663
73.10 Total new obligations	19,876	26,886	8,889
73.20 Total outlays (gross)	-17,081	-22,473	-23,414
73.40 Adjustments in expired accounts (net)	-59	.....	.....
73.45 Recoveries of prior year obligations	-46	.....	.....
74.40 Obligated balance, end of year	12,250	16,663	2,138
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	5,018	9,071	187
86.93 Outlays from discretionary balances	11,500	11,060	20,341
86.97 Outlays from new mandatory authority	563	886	1,042
86.98 Outlays from mandatory balances .....	.....	1,456	1,844
87.00 Total outlays (gross)	17,081	22,473	23,414
Net budget authority and outlays:			
89.00 Budget authority	18,122	37,730	5,663
90.00 Outlays	17,081	22,473	23,414

Summary of Budget Authority and Outlays (in millions of dollars)

	2008 actual	2009 est.	2010 est.
Enacted/requested:			
Budget Authority	18,122	37,730	5,663
Outlays	17,081	22,473	23,414
Amounts included in baseline projection of current policy:			
Budget Authority .....	.....	.....	17,461
Outlays .....	.....	.....	4,751
Legislative proposal, subject to PAYGO:			
Budget Authority .....	.....	.....	-28,345
Outlays .....	.....	.....	-7,724
Total:			
Budget Authority	18,122	37,730	-5,221
Outlays	17,081	22,473	20,441

Status of Direct Loans (in millions of dollars)

Identification code 91-0200-0-1-502	2008 actual	2009 est.	2010 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	313	311	309
1251 Repayments: Repayments and prepayments	-22	-22	-22
Write-offs for default:			

1263 Direct loans	-7	-7	-7
1264 Other adjustments, net (+ or -)	27	27	27
1290 Outstanding, end of year	311	309	307

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

Funding from the Student Financial Assistance account and related matching funds would provide nearly 9.8 million awards totaling over \$30.9 billion in available aid in award year 2010-2011 when combined with the new Federal Pell Grants account below.

Federal Pell Grants.—Pell Grants are the single largest source of grant aid for postsecondary education. More detail on this program is provided in the new Federal Pell Grants account below.

Federal supplemental educational opportunity grants (SEOG).—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 these grants cannot exceed 75 percent of the total grant. The 2010 Budget includes \$757 million for SEOG, which would generate \$959 million in new aid to 1.3 million students.

Federal Work-Study.—Federal funds are awarded by formula to qualifying institutions, which provide part-time jobs to eligible undergraduate and graduate students. Hourly earnings under this program must be at least equal to the Federal minimum wage. Federal funding in most cases pays 75 percent of a student's hourly wages, with the remaining 25 percent paid by the employer. The Federal Work-Study program also requires participating institutions to use at least 7 percent of the total funds granted to compensate students employed in community service jobs. The 2010 Budget includes \$980 million for Work-Study, which would generate \$1.2 million in new aid to nearly 800,000 students.

Federal Perkins Loans.—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. No new Federal Capital Contributions have been appropriated since 2004. Under the Perkins Loan cancellation program, institutional revolving funds are reimbursed for indebtedness cancelled as a result of borrowers engaging in certain statutorily designated public service activities.

The 2010 Budget proposes to modernize and expand the Perkins Loan program so more colleges can participate and more students receive access to greater aid. Under this proposal, annual loans to students would increase to \$6 billion from the current \$1 billion. Rather than operating through institutional revolving funds, under the proposal Perkins Loans would be delivered using the same method as Pell Grants and Direct Loans, and would be serviced by the same private-sector companies servicing Direct Loans and FFEL loans acquired by the Department. Loan volume would be allocated among degree-granting institutions using a method to be determined in consultation with Congress. The Administration intends for this new formula to encourage colleges to control costs and offer need-based aid to prevent excessive indebtedness. It may also reward schools that enroll and graduate students from low- and middle-income families.

Schools would have discretion with regard to student eligibility. Perkins Loan borrowers would continue to be charged the current 5 percent interest rate; interest would accrue while students are in school. Other terms and conditions and loan maximums would be the same as the current Unsubsidized Stafford Loan program. As current Perkins Loan borrowers repay their loans, schools would remit the Federal share of those payments to the Depart-

ment of Education. Schools would retain their own share of the revolving funds, as well as amounts sufficient to cover the costs of the various Perkins Loan forgiveness provisions. Schools would be free to use their returned share for any purpose. Mandatory loan subsidy costs associated with this proposal are shown in the Federal Perkins Loan program account.

Leveraging educational assistance partnerships (LEAP).—Under this 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 a dollar-for-dollar basis and comply with statutory maintenance of effort requirements. State awards to students may not exceed \$12,500 per academic year.

Appropriations in excess of \$30 million are reserved for Grants for Access and Persistence (GAP), a new program created by the Higher Education Opportunity Act of 2008 (HEOA). (GAP replaces the Special LEAP program, which was eliminated by the HEOA.) Under GAP, States may expand partnerships with institutions, private and philanthropic organizations, and community groups to encourage low-income students to attend and complete a higher education; provide need-based grants to encourage access and persistence; provide early notification to low-income students of their eligibility for need-based aid; and encourage participation in early intervention, mentoring, and outreach programs. The Federal share of these new activities cannot exceed 66.66 percent.

The 2010 Budget includes \$64 million for LEAP, which would generate \$162 million in aid to 162,000 students.

College access and completion fund.—The Budget includes \$500 million in 2010 and \$2.5 billion over five years to fund national and State efforts to improve degree attainment rates in higher education and identify and promote what works in helping needy students get a degree. States would have considerable flexibility in the types of programs that can be funded. The proposed Fund would emphasize programs with strong evaluation components. States could also set aside a portion of their funding to continue college outreach and information activities now undertaken by guaranty agencies in the Federal Family Education Loan program. The method of allocating funds to States and national activities will be developed in consultation with Congress.

Funding tables.—The following tables display student aid funds available, the number of aid awards, average awards, and the unduplicated count of recipients from any Federal student aid program. The tables include aid from programs in the Student Financial Assistance account, as well as aid from the Academic Competitiveness/SMART Grant, TEACH Grant, Federal Family Education Loan, and William D. Ford Direct Student Loan programs. Loan amounts reflect the capital actually loaned, not the Federal cost of these loans. The data in these tables include matching funds wherever appropriate. The 2010 data in these tables reflect the Administration's legislative proposals. Therefore, all the following tables include 2010 FFEL data only for the first three quarters of 2010, based on the budget proposal to transfer all loan activity to the Direct Loan program beginning with Academic Year 2010-2011 (July 2010).

AID FUNDS AVAILABLE FOR POSTSECONDARY EDUCATION AND TRAINING

	[in thousands]		
	2008	2009	2010
Pell grants	18,181,397	25,328,889	28,616,050
Academic competitiveness grants	372,000	554,000	608,000
SMART grants	221,000	331,000	337,000
Student loans:			
Guaranteed student loans:			
Stafford loans	23,054,541	23,885,397	13,919,818
Unsubsidized Stafford loans	26,034,305	31,391,837	20,310,749
PLUS	8,207,125	8,702,428	4,062,560

Direct student loans:			
Stafford loans	7,380,389	8,463,896	19,939,960
Unsubsidized Stafford loans	7,627,694	9,596,055	23,708,918
PLUS	3,204,964	3,775,715	9,717,706
Consolidation:			
FFEL	9,270,171	1,006,965	802,340
Direct Loans	28,187,630	16,431,482	19,563,804
Perkins loans	1,103,398	1,103,398	5,769,231
TEACH Grants	25,000	50,000	75,000
Student loans, subtotal	135,160,831	104,357,173	117,825,070
Work-study	1,170,845	1,417,322	1,170,845
Supplemental educational opportunity grants	958,816	958,816	958,816
Leveraging educational assistance partnerships	161,556	161,556	161,556
Total aid available	135,160,831	133,158,756	149,722,354

¹FFEL data represents activity for the first 9 months. Under the budget proposal all activity in the final 3 months would be in Direct Loans.

NUMBER OF AID AWARDS

	[in thousands]		
	2008	2009	2010 ¹
Pell grants	6,121	7,022	7,590
Academic competitiveness grants	488	783	865
SMART grants	78	127	131
Guaranteed student loans-Stafford loans	6,147	6,279	3,854
Guaranteed student loans-Unsubsidized Stafford loans	5,834	7,189	4,868
Guaranteed student loans-PLUS	717	718	370
Guaranteed student loans-Consolidation	288	10	8
Direct student loans-Stafford loans	1,783	2,047	4,829
Direct student loans-Unsubsidized Stafford loans	1,649	2,150	5,102
Direct student loans-PLUS	297	339	739
Direct student loans-Consolidation	207	470	523
Perkins loans	495	495	2,586
TEACH grants	8	17	25
Work-study	781	945	781
Supplemental educational opportunity grants	1,258	1,258	1,258
Leveraging educational assistance partnerships	162	162	162
Total awards	26,312	30,010	33,691

¹FFEL data represents activity for the first 9 months. Under the budget proposal all activity in the final 3 months would be in Direct Loans.

AVERAGE AID AWARDS

	[in whole dollars]		
	2008	2009	2010 ¹
Pell grants	2,970	3,611	3,770
Academic competitiveness grants	762	708	703
SMART grants	2,833	2,606	2,573
Guaranteed student loans-Stafford loans	3,751	3,804	3,543
Guaranteed student loans-Unsubsidized Stafford loans	4,463	4,367	4,086
Guaranteed student loans-PLUS	11,449	12,129	10,493
Guaranteed student loans-Consolidation	32,227	97,348	102,692
Direct student loans-Stafford loans	4,139	4,134	4,128
Direct student loans-Unsubsidized Stafford loans	4,625	4,464	4,661
Direct student loans-PLUS	10,778	11,122	13,217
Direct student loans-Consolidation	28,188	34,980	37,381
Perkins loans	2,231	2,231	2,231
TEACH grants	3,125	2,941	3,000
Work-study	1,500	1,500	1,500
Supplemental educational opportunity grants	762	762	762
Leveraging educational assistance partnerships	1,000	1,000	1,000

¹FFEL data represents activity for the first 9 months. Under the budget proposal all activity in the final 3 months would be in Direct Loans.

NUMBER OF STUDENTS AIDED

	[in thousands]		
Unduplicated student count	11,587	13,284	14,174

STUDENT FINANCIAL ASSISTANCE—Continued
ADMINISTRATIVE PAYMENTS TO INSTITUTIONS

(in thousands of dollars)

	2008	2009	2010 ¹
Pell grants	30,605	35,110	37,950
Work-study	73,250	88,573	72,250
Supplemental educational opportunity grants	38,353	38,353	38,353
Perkins loans	44,136	44,136	22,068

¹FFEL data represents activity for the first 9 months. Under the budget proposal all activity in the final 3 months would be in Direct Loans.

STUDENT FINANCIAL ASSISTANCE
(Amounts included in baseline projection of current policy)

Program and Financing (in millions of dollars)

Identification code 91-0200-7-1-502	2008 actual	2009 est.	2010 est.
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			17,461
24.40 Unobligated balance carried forward, end of year			17,461
New budget authority (gross), detail:			
Discretionary:			
40.35 Appropriation permanently reduced		-7,523	
Mandatory:			
60.00 Appropriation		7,523	17,461
70.00 Total new budget authority (gross)			17,461
Change in obligated balances:			
73.20 Total outlays (gross)			-4,751
74.40 Obligated balance, end of year			-4,751
Outlays (gross), detail:			
86.93 Outlays from discretionary balances			-2,031
86.97 Outlays from new mandatory authority			4,751
86.98 Outlays from mandatory balances			2,031
87.00 Total outlays (gross)			4,751
Net budget authority and outlays:			
89.00 Budget authority			17,461
90.00 Outlays			4,751

The baseline reflects the reclassification of Pell Grants from discretionary to mandatory. The mandatory baseline equals the amounts that would be shown as discretionary using the BEA rules for projecting the cost of discretionary programs. The policy estimates presented in this account and the Federal Pell Grants account reflect the baseline costs plus the expansion in benefits that is proposed by the Administration. If the budget had instead shown Pell grants as discretionary in the baseline, it would have been harder to understand the proposal for Pell grants. Chapter 15 of the Analytical Perspectives volume discusses this change in more detail.

STUDENT FINANCIAL ASSISTANCE
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 91-0200-4-1-502	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
01.01 Federal Pell grants			-3,283
02.01 College Access and Completion Fund			500
10.00 Total new obligations (object class 41.0)			-2,783
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			-28,345
23.95 Total new obligations			2,783
24.40 Unobligated balance carried forward, end of year			-25,562

New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation			500
60.35 Appropriation permanently reduced			-21,322
60.36 Unobligated balance permanently reduced			-7,523
62.50 Appropriation (total mandatory)			-28,345
Change in obligated balances:			
73.10 Total new obligations			-2,783
73.20 Total outlays (gross)			7,724
74.40 Obligated balance, end of year			4,941
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority			-7,724
Net budget authority and outlays:			
89.00 Budget authority			-28,345
90.00 Outlays			-7,724

FEDERAL PELL GRANTS

(Legislative proposal, not subject to PAYGO)

Contingent upon the enactment of legislation amending section 401 of the Higher Education Act of 1965 (including subsection (b) (8) of that section), that will make the Federal Pell Grant Program an entitlement for eligible students, will set the maximum Federal Pell Grant for award year 2010-2011 to \$5,550 and thereafter, and, for subsequent award years, will increase the maximum award amount annually by the Consumer Price Index plus one percentage point, \$28,654,059,000, to remain available until expended.

In the case of unanticipated increases in program costs, there are appropriated such sums as may be necessary to enable the Secretary of Education to fund fully Federal Pell Grants for award year 2010-2011 for students who meet the requirements of such section: Provided, That the maximum Pell Grant for which a student shall be eligible during award year 2010-2011 shall be \$5,550.

FEDERAL PELL GRANTS

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 91-0208-4-1-502	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
01.01 Federal Pell Grants			24,356
10.00 Total new obligations (object class 41.0)			24,356
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			28,654
23.95 Total new obligations			-24,356
24.40 Unobligated balance carried forward, end of year			4,298
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation			28,654
Change in obligated balances:			
73.10 Total new obligations			24,356
73.20 Total outlays (gross)			-7,737
74.40 Obligated balance, end of year			16,619
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority			7,737
Net budget authority and outlays:			
89.00 Budget authority			28,654
90.00 Outlays			7,737

The Budget proposes to change the language authorizing the Pell Grant program by making it an entitlement that will be

funded through appropriations language each year, beginning in 2010. This account displays the mandatory funding related to this proposal.

Pell Grants are the single largest source of grant aid for post-secondary education. Funding for this program has been provided from two sources: discretionary appropriations and, beginning in 2008, mandatory funding authorized under the College Cost Reduction and Access Act of 2007. In addition, for 2009 the American Recovery and Reinvestment Act provided \$15.6 billion in discretionary funds and \$1.5 billion in mandatory funds to support the Pell Grant program.

In 2009, more than 7 million undergraduates will receive up to \$4,860 from discretionary funding and an additional \$490 from mandatory funds to help pay for postsecondary education. Undergraduate students establish eligibility for these grants under award and need determination rules set out in the authorizing statute and the annual appropriations act.

The 2010 Budget proposes to provide Pell Grants as an appropriated entitlement, with the maximum award inflated annually based on the consumer price index plus 1 percentage point. To implement this, the Budget proposes to amend the HEA to clarify that Federal Pell grants are an entitlement to the individual and remove the eligibility limits created by the College Cost Reduction and Access Act. The Budget request includes \$28.7 billion for Pell Grants in 2010, supporting a maximum award of \$5,550. However, the actual cost of this policy over the adjusted baseline is reduced by the \$7.523 billion of remaining budget authority provided by the American Recovery and Reinvestment Act, as well as the funds previously provided in the College Cost Reduction and Access Act. After the HEA is amended to create the appropriated entitlement, the only costs applied to subsequent appropriations bills providing the budget authority would be for any changes from the award levels established in the HEA.

STUDENT AID ADMINISTRATION

For Federal administrative expenses to carry out part D of title I, and subparts 1, 3, [and] 4, and 9 of part A, and parts B, C, D, and E of title IV of the Higher Education Act of 1965, [\$753,402,000] \$870,402,000, which shall remain available until expended. (Department of Education Appropriations Act, 2009.)

Program and Financing (in millions of dollars)

Identification code 91-0202-0-1-502	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
00.01 Student aid administration	700	843	870
10.00 Total new obligations	700	843	870
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		1	
22.00 New budget authority (gross)	696	813	870
22.10 Resources available from recoveries of prior year obligations	5	29	
23.90 Total budgetary resources available for obligation	701	843	870
23.95 Total new obligations	-700	-843	-870
24.40 Unobligated balance carried forward, end of year	1		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	708	753	870
40.01 Appropriation, Recovery Act		60	
40.35 Appropriation permanently reduced	-12		
43.00 Appropriation (total discretionary)	696	813	870
Change in obligated balances:			
72.40 Obligated balance, start of year	333	358	452
73.10 Total new obligations	700	843	870

73.20	Total outlays (gross)	-670	-720	-810
73.45	Recoveries of prior year obligations	-5	-29	
74.40	Obligated balance, end of year	358	452	512
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	390	473	491
86.93	Outlays from discretionary balances	280	247	319
87.00	Total outlays (gross)	670	720	810
Net budget authority and outlays:				
89.00	Budget authority	696	813	870
90.00	Outlays	670	720	810

The Department of Education manages Federal student aid programs that will provide over \$129 billion in new Federal student aid grants and loans to more than 14 million students and parents in 2010. Primary responsibility for administering these programs lies with the Office of Postsecondary Education and the performance-based Federal Student Aid (FSA), which are both overseen by the Office of the Under Secretary. FSA was created by Congress in 1998 with a mandate to improve service to students and other student aid program participants, reduce student aid administration costs, and improve accountability and program integrity.

The 2010 Budget includes \$870 million for student aid administration. Most of these funds support systems maintained by private contractors to process student aid applications; provide and track aid awards to students, parents, and schools; and efforts aimed at reaching out to key student populations and simplifying the aid application experience. Additional funds are also requested in anticipation of originating and servicing 100 percent of all Federal student loans beginning in July 2010 and servicing the over-\$215 billion outstanding portfolio of student loans managed by the Department.

The Ensuring Continued Access to Student Loans Act of 2008 provides the Department of Education the authority to purchase Federal student loans from lenders to ensure ongoing liquidity and availability of funds for student loans. In 2010, the Department of Education will also continue to implement system changes to accommodate increased servicing volume associated with purchased loans.

Object Classification (in millions of dollars)

Identification code 91-0202-0-1-502	2008 actual	2009 est.	2010 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	101	108	118
11.3 Other than full-time permanent	4		
11.5 Other personnel compensation	3	3	3
11.9 Total personnel compensation	108	111	121
12.1 Civilian personnel benefits	27	29	32
21.0 Travel and transportation of persons	3	3	3
23.1 Rental payments to GSA	15	17	19
23.3 Communications, utilities, and miscellaneous charges	6	8	8
24.0 Printing and reproduction	4	3	3
25.1 Advisory and assistance services	9	3	4
25.2 Other services	26	29	31
25.3 Other purchases of goods and services from Government accounts	13	19	19
25.7 Operation and maintenance of equipment	482	620	629
31.0 Equipment	4	1	1
32.0 Land and structures	2		
99.0 Direct obligations	699	843	870
99.5 Below reporting threshold	1		
99.9 Total new obligations	700	843	870

STUDENT AID ADMINISTRATION—Continued
Employment Summary

Identification code 91-0202-0-1-502	2008 actual	2009 est.	2010 est.
Direct:			
1001 Civilian full-time equivalent employment	1,102	1,096	1,167

ACADEMIC COMPETITIVENESS/SMART GRANT PROGRAM

Program and Financing (in millions of dollars)

Identification code 91-0205-0-1-502	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
00.01 ACG/SMART Grants	297	740	915
10.00 Total new obligations (object class 41.0)	297	740	915
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	395	73	1,386
22.30 Expired unobligated balance transfer to unexpired account	569	667	.....
23.90 Total budgetary resources available for obligation	964	740	1,386
23.95 Total new obligations	-297	-740	-915
23.98 Unobligated balance expiring or withdrawn	-667	.....	.....
24.40 Unobligated balance carried forward, end of year .....	.....	.....	471
New budget authority (gross), detail:			
Discretionary:			
40.36 Unobligated balance permanently reduced .....	.....	.....	-511
Mandatory:			
60.00 Appropriation	920	960	1,897
60.35 Appropriation permanently reduced (H.R. 2764)	-525	-887	.....
62.50 Appropriation (total mandatory)	395	73	1,897
70.00 Total new budget authority (gross)	395	73	1,386
Change in obligated balances:			
72.40 Obligated balance, start of year	578	248	356
73.10 Total new obligations	297	740	915
73.20 Total outlays (gross)	-515	-632	-888
73.40 Adjustments in expired accounts (net)	-112	.....	.....
74.40 Obligated balance, end of year	248	356	383
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	62	73	882
86.98 Outlays from mandatory balances	453	559	6
87.00 Total outlays (gross)	515	632	888
Net budget authority and outlays:			
89.00 Budget authority	395	73	1,386
90.00 Outlays	515	632	888

These need-based programs provide grants to full- and part-time students who are eligible to receive a Pell Grant and, for second-, third-, and fourth-year students, maintain at least a 3.0 grade point average. The Ensuring Continued Access to Student Loans Act (ECASLA) expanded the grants to non-citizens, part-time students, and students pursuing certificate programs.

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

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

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

In 2010, the Administration proposes to cancel \$511 million in unobligated balances. Remaining balances are sufficient to meet estimated demand in these programs through the 2010-2011 academic year, when the authorizing statute specifies the program will sunset.

TEACH GRANT PROGRAM ACCOUNT

Program and Financing (in millions of dollars)

Identification code 91-0206-0-1-502	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
00.01 TEACH Grant subsidy	2	.....	.....
00.10 Excess BA to be deobligated	5	.....	.....
10.00 Total new obligations (object class 41.0)	7	.....	.....
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	7	.....	.....
23.95 Total new obligations	-7	.....	.....
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	7	.....	.....
Change in obligated balances:			
72.40 Obligated balance, start of year .....	.....	6	6
73.10 Total new obligations	7	.....	.....
73.20 Total outlays (gross)	-1	.....	.....
74.40 Obligated balance, end of year	6	6	6
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	1	.....	.....
Net budget authority and outlays:			
89.00 Budget authority	7	.....	.....
90.00 Outlays	1	.....	.....

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

Identification code 91-0206-0-1-502	2008 actual	2009 est.	2010 est.
Direct loan levels supportable by subsidy budget authority:			
115001 TEACH Grants	13	42	67
115999 Total direct loan levels	13	42	67
Direct loan subsidy (in percent):			
132001 TEACH Grants	13.03	-3.63	-3.67
132999 Weighted average subsidy rate	13.03	-3.63	-3.67
Direct loan subsidy budget authority:			
133001 TEACH Grants	2	-2	-2
133999 Total subsidy budget authority	2	-2	-2
Direct loan subsidy outlays:			
134001 TEACH Grants	1	-1	-2
134999 Total subsidy outlays	1	-1	-2

The TEACH grant program, authorized by the College Cost Reduction and Access Act of 2007, awards annual grants of up to \$4,000 to full- or part-time undergraduate and graduate students who agree to teach mathematics, science, foreign languages, bilingual education, special education, or reading at a high-poverty school for not less than 4 years within 8 years of graduating. The program began awarding grants in the 2008-2009 award year. Students must have a grade point average of 3.25 or higher to be eligible to receive a grant. Students who fail to

fulfill the service requirements must repay the grants, including interest accrued from the time of award.

Because TEACH grants turn into loans in cases where the service requirements are not fulfilled, for budget and accounting purposes the program is operated consistent with the requirements of the Federal Credit Reform Act of 1990. This program account records subsidy costs reflecting the net present value of the estimated lifetime Federal program costs for grants awarded in a given fiscal year. Under this approach the subsidy cost reflects the cost of grant awards net of expected future repayments for grants that are converted to loans.

TEACH GRANT FINANCING ACCOUNT
Program and Financing (in millions of dollars)

Identification code 91-4290-0-3-502	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
00.01 TEACH Grants	13	42	67
00.02 Interest payments to Treasury	1	1	3
00.91 Subtotal	14	43	70
08.01 Obligation of Negative Subsidy		1	2
10.00 Total new obligations	14	44	72
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		2	
22.00 New financing authority (gross)	16	44	72
22.60 Portion applied to repay debt		-2	
23.90 Total budgetary resources available for obligation	16	44	72
23.95 Total new obligations	-14	-44	-72
24.40 Unobligated balance carried forward, end of year	2		
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	26	43	69
69.00 Offsetting collections (cash)	2	1	3
69.47 Portion applied to repay debt	-12		
69.90 Spending authority from offsetting collections (total mandatory)	-10	1	3
70.00 Total new financing authority (gross)	16	44	72
Change in obligated balances:			
72.40 Obligated balance, start of year		13	22
73.10 Total new obligations	14	44	72
73.20 Total financing disbursements (gross)	-1	-35	-61
74.40 Obligated balance, end of year	13	22	33
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	1	35	61
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-1		
88.25 Interest on uninvested funds	-1		
88.40 Non-Federal sources		-1	-3
88.90 Total, offsetting collections (cash)	-2	-1	-3
Net financing authority and financing disbursements:			
89.00 Financing authority	14	43	69
90.00 Financing disbursements	-1	34	58

Status of Direct Loans (in millions of dollars)

Identification code 91-4290-0-3-502	2008 actual	2009 est.	2010 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	13	42	67
1150 Total direct loan obligations	13	42	67

Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year			32
1231 Disbursements: Direct loan disbursements		33	58
1251 Repayments: Repayments and prepayments		-1	-3
1290 Outstanding, end of year	32		87

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

Balance Sheet (in millions of dollars)

Identification code 91-4290-0-3-502	2007 actual	2008 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury		15
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross		2
1405 Allowance for subsidy cost (-)		-1
1499 Net present value of assets related to direct loans		1
1999 Total assets		16
LIABILITIES:		
Federal liabilities:		
2101 Accounts payable		2
2103 Debt		14
2999 Total liabilities		16
4999 Total liabilities and net position		16

PERKINS LOAN ASSETS

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 91-0219-4-1-502	2008 actual	2009 est.	2010 est.
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)			438
69.27 Capital transfer to general fund			-438
69.90 Spending authority from offsetting collections (total mandatory)			
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources			-438
Net budget authority and outlays:			
89.00 Budget authority			-438
90.00 Outlays			-438

The 2010 Budget proposes to shift the Perkins Loan program to a mandatory direct loan program beginning July 1, 2010 and account for costs as required by the Federal Credit Reform Act. Details of this proposal are provided under the Student Financial Assistance account; subsidy costs associated with this change are shown in the Perkins Loan program account. Amounts recalled are net of institutional contributions and loan cancellation costs. The Perkins Loan asset account records amounts recalled from Perkins Loan institutions and subsequent loan repayments on outstanding Perkins Loans.

STUDENT FINANCIAL ASSISTANCE DEBT COLLECTION

Special and Trust Fund Receipts (in millions of dollars)

Identification code 91-5557-0-2-502	2008 actual	2009 est.	2010 est.
01.00 Balance, start of year			

STUDENT FINANCIAL ASSISTANCE DEBT COLLECTION—Continued
Special and Trust Fund Receipts —Continued

Identification code 91-5557-0-2-502	2008 actual	2009 est.	2010 est.
01.99 Balance, start of year			
Receipts:			
02.20 Student Financial Assistance Debt Collection	13	6	10
04.00 Total: Balances and collections	13	6	10
Appropriations:			
05.00 Student Financial Assistance Debt Collection	-13	-6	-6
07.99 Balance, end of year			4

Program and Financing (in millions of dollars)

Identification code 91-5557-0-2-502	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
00.01 Student Financial Assistance Debt Collection	7	5	5
10.00 Total new obligations (object class 25.2)	7	5	5
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		6	7
22.00 New budget authority (gross)	13	6	6
23.90 Total budgetary resources available for obligation	13	12	13
23.95 Total new obligations	-7	-5	-5
24.40 Unobligated balance carried forward, end of year	6	7	8

New budget authority (gross), detail:

Mandatory:			
60.20 Appropriation (special fund)	13	6	6

Change in obligated balances:

72.40 Obligated balance, start of year		3	3
73.10 Total new obligations	7	5	5
73.20 Total outlays (gross)	-4	-5	-5
74.40 Obligated balance, end of year	3	3	3

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	4		
86.98 Outlays from mandatory balances		5	5
87.00 Total outlays (gross)	4	5	5

Net budget authority and outlays:

89.00 Budget authority	13	6	6
90.00 Outlays	4	5	5

FEDERAL STUDENT LOAN RESERVE FUND

Program and Financing (in millions of dollars)

Identification code 91-4257-0-3-502	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
01.02 Obligations, non-federal	9,953	11,751	12,569
10.00 Total new obligations (object class 42.0)	9,953	11,751	12,569

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	1,105	1,663	1,799
22.00 New budget authority (gross)	10,675	11,887	12,719
22.40 Capital transfer to general fund	-164		
23.90 Total budgetary resources available for obligation	11,616	13,550	14,518
23.95 Total new obligations	-9,953	-11,751	-12,569
24.40 Unobligated balance carried forward, end of year	1,663	1,799	1,949

New budget authority (gross), detail:

Mandatory:			
69.00 Offsetting collections (cash)	10,675	11,887	12,719

Change in obligated balances:

73.10 Total new obligations	9,953	11,751	12,569
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73.20 Total outlays (gross)	-9,953	-11,751	-12,569
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Outlays (gross), detail:

86.97 Outlays from new mandatory authority	9,953	11,751	12,569
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Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-9,947	-11,106	-11,880
88.40 Non-Federal sources	-728	-781	-839
88.90 Total, offsetting collections (cash)	-10,675	-11,887	-12,719

Net budget authority and outlays:

89.00 Budget authority			
90.00 Outlays	-722	-136	-150

Summary of Budget Authority and Outlays (in millions of dollars)

	2008 actual	2009 est.	2010 est.
Enacted/requested:			
Budget Authority			
Outlays	-722	-136	-150
Legislative proposal, subject to PAYGO:			
Budget Authority			
Outlays			539
Total:			
Budget Authority			
Outlays	-722	-136	389

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

The following schedule reflects the balances in these guaranty agency funds. During 2009, OMB, Treasury, and the Department are continuing an ongoing review of the budgetary and financial presentation of these funds in the context of relevant laws and guidance.

Balance Sheet (in millions of dollars)

Identification code 91-4257-0-3-502	2007 actual	2008 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	1,105	1,663
1999 Total assets	1,105	1,663
NET POSITION:		
3300 Cumulative results of operations	1,105	1,663
3999 Total net position	1,105	1,663
4999 Total liabilities and net position	1,105	1,663

FEDERAL STUDENT LOAN RESERVE FUND
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 91-4257-4-3-502	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
01.02 Obligations, non-federal			-3,380
10.00 Total new obligations (object class 42.0)			-3,380

Budgetary resources available for obligation:

22.00 New budget authority (gross)			-3,919
23.95 Total new obligations			3,380
24.40 Unobligated balance carried forward, end of year			-539

New budget authority (gross), detail:

Mandatory:

69.00	Offsetting collections (cash)	-3,919
Change in obligated balances:		
73.10	Total new obligations	-3,380
73.20	Total outlays (gross)	3,380
Outlays (gross), detail:		
86.97	Outlays from new mandatory authority	-3,380
Offsets:		
Against gross budget authority and outlays:		
Offsetting collections (cash) from:		
88.00	Federal sources	3,235
88.40	Non-Federal sources	684
88.90	Total, offsetting collections (cash)	3,919
Net budget authority and outlays:		
89.00	Budget authority	
90.00	Outlays	539

115999	Total direct loan levels	33,175	41,175	45,626
Direct loan subsidy (in percent):				
132001	Stafford	8.19	-2.88	-0.21
132002	Unsubsidized Stafford	-13.31	-28.46	-27.90
132003	PLUS	-15.75	-28.60	-28.48
132004	Consolidation	6.76	-12.88	-14.64
132999	Weighted average subsidy rate	-1.97	-16.30	-16.29
Direct loan subsidy budget authority:				
133001	Stafford	831	-274	-21
133002	Unsubsidized Stafford	-1,525	-3,164	-3,308
133003	PLUS	-518	-1,143	-1,256
133004	Consolidation	560	-2,132	-2,847
133999	Total subsidy budget authority	-653	-6,713	-7,432
Direct loan subsidy outlays:				
134001	Stafford	650	119	-95
134002	Unsubsidized Stafford	-907	-2,347	-2,825
134003	PLUS	-369	-866	-1,147
134004	Consolidation	551	-2,102	-2,822
134999	Total subsidy outlays	-75	-5,196	-6,889
Direct loan upward reestimates:				
135005	Federal Direct Student Loan Reestimates	1,158	1,386	
135999	Total upward reestimate budget authority	1,158	1,386	
Direct loan downward reestimates:				
137005	Federal Direct Student Loan Reestimates	-574	-1,266	
137999	Total downward reestimate budget authority	-574	-1,266	

FEDERAL DIRECT STUDENT LOAN PROGRAM ACCOUNT

Program and Financing (in millions of dollars)

Identification code 91-0243-0-1-502	2008 actual	2009 est.	2010 est.	
Obligations by program activity:				
00.03	Subsidy modification, upward	4,143		
00.05	Upward Reestimate	885	1,081	
00.06	Interest on Upward Reestimate	273	305	
00.09	Administrative expenses	8		
10.00	Total new obligations	5,309	1,386	
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	27	2	2
22.00	New budget authority (gross)	5,277	1,386	
22.10	Resources available from recoveries of prior year obligations ...	7		
23.90	Total budgetary resources available for obligation	5,311	1,388	2
23.95	Total new obligations	-5,309	-1,386	
24.40	Unobligated balance carried forward, end of year	2	2	2
New budget authority (gross), detail:				
Mandatory:				
60.00	Appropriation (indefinite) - loan subsidy	5,302		
60.00	Appropriation (indefinite) - Upward reestimate		1,386	
60.36	Unobligated balance permanently reduced	-25		
62.50	Appropriation (total mandatory)	5,277	1,386	
Change in obligated balances:				
72.40	Obligated balance, start of year	70	38	3
73.10	Total new obligations	5,309	1,386	
73.20	Total outlays (gross)	-5,334	-1,421	-3
73.45	Recoveries of prior year obligations	-7		
74.40	Obligated balance, end of year	38	3	
Outlays (gross), detail:				
86.93	Outlays from discretionary balances	32	35	3
86.97	Outlays from new mandatory authority	5,302	1,386	
87.00	Total outlays (gross)	5,334	1,421	3
Net budget authority and outlays:				
89.00	Budget authority	5,277	1,386	
90.00	Outlays	5,334	1,421	3

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

Identification code 91-0243-0-1-502	2008 actual	2009 est.	2010 est.	
Direct loan levels supportable by subsidy budget authority:				
115001	Stafford	10,147	9,507	9,912
115002	Unsubsidized Stafford	11,456	11,116	11,858
115003	PLUS	3,292	3,996	4,411
115004	Consolidation	8,280	16,556	19,445

The Federal Government operates two major student loan programs: the Federal Family Education Loan (FFEL) program and the William D. Ford Federal Direct Loan (Direct Loan) program. The Budget proposes to end entitlement subsidies to FFEL lenders on all new Federal student loans starting July 1, 2010. In preparation for the transition, the Department is in the process of hiring some of the companies already participating in the FFEL program to serve as additional private-sector loan servicers. Hiring additional servicers will create competition among Direct Loan contractors and cover increases in Direct Loan volume and servicing related to FFEL loans sold to the Government. A consolidated student loan program would be more efficient and less expensive, saving more than \$20 billion over 2010-2014 to help finance substantially larger Pell Grant scholarships for low-income 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.

From its inception in 1965 through 2008, the FFEL program has provided over \$800 billion in loans to postsecondary students and their parents. Since July 1, 1994, the Direct Loan program has provided \$218 billion in new and consolidation loans to students and parents. Taken together, the FFEL and Direct Loan programs will make nearly \$86 billion in new loans available in 2009.

Loan capital in the FFEL program is provided by private lenders, facilitated by the Federal guarantee on the loans. In addition, 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 promises interest subsidies to lenders for certain situations, as well as most costs associated with loan defaults and other write-offs.

Under the Direct Loan program, loan capital is provided by the Federal Government while loan origination and servicing is handled by private-sector companies under performance-based contracts with the Department. The Direct Loan program began operation in academic year 1994-1995 with 7 percent of overall loan volume and is expected to account for 25 percent in academic

FEDERAL DIRECT STUDENT LOAN PROGRAM ACCOUNT—Continued
year 2009-2010. All eligible institutions are free to participate in either or both programs.

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

For undergraduate Stafford Loans made on or after July 1, 2008, and before July 1, 2009, the borrower interest rate is fixed at 6.0 percent. The College Cost Reduction and Access Act of 2007 (CCRAA) included a phased interest rate reduction for new undergraduate Stafford Loans, with fixed rates dropping to 5.6 percent on July 1, 2009, 4.5 percent on July 1, 2010, and 3.4 percent on July 1, 2011. Rates for Stafford Loans to graduate and professional students and for all new loans originated on or after July 1, 2012, are 6.8 percent. Interest payments for these loans are fully subsidized by the Government while a student is in school and during grace and deferment periods. Borrower interest rates on new Unsubsidized Stafford loans are fixed at 6.8 percent. The fixed borrower interest rate on PLUS loans made on or after July 1, 2006, is 7.9 percent for Direct Loans and 8.5 percent for FFEL.

In the FFEL program, lenders may receive an interest subsidy, called a special allowance, from the Government to ensure a guaranteed rate of return on their loans. Special allowance payments vary by loan type, are determined quarterly, and are based on current borrower interest rates and market-yield formulas. For periods when the borrower interest rate exceeds the special allowance rate on loans made on or after April 1, 2006, lenders remit the difference to the government. Special allowance rates differ for-profit and not-for-profit loan holders. For Stafford and Unsubsidized Stafford loans made on or after October 1, 2007, for example, the Federal Government must pay lenders a special allowance if the average 3-month commercial paper rate for a given quarter plus 1.79 percent for for-profit holders or 1.94 percent for not-for-profit holders is higher than the current interest rate charged to borrowers. The guarantee percentage paid to lenders on most defaults is 95 percent of unpaid loan principal (including any accrued interest on the full loan principal).

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

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

Under both programs, new borrowers after October 1, 1998, who are employed as teachers in schools serving low-income populations for five consecutive, complete school years, qualify for up to \$5,000 in loan forgiveness; this benefit is increased to \$17,500 for mathematics, science, and special education teachers considered highly qualified under criteria established in the No Child Left Behind Act of 2001.

In addition, under a new loan forgiveness program for public-sector employees qualifying borrowers who have worked for 10 years while making payments on their student loan will have any remaining loan balance forgiven. This new benefit is only available in the Direct Loan program, though FFEL borrowers may access the benefit by taking out a Direct Consolidation Loan. It is available for all borrowers, regardless of when they took out their loans.

FFEL borrowers may choose from among four repayment plans. Repayment periods under standard, graduated, and income-sensitive repayment may not exceed 10 years. An extended repayment plan of up to 25 years is available for new borrowers with outstanding loans totaling more than \$30,000. FFEL borrowers may change repayment plans annually. In addition, beginning July 1, 2009, qualifying student borrowers may choose an income-based repayment plan under which FFEL loans (except Parent PLUS) are paid according to the borrower's income and outstanding balances, if any, are forgiven after 25 years in repayment. (In the first three years, an interest subsidy is available for Stafford Loans and the Stafford portion of Consolidation Loans.) Borrowers under Direct Loans may choose from the same repayment plans available in FFEL, except that instead of the income-sensitive repayment plan an income-contingent repayment is available (with terms similar to the new income-based repayment plan). Direct Loan borrowers may switch between repayment plans at any time.

Due to significant disruptions in the credit markets, in early 2008 FFEL lenders expressed concerns that there would be insufficient capital to make FFEL loans to all eligible recipients for the 2008-2009 academic year. In response, Congress enacted the Ensuring Continued Access to Student Loans Act (ECASLA), which provided the Department of Education with authority to purchase student loans. Using this authority, the Department established several programs intended to ensure the availability of student loans. Through the Loan Participation Interest program, the Department purchased a 100-percent interest in any eligible Federal student loan originated during the academic year by a FFEL lender—in other words, the Department provided all of the funds for the loan. On or before September 30, 2009, the lender can either purchase back from the Department its interest in a loan (paying the Department a yield of the Commercial Paper rate plus 50 basis points) or sell the entire loan to the Department in return for a fixed amount to cover the lender's expenses (such as origination and servicing). Between this program and the Direct Loan program, over 75 percent of Federal student loan volume in the 2008-2009 academic year will be financed through capital provided by the Department of Education. The Department also established a Loan Purchase program committing to purchase any eligible loans originated by a FFEL lender during the academic year for face value plus a fixed amount to cover expenses. A short-term version of this program also was created to include a small segment of 2007-2008 academic year loans.

Given the continued concerns around capital liquidity, Congress extended the ECASLA authority for the 2009-2010 academic year. The Department has announced it will replicate the Loan Participation and Loan Purchase programs. In addition, the Department will support an Asset-Backed Commercial Paper Conduit. A conduit facilitates financial transactions similar to those involved in a typical securitization: investors purchase commercial paper (backed by student loan assets) which mature and are re-issued. Interest on the commercial paper is paid from student loan repayments and any net gain on the reissuance. Though the hope is the conduit will provide liquidity to FFEL lenders without Federal intervention, the Department, using its ECASLA authority, will serve as a buyer-of-last-resort in cases when the conduit is unable to refinance maturing commercial paper.

The following tables display performance indicators and program data; including projected overall Direct Loan and FFEL costs; loan volume, number of loans, and average loan amount; descriptive data, and program activity assuming passage of the President's Budget and legislative request. The Budget proposes transferring all loan activity to the Direct Loan program beginning with Academic Year 2010-2011 (July 2010). All the following tables include 2010 FFEL data only for the first three quarters of 2010 prior to the proposed change.

Federal Budget Authority and Outlays

(in thousands of dollars)

	2008	2009	2010 ¹
Program Cost:			
FFEL:			
Liquidating ²	(402,317)	(574,479)	(527,756)
Program:			
New Loan Subsidies (Privately Funded)	(4,464)	(1,219,833)	619,794
New Loan Subsidies (ECASLA)	(498,523)	(4,760,792)	(3,348,878)
Net Reestimate of Prior Year Costs	989,951	(15,952,714)	0
Net Modification ³	(2,464,349)	(2,640,420)	0
Subtotal, Program	(1,977,385)	(24,573,759)	(2,729,084)
Total FFEL	(2,379,702)	(25,148,238)	(3,256,839)
Direct Loans:			
Program:			
New Loan Subsidies	(652,462)	(6,712,511)	(13,847,300)
Net Reestimate of Prior Year Costs	584,519	119,365	0
Net Modification ³	4,143,273	0	0
Total, Direct Loans	4,075,330	(6,593,146)	(13,847,300)
Total, FFEL and Direct Loans	1,695,628	(31,741,384)	(17,104,139)
Program Cost Outlays:			
FFEL:			
Liquidating ²	(687,627)	(574,479)	(527,756)
Program:			
New Loan Subsidies (Privately Funded)	1,173,941	(810,610)	112,705
New Loan Subsidies (ECASLA)	(169,502)	(1,645,930)	(2,833,392)
Net Reestimate of Prior Year Costs	989,951	(15,952,714)	0
Net Modification ³	(2,464,349)	(1,862,065)	(42,663)
Subtotal, Program	(469,960)	(20,271,320)	(2,763,350)
Total, FFEL	(1,157,587)	(20,845,798)	(3,291,106)
Direct Loans:			
Program:			
Regular	(75,318)	(5,196,104)	(10,718)
Net Reestimate of Prior Year Costs	584,519	119,365	0
Net Modification ³	4,143,273	0	0
Total, Direct Loans	4,652,474	(5,076,739)	(10,718)
Total, FFEL and Direct Loans	3,494,887	(25,922,537)	(3,301,824)

¹FFEL data represents activity for the first 9 months. Under the budget proposal all activity in the final 3 months would be in Direct Loans.

²Liquidating account reflects loans made prior to 1992.

³Reflects the cost or savings associated with policy changes, including those contained in the Ensuring Continued Access to Student Loans Act of 2008 (ECASLA) and the Higher Education Opportunity Act of 2008, that would affect the terms of existing loans.

Programs Authorized Under the Ensuring Continued Access to Student Loans Act

(in millions of dollars)

	Net Loan Volume Funded	Loans Purchased by Government	Loans Redeemed by Lenders
Loan Participation Purchase Program - 2008/9 and 2009/10	70,470	56,376	14,094
Loan Purchase Program - 2008/9 and 2009/10	10,039	9,879	n/a
Short-Term Loan Purchase - 2007/8	1,083	1,083	n/a
Asset-Backed Commercial Paper Conduit - 2004/5 to 2009/10	25,000	5,294	11,547
	Total Subsidy Outlays	Est. Lifetime Admin. Costs	Total Program Costs
Loan Participation Purchase Program - 2008/9 and 2009/10	(4,073)	759	(3,314)
Loan Purchase Program - 2008/9 and 2009/10	(1,430)	133	(1,297)
Short-Term Loan Purchase - 2007/8	(686)	14	(673)
Asset-Backed Commercial Paper Conduit - 2004/5 to 2009/10	(1,448)	25	(1,424)

Funded Amount: The dollar volume of loans purchased (Loan Purchases and Short-Term Loan Purchase); loan participation (Loan Participation Purchase Program); or placed in the Asset-Backed Commercial Paper Conduit. Amount Purchased by Government: Dollar volume of loans purchased.

Amount Redeemed by Lenders: Dollar amount of loans in the Participation and Conduit programs purchased by lenders at the end of the participation agreement or conduit funding note. The difference between Funded Amount and the sum of Amount Purchased and Amount Redeemed reflects student loan repayments, loan cancellations and defaults, and other adjustments.

Total Subsidy Outlays: Includes costs of life of loans, including modifications to existing guaranteed loans and the cost of transferring loans to government-held assets.

Loan Volumes by Program, Including Ensuring Continued Access to Student Loans Act

(in millions of dollars)

	2008-2009	2009-2010
Direct Loans	20,658	22,373
Loan Participation Purchase Program (ECASLA)	33,802	36,668
Loan Purchase Program (ECASLA)	4,815	5,223
Asset-Backed Commercial Paper Conduit (ECASLA)	3,105	0
Subtotal, Federally Funded	62,380	64,264
FFEL (Privately Funded)	19,640	24,673
Total, New Student Loan Volume	82,020	88,937

Summary of Loans Available

(net commitments in millions of dollars)¹

	2008 actual	2009 est.	2010 est. ²
FFEL:			
Stafford	23,055	23,885	13,920
Unsubsidized Stafford	26,034	31,392	20,311
PLUS	8,207	8,702	4,063
Subtotal	57,296	63,980	38,293
Consolidation	9,270	1,007	802
Total, FFEL	66,566	64,987	39,095
Direct Loans:			
Stafford	7,380	8,464	19,940
Unsubsidized Stafford	7,628	9,596	23,709
PLUS	3,205	3,776	9,718
Subtotal	18,213	21,836	53,367
Consolidation	28,188	16,431	19,564
Total, Direct Loans	46,401	38,267	72,930
Total, All Loans	112,967	103,254	112,026

¹Net commitments equal gross commitments minus loan cancellations.

²FFEL data represents activity for the first 9 months. Under the budget proposal all activity in the final 3 months would be in Direct Loans.

Number of Loans

(in thousands)

	2008 actual	2009 est.	2010 est. ¹
FFEL:			
Stafford	6,147	6,279	3,584
Unsubsidized Stafford	5,834	7,189	4,868
PLUS	717	718	370

FEDERAL DIRECT STUDENT LOAN PROGRAM ACCOUNT—Continued
Number of Loans—Continued

	2008 actual	2009 est.	2010 est. ¹
Subtotal	12,698	14,185	9,093
Consolidation	288	10	8
Total, FFEL	12,985	14,196	9,100
Direct Loans:			
Stafford	1,783	2,047	4,829
Unsubsidized Stafford	1,649	2,150	5,102
PLUS	297	339	739
Subtotal	3,730	4,536	10,670
Consolidation	207	470	523
Total, Direct Loans	3,937	5,006	11,193
Total, All Loans	16,922	19,202	20,294

¹FFEL data represents activity for the first 9 months. Under the budget proposal all activity in the final 3 months would be in Direct Loans.

Average Loan Size (in whole dollars)

	2008 actual	2009 est.	2010 est. ¹
FFEL:			
Stafford	3,751	3,804	3,543
Unsubsidized Stafford	4,463	4,367	4,086
PLUS	11,449	12,129	10,493
Weighted Average, without Consolidations	4,512	4,510	4,211
Consolidation	32,227	97,348	102,692
Weighted Average, FFEL	5,126	4,578	4,296
Direct Loans:			
Stafford	4,139	4,134	4,128
Unsubsidized Stafford	4,625	4,464	4,661
PLUS	10,778	11,122	13,217
Weighted Average, without Consolidations	4,883	4,813	5,002
Consolidation	28,188	34,980	37,381
Weighted Average, Direct Loans	11,786	7,644	6,515
Weighted Average, All Loans	6,676	5,377	5,520

¹FFEL data represents activity for the first 9 months. Under the budget proposal all activity in the final 3 months would be in Direct Loans.

Summary of Default Rates¹

	2008 est.	2009 est.	2010 est. ²
FFEL:			
Stafford	11.70	11.49	12.85
Unsubsidized Stafford	10.65	11.21	12.49
PLUS	4.51	4.30	4.56
Consolidation	16.25	15.74	15.73
Weighted Average, FFEL	11.03	10.46	11.89
Direct Loans:			
Stafford	11.39	11.97	10.90
Unsubsidized Stafford	10.70	11.82	10.60
PLUS	5.51	5.37	4.63
Consolidation	25.93	15.19	14.29
Weighted Average, Direct Loans	13.92	12.66	10.82

¹Default rates displayed in this table, which reflect projected defaults over the life of a loan cohort, are used in developing program cost estimates. The Department uses other rates based on defaults occurring in the first two years of repayment to determine institutional eligibility to participate in Federal loan programs. (The Higher Education Opportunity Act of 2008 changed this requirement to a three-year rate.) These two- and three-year rates tend to be lower than those included in this table.

²FFEL data represents activity for the first 9 months. Under the budget proposal all activity in the final 3 months would be in Direct Loans.

FFEL program payments are made to lenders (interest subsidies, loan defaults, and discharges) and guaranty agencies (default collection costs, administrative services). These payments are partially offset by borrower origination fees and lender fees for originations and an annual consolidation loan holder fee. In

Direct Loans, cash outflows are primarily payments to Treasury. Cash inflows include principal and interest payments on outstanding Direct Loans.

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

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

Selected Program Costs and Offsets

	(in thousands of dollars)		
	2008 actual	2009 est.	2010 est. ¹
FFEL:			
Payments to lenders			
Interest benefits	4,022,978	6,022,936	4,702,194
Special allowance payments	2,522,595	(6,217,619)	(7,183,574)
Default claims	8,502,989	9,031,385	6,920,848
Loan discharges	1,443,608	1,529,241	1,589,624
Teacher loan forgiveness	47,250	221,363	233,696
Administrative payments to guaranty agencies	663,634	697,583	587,322
Fees paid to the Department of Education			
Borrower origination fees	(928,749)	(1,022,348)	(441,298)
Lender origination fees	(512,667)	(843,994)	(575,246)
Loan holder fees	(2,457,088)	(2,304,834)	(2,171,906)
Other Major Transactions			
Net default collections	(5,359,385)	(6,220,578)	(6,934,830)
Contract collection costs	89,181	90,842	75,419
Federal administrative costs	219,331	264,257	272,697
Net Cash Flow, FFEL	8,253,677	1,248,235	(2,925,053)
Ensuring Continued Access to Student Loans (ECASLA)			
Inflows (primarily fees, interest yield, and loan redemptions)	(467,766)	(90,572)	(3,793,841)
Outflows (primarily loan capital)	549,201	2,138,010	4,432,878
Net Cash Flow, ECASLA	81,435	2,047,438	639,036
Direct Loans			
Loan disbursements to borrowers	21,528,951	37,994,381	61,371,904
Borrower interest payments	(2,252,656)	(3,046,056)	(4,648,096)
Borrower principal payments	(7,041,133)	(7,694,881)	(11,319,626)
Borrower origination fees	(396,675)	(505,023)	(785,811)
Net default collections	(991,087)	(2,091,842)	(2,343,622)
Contract collection costs	237,637	183,447	206,124
Federal administrative costs	337,012	406,043	419,012
Net operating cash flows	11,422,048	25,246,069	42,899,883
Loan capital borrowings from Treasury	(21,528,951)	(37,994,381)	(61,371,904)
Net interest payments to Treasury	4,820,190	7,324,123	9,296,120
Principal payments to Treasury	4,662,856	5,467,514	8,929,376
Subtotal Treasury activity	(12,045,906)	(25,202,744)	(43,146,407)
Net Cash Flow, Direct Loans	(623,857)	43,324	(246,524)

Details may not sum to total due to rounding.

¹FFEL data represents activity for the first 9 months. Under the budget proposal all activity in the final 3 months would be in Direct Loans.

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

	(expressed as percentages)		
	2008 est.	2009 est.	2010 est. ¹
FFEL			
New Loans			
Stafford	6.65	7.08	13.24
Unsubsidized Stafford	-9.01	-6.33	-4.57
PLUS	-9.34	-7.52	-8.11
Subtotal, new loan subsidy	-2.76	-1.53	0.02
Federal administrative costs	0.53	0.52	0.54
Subtotal, new loans	-2.23	-1.01	0.56

Consolidation Loans			
Loan subsidy	-8.78	-5.89	-5.70
Federal administrative costs	0.04	0.04	0.04
Subtotal, consolidation loans	-8.74	-5.85	-5.66
New and Consolidation Loans			
Loan subsidy	-3.60	-1.59	-0.08
Federal administrative costs	0.57	0.56	0.58
Total, FFEL	-3.03	-1.03	0.50
Direct Loans			
New Loans			
Stafford	9.76	-2.88	-0.21
Unsubsidized Stafford	-11.26	-28.46	-27.90
PLUS	-13.84	-28.60	-28.48
Subtotal, new loan subsidy	-3.20	-0.19	-0.18
Federal administrative costs	2.70	2.80	1.75
Subtotal, new loans	-0.50	2.61	1.57
Consolidation Loans			
Loan subsidy	4.74	-12.88	-14.73
Federal administrative costs	0.51	0.40	0.38
Subtotal, consolidation loans	5.25	-12.48	-14.35
New and Consolidation Loans			
Loan subsidy	-2.04	-5.29	-3.70
Federal administrative costs	3.31	3.20	2.13
Total, Direct Loans	1.27	-2.09	-1.57

¹FFEL data represents activity for the first 9 months. Under the budget proposal all activity in the final 3 months would be in Direct Loans.

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

Consolidation Loan Subsidy Rates and Loan Volume

(expressed as percentages)

	2008 est.	2009 est.	2010 est. ¹
Subsidy Rates			
FFEL			
Not from default	-8.84	-5.90	-5.72
From default	-5.28	-4.26	-3.83
Total	-8.78	-5.89	-5.70
Direct Loans			
Not from default	-5.65	-20.07	-19.84
From default	20.56	10.87	18.68
Total	4.74	-12.88	-14.73
Percent of Loan Volume			
FFEL			
Not from default	98.19	99.31	99.31
From default	1.81	0.69	0.69
Total	100.00	100.00	100.00
Direct Loans			
Not from default	60.36	84.49	86.72
From default	39.64	15.51	13.28
Total	100.00	100.00	100.00

¹FFEL data represents activity for the first 9 months. Under the budget proposal all activity in the final 3 months would be in Direct Loans.

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

(expressed as percentages)

	2008 est.	2009 est.	2010 est. ¹
FFEL			
Program costs:²			
Interest subsidies	-2.60	-1.22	0.71
Net defaults	0.51	0.01	-0.02
Fees	-3.60	-2.22	-1.68
Other	2.09	1.84	2.33
Total	-3.60	-1.59	1.34
Federal administrative costs	0.57	0.57	0.58
Total	-3.03	-1.02	1.92
Direct Loans			
Program costs:²			
Interest subsidies and income, net	-6.78	-25.71	-25.62
Net defaults	1.99	2.1	1.43
Fees	-2.02	-1.33	-1.39
Other	5.54	8.64	8.59
Total	-1.27	-16.30	-16.99
Federal administrative costs	3.31	3.2	2.13
Total adjusted cost	2.04	-13.10	-14.86

Totals may not add due to rounding.

¹FFEL data represents activity for the first 9 months. Under the budget proposal all activity in the final 3 months would be in Direct Loans.

²Fees primarily reflect borrower origination fees and, in FFEL, lender origination and consolidation loan holder fees. Other primarily reflects loan discharges due to death, disability, or bankruptcy; contract collection costs, loan forgiveness, and Direct Loan interest rate rebates.

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

Loan Disbursement and Subsidy Costs

	FFEL	Direct Loans
Original Subsidy Costs	+\$79.2 bil	+\$0.6 bil
Cumulative Reestimates	-\$12.5 bil	+\$11.1 bil
Net Subsidy Costs	+\$66.7 bil	+\$11.7 bil
Total Disbursements	\$811.7 bil	\$249.8 bil

Changes in interest rate projections are a significant factor in FFEL and Direct Loan reestimates; recent declines in interest rates below historical averages have accordingly been a major driver in changes to program costs. Changes in borrower behavior (notably, prepayment of loans through consolidation and reduction in defaults) have also contributed to these reestimates.

Object Classification (in millions of dollars)

Identification code 91-0243-0-1-502	2008 actual	2009 est.	2010 est.
Direct obligations:			
25.7 Operation and maintenance of equipment	8		
41.0 Grants, subsidies, and contributions	5,301	1,386	
99.9 Total new obligations	5,309	1,386	

FEDERAL DIRECT STUDENT LOAN PROGRAM ACCOUNT

(Legislative proposal, subject to PAYGO)

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

Identification code 91-0243-4-1-502	2008 actual	2009 est.	2010 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Stafford			13,036
115002 Unsubsidized Stafford			16,375
115003 PLUS			6,184
115004 Consolidation			270
115999 Total direct loan levels			35,865
Direct loan subsidy (in percent):			
132004 Consolidation			-0.09
132999 Weighted average subsidy rate			-0.70

FEDERAL DIRECT STUDENT LOAN PROGRAM ACCOUNT—Continued
Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program —Continued

Identification code 91-0243-4-1-502	2008 actual	2009 est.	2010 est.
Direct loan subsidy budget authority:			
133001 Stafford			-27
133002 Unsubsidized Stafford			-4,569
133003 PLUS			-1,761
133004 Consolidation			-58
133999 Total subsidy budget authority			-6,415
Direct loan subsidy outlays:			
134001 Stafford			-17
134002 Unsubsidized Stafford			-2,725
134003 PLUS			-1,030
134004 Consolidation			-57
134999 Total subsidy outlays			-3,829

FEDERAL DIRECT STUDENT LOAN PROGRAM FINANCING ACCOUNT
Program and Financing (in millions of dollars)

Identification code 91-4253-0-3-502	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
00.01 Direct Loan Obligations	33,175	41,175	45,626
00.02 Interest payment to Treasury	6,190	7,324	8,973
00.91 Subtotal	39,365	48,499	54,599
02.01 Interest rate rebate, Stafford	83	124	131
02.02 Interest rate rebate, Unsubsidized Stafford	83	140	151
02.03 Interest rate rebate, PLUS	66	55	60
02.91 Subtotal	232	319	342
03.01 Consolidation loans—Payment of Orig. Services	17	44	48
04.01 Payment of contract collection costs	238	183	206
08.01 Obligation of negative loan subsidy	662	6,713	7,432
08.02 Downward reestimate to receipt account	477	1,126	
08.04 Interest on downward reestimate	97	140	
08.91 Subtotal	1,236	7,979	7,432
10.00 Total new obligations	41,088	57,024	62,627
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	3,563	672	
22.00 New financing authority (gross)	41,873	57,024	62,627
22.10 Resources available from recoveries of prior year obligations	2,870	3,022	2,405
22.60 Portion applied to repay debt	-4,559	-672	
22.70 Balance of authority to borrow withdrawn	-1,987	-3,022	-2,405
23.90 Total budgetary resources available for obligation	41,760	57,024	62,627
23.95 Total new obligations	-41,088	-57,024	-62,627
24.40 Unobligated balance carried forward, end of year	672		
New financing authority (gross), detail:			
Mandatory:			
60.00 Appropriation	123		
67.10 Authority to borrow	34,616	49,153	53,059
69.00 Offsetting collections (cash)	17,353	14,723	18,796
69.27 Capital transfer to general fund	-132		
69.47 Portion applied to repay debt	-10,087	-6,852	-9,228
69.90 Spending authority from offsetting collections (total mandatory)	7,134	7,871	9,568
70.00 Total new financing authority (gross)	41,873	57,024	62,627
Change in obligated balances:			
72.40 Obligated balance, start of year	10,716	20,432	22,426
73.10 Total new obligations	41,088	57,024	62,627
73.20 Total financing disbursements (gross)	-28,502	-52,008	-58,555
73.45 Recoveries of prior year obligations	-2,870	-3,022	-2,405
74.40 Obligated balance, end of year	20,432	22,426	24,093
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	28,502	52,008	58,555
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			

88.00 Upward reestimate	-885	-1,081	
88.00 Upward reestimate, interest	-274	-305	
88.00 Upward Modification	-4,143		
88.25 Interest on uninvested funds	-1,369		
88.40 Repayment of principal, Stafford	-2,159	-2,549	-3,335
88.40 Interest received on loans, Stafford	-520	-560	-755
88.40 Origination Fees, Stafford	-143	-169	-135
88.40 Other fees, Stafford	-25		
88.40 Repayment of principal, Unsubsidized Stafford	-1,613	-2,249	-3,179
88.40 Interest received on loans, Unsubsidized Stafford	-475	-486	-722
88.40 Origination Fees, Unsubsidized Stafford	-141	-190	-155
88.40 Other fees, Unsubsidized Stafford	-14		
88.40 Repayment of principal, PLUS	-895	-1,084	-1,547
88.40 Interest received on loans, PLUS	-338	-378	-566
88.40 Origination Fees, PLUS	-113	-146	-161
88.40 Other fees, PLUS	-5		
88.40 Payment of principal, Consolidation	-2,851	-3,386	-5,068
88.40 Interest received on loans, Consolidation	-1,348	-2,140	-3,173
88.40 Other fees, Consolidation	-42		
88.90 Total, offsetting collections (cash)	-17,353	-14,723	-18,796

Net financing authority and financing disbursements:			
89.00 Financing authority	24,520	42,301	43,831
90.00 Financing disbursements	11,149	37,285	39,759

Status of Direct Loans (in millions of dollars)

Identification code 91-4253-0-3-502	2008 actual	2009 est.	2010 est.
STAFFORD			
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	10,147	9,507	9,912
1150 Total direct loan obligations	10,147	9,507	9,912
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	24,331	28,920	34,570
1231 Disbursements: Direct loan disbursements	6,530	8,297	8,728
1251 Repayments: Repayments and prepayments	-2,159	-2,549	-3,335
1261 Adjustments: Capitalized interest	139		
1264 Write-offs for default: Other adjustments, net (+ or -)	79	-98	-108
1290 Outstanding, end of year	28,920	34,570	39,855
UNSUBSIDIZED STAFFORD			
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	11,456	11,116	11,858
1150 Total direct loan obligations	11,456	11,116	11,858
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	18,486	23,458	31,088
1231 Disbursements: Direct loan disbursements	6,200	9,323	10,060
1251 Repayments: Repayments and prepayments	-1,613	-2,249	-3,179
1261 Adjustments: Capitalized interest	321	651	874
1264 Write-offs for default: Other adjustments, net (+ or -)	64	-95	-107
1290 Outstanding, end of year	23,458	31,088	38,736
PLUS			
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	3,292	3,996	4,411
1150 Total direct loan obligations	3,292	3,996	4,411
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	5,846	7,751	10,297
1231 Disbursements: Direct loan disbursements	2,725	3,644	4,023
1251 Repayments: Repayments and prepayments	-894	-1,084	-1,547
1261 Adjustments: Capitalized interest	54	35	69
1264 Write-offs for default: Other adjustments, net (+ or -)	20	-49	-56
1290 Outstanding, end of year	7,751	10,297	12,786
CONSOLIDATION			
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	8,280	16,556	19,445
1150 Total direct loan obligations	8,280	16,556	19,445

1150	Total direct loan obligations	8,280	16,556	19,445
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	53,777	57,481	70,229
1231	Disbursements: Direct loan disbursements	5,841	16,411	19,287
1251	Repayments: Repayments and prepayments	-2,851	-3,386	-5,068
1261	Adjustments: Capitalized interest	559		
1264	Write-offs for default: Other adjustments, net (+ or -)	155	-277	-313
1290	Outstanding, end of year	57,481	70,229	84,135

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

Balance Sheet (in millions of dollars)

Identification code 91-4253-0-3-502	2007 actual	2008 actual	
ASSETS:			
Federal assets:			
1101	Fund balances with Treasury	5,365	7,734
Investments in US securities:			
1106	Receivables, net	611	1,872
1206	Non-Federal assets: Receivables, net	6	7
Net value of assets related to post-1991 direct loans receivable:			
1401	Direct loans receivable, gross	102,440	117,610
1402	Interest receivable	4,807	5,983
1405	Allowance for subsidy cost (-)	-8,245	-13,743
1499	Net present value of assets related to direct loans	99,002	109,850
1999	Total assets	104,984	119,463
LIABILITIES:			
Federal liabilities:			
2101	Accounts payable	497	1,175
2103	Debt	103,893	117,419
2201	Non-Federal liabilities: Accounts payable	594	869
2999	Total liabilities	104,984	119,463
4999	Total liabilities and net position	104,984	119,463

FEDERAL DIRECT STUDENT LOAN PROGRAM FINANCING ACCOUNT

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 91-4253-4-3-502	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
00.01	Direct Loan Obligations		35,865
00.02	Interest payment to Treasury		323
00.91	Subtotal		36,188
02.01	Interest rate rebate, Stafford		101
02.02	Interest rate rebate, Unsubsidized Stafford		128
02.03	Interest rate rebate, PLUS		47
02.91	Subtotal		276
08.01	Obligation of negative subsidy		6,415
10.00	Total new obligations		42,879
Budgetary resources available for obligation:			
22.00	New financing authority (gross)		42,879
23.95	Total new obligations		-42,879
24.40	Unobligated balance carried forward, end of year		
New financing authority (gross), detail:			
Mandatory:			
67.10	Authority to borrow		42,279
69.00	Offsetting collections (cash)		301
69.47	Portion applied to repay debt		299
69.90	Spending authority from offsetting collections (total mandatory)		600
70.00	Total new financing authority (gross)		42,879
Change in obligated balances:			
73.10	Total new obligations		42,879

73.20	Total financing disbursements (gross)			-23,085
74.40	Obligated balance, end of year			19,794
Outlays (gross), detail:				
87.00	Total financing disbursements (gross)			23,085

Offsets:

Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.40	Repayment of principal, Stafford			32
88.40	Interest received on loans, Stafford			-1
88.40	Origination Fees, Stafford			-93
88.40	Other fees, Stafford			
88.40	Repayment of principal, Unsubsidized Stafford			29
88.40	Interest received on loans, Unsubsidized Stafford			-2
88.40	Origination Fees, Unsubsidized Stafford			-118
88.40	Other fees, Unsubsidized Stafford			
88.40	Repayment of principal, PLUS			-8
88.40	Interest received on loans, PLUS			-3
88.40	Origination Fees, PLUS			-125
88.40	Other fees, PLUS			
88.40	Payment of principal, Consolidation			-5
88.40	Interest received on loans, Consolidation			-7
88.40	Non-Federal sources			
88.90	Total, offsetting collections (cash)			-301

Net financing authority and financing disbursements:

89.00	Financing authority			42,578
90.00	Financing disbursements			22,784

FEDERAL FAMILY EDUCATION LOAN PROGRAM ACCOUNT

Program and Financing (in millions of dollars)

Identification code 91-0231-0-1-502	2008 actual	2009 est.	2010 est.	
Obligations by program activity:				
00.01	Direct loan subsidy			
00.02	Guaranteed loan subsidy		1,163	
00.04	Modification subsidy, guaranteed loans	11		
00.05	Upward reestimate, direct loans		862	
00.06	Interest on reestimate, direct loans		22	
00.07	Upward reestimate, guaranteed loans	1,893	65	
00.08	Interest on reestimate of guaranteed loans	1,553	113	
10.00	Total new obligations (object class 41.0)	3,457	1,062	1,163
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	3,457	1,062	1,163
22.10	Resources available from recoveries of prior year obligations	673		
22.40	Capital transfer to general fund	-673		
23.90	Total budgetary resources available for obligation	3,457	1,062	1,163
23.95	Total new obligations	-3,457	-1,062	-1,163
New budget authority (gross), detail:				
Mandatory:				
60.00	Appropriation	3,457	1,062	1,163
Change in obligated balances:				
72.40	Obligated balance, start of year	1,915		
73.10	Total new obligations	3,457	1,062	1,163
73.20	Total outlays (gross)	-4,699	-1,062	-726
73.45	Recoveries of prior year obligations	-673		
74.40	Obligated balance, end of year			437
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	3,457	1,062	726
86.98	Outlays from mandatory balances	1,242		
87.00	Total outlays (gross)	4,699	1,062	726
Net budget authority and outlays:				
89.00	Budget authority	3,457	1,062	1,163
90.00	Outlays	4,699	1,062	726

FEDERAL FAMILY EDUCATION LOAN PROGRAM ACCOUNT—Continued
Summary of Budget Authority and Outlays (in millions of dollars)

	2008 actual	2009 est.	2010 est.
Enacted/requested:			
Budget Authority	3,457	1,062	1,163
Outlays	4,699	1,062	726
Legislative proposal, subject to PAYGO:			
Budget Authority			-543
Outlays			-346
Total:			
Budget Authority	3,457	1,062	620
Outlays	4,699	1,062	380

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

Identification code 91-0231-0-1-502	2008 actual	2009 est.	2010 est.
Direct loan levels supportable by subsidy budget authority:			
115002 Stafford Direct Standard Put	876	1,849	934
115003 Unsubsidized Stafford Direct Standard Put	1,136	2,422	1,354
115004 PLUS Direct Standard Put	384	667	264
115006 Stafford Direct Participation Agreement	7,760	15,427	7,875
115007 Unsubsidized Stafford Direct Participation Agreement	9,189	21,002	11,881
115008 PLUS Direct Participation Agreement	3,183	5,342	2,134
115013 Stafford Direct Short Term Standard Put		543	
115014 Unsubsidized Stafford Direct Short Term Standard Put		454	
115015 PLUS Direct Short Term Standard Put		271	
115016 Stafford Direct Conduit		2,511	
115017 Unsubsidized Stafford Direct Conduit		2,449	
115018 PLUS Direct Conduit		334	
115020 FFB Conduit Liquidity Guarantee		4,570	
115999 Total direct loan levels	22,528	57,841	24,442
Direct loan subsidy (in percent):			
132002 Stafford Direct Standard Put	6.14	0.84	1.86
132003 Unsubsidized Stafford Direct Standard Put	-9.16	-26.46	-26.45
132004 PLUS Direct Standard Put	-10.96	-24.87	-27.96
132006 Stafford Direct Participation Agreement	6.81	4.99	1.78
132007 Unsubsidized Stafford Direct Participation Agreement	-7.10	-15.89	-21.57
132008 PLUS Direct Participation Agreement	-8.86	-10.35	-23.99
132013 Stafford Direct Short Term Standard Put	0.00	-3.58	0.00
132014 Unsubsidized Stafford Direct Short Term Standard Put	0.00	-20.98	0.00
132015 PLUS Direct Short Term Standard Put	0.00	-23.78	0.00
132016 Stafford Direct Conduit	0.00	-1.94	0.00
132017 Unsubsidized Stafford Direct Conduit	0.00	-12.25	0.00
132018 PLUS Direct Conduit	0.00	-11.62	0.00
132020 FFB Conduit Liquidity Guarantee	0.00	-6.19	0.00
132999 Weighted average subsidy rate	-2.21	-8.23	-13.70
Direct loan subsidy budget authority:			
133002 Stafford Direct Standard Put	54	16	17
133003 Unsubsidized Stafford Direct Standard Put	-104	-641	-358
133004 PLUS Direct Standard Put	-42	-166	-74
133006 Stafford Direct Participation Agreement	528	770	140
133007 Unsubsidized Stafford Direct Participation Agreement	-652	-3,337	-2,563
133008 PLUS Direct Participation Agreement	-282	-553	-512
133013 Stafford Direct Short Term Standard Put		-19	
133014 Unsubsidized Stafford Direct Short Term Standard Put		-95	
133015 PLUS Direct Short Term Standard Put		-64	
133016 Stafford Direct Conduit		-49	
133017 Unsubsidized Stafford Direct Conduit		-300	
133018 PLUS Direct Conduit		-39	
133020 FFB Conduit Liquidity Guarantee		-283	
133999 Total subsidy budget authority	-498	-4,761	-3,349
Direct loan subsidy outlays:			
134002 Stafford Direct Standard Put	1	96	32
134003 Unsubsidized Stafford Direct Standard Put	-3	-85	-347
134004 PLUS Direct Standard Put	-1	-38	-68
134006 Stafford Direct Participation Agreement	214	473	118
134007 Unsubsidized Stafford Direct Participation Agreement	-260	-2,031	-2,069
134008 PLUS Direct Participation Agreement	-121	-328	-453
134013 Stafford Direct Short Term Standard Put		-16	
134014 Unsubsidized Stafford Direct Short Term Standard Put		-78	
134015 PLUS Direct Short Term Standard Put		-57	
134016 Stafford Direct Conduit		-6	
134017 Unsubsidized Stafford Direct Conduit		-35	
134018 PLUS Direct Conduit		-5	
134020 FFB Conduit Liquidity Guarantee		-283	
134999 Total subsidy outlays	-170	-2,347	-2,833
Direct loan upward reestimates:			
135010 Direct Participation Agreement Reestimates		881	
135012 Direct Standard Put Reestimates		3	

135999 Total upward reestimate budget authority		884	
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Stafford	25,669	28,004	29,360
215002 Unsubsidized Stafford	28,261	38,125	41,059
215003 PLUS	8,422	9,698	10,711
215004 Consolidation	10,745	1,018	1,082
215999 Total loan guarantee levels	73,097	76,845	82,212
Guaranteed loan subsidy (in percent):			
232001 Stafford	10.02	7.08	13.92
232002 Unsubsidized Stafford	-5.40	-6.33	-4.80
232003 PLUS	-6.61	-7.52	-8.32
232004 Consolidation	-4.59	-5.89	-5.70
232999 Weighted average subsidy rate	-0.01	-1.59	1.41
Guaranteed loan subsidy budget authority:			
233001 Stafford	2,572	1,983	4,087
233002 Unsubsidized Stafford	-1,526	-2,413	-1,971
233003 PLUS	-557	-729	-891
233004 Consolidation	-493	-60	-62
233999 Total subsidy budget authority	-4	-1,220	1,163
Guaranteed loan subsidy outlays:			
234001 Stafford	1,309	3,407	2,996
234002 Unsubsidized Stafford	-14	-2,739	-1,725
234003 PLUS	-59	-930	-751
234004 Consolidation	6	-549	-61
234999 Total subsidy outlays	1,242	-811	459
Guaranteed loan upward reestimates:			
235006 FFEL Reestimates	3,446	178	
235999 Total upward reestimate budget authority	3,446	178	
Guaranteed loan downward reestimates:			
237006 FFEL Reestimates	-2,456	-17,015	
237999 Total downward reestimate subsidy budget authority	-2,456	-17,015	

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

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

FEDERAL FAMILY EDUCATION LOAN PROGRAM ACCOUNT
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 91-0231-4-1-502	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
00.02 Guaranteed loan subsidy			-543
10.00 Total new obligations (object class 41.0)			-543
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			-543
23.95 Total new obligations			543
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation			-543
Change in obligated balances:			
73.10 Total new obligations			-543
73.20 Total outlays (gross)			346
74.40 Obligated balance, end of year			-197
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority			-346
Net budget authority and outlays:			
89.00 Budget authority			-543

90.00	Outlays			-346
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Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 91-0231-4-1-502	2008 actual	2009 est.	2010 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001	Stafford		-13,036
215002	Unsubsidized Stafford		-16,375
215003	PLUS		-6,184
215004	Consolidation		-270
215999	Total loan guarantee levels		-35,865
Guaranteed loan subsidy (in percent):			
232001	Stafford		-0.68
232002	Unsubsidized Stafford		0.23
232003	PLUS		0.21
232999	Weighted average subsidy rate		-0.07
Guaranteed loan subsidy budget authority:			
233001	Stafford		-1,925
233002	Unsubsidized Stafford		843
233003	PLUS		524
233004	Consolidation		15
233999	Total subsidy budget authority		-543
Guaranteed loan subsidy outlays:			
234001	Stafford		-1,188
234002	Unsubsidized Stafford		516
234003	PLUS		311
234004	Consolidation		15
234999	Total subsidy outlays		-346

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.40	Direct Conduit Liquidity Fee		-35
88.40	Borrower principal repayments		-52
88.40	Borrower interest repayments		-5
88.40	FFB Commitment Fee		-58
88.90	Total, offsetting collections (cash)		-150
Net financing authority and financing disbursements:			
89.00	Financing authority	14,946	-40
90.00	Financing disbursements		560

Status of Direct Loans (in millions of dollars)

Identification code 91-4459-0-3-502	2008 actual	2009 est.	2010 est.
Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans		
1131	Direct loan obligations exempt from limitation	9,864	
1150	Total direct loan obligations	9,864	
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year		
1232	Disbursements: Purchase of loans assets from the public		647
1251	Repayments: Repayments and prepayments		-51
1264	Write-offs for default: Other adjustments, net (+ or -)		-1
1290	Outstanding, end of year		595

As required by the Federal Credit Reform Act of 1990, this nonbudgetary account records all cash flows to and from the Government resulting from the asset-backed commercial paper conduit authorized under the Ensuring Continued Access to Student Loans Act of 2008. Amounts in this account are a means of financing and are not included in the budget totals.

TEMPORARY STUDENT LOAN PURCHASE AUTHORITY CONDUIT FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 91-4459-0-3-502	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
00.01	Direct loan obligations	9,706	
00.02	Interest payment to Treasury		8
00.03	Contract collection costs		8
00.91	Direct Program by Activities - Subtotal (1 level)	9,706	16
08.01	Obligation of negative subsidy	670	
10.00	Total new obligations	10,376	16
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year		4,570
22.00	New financing authority (gross)	14,946	110
23.90	Total budgetary resources available for obligation	14,946	4,680
23.95	Total new obligations	-10,376	-16
24.40	Unobligated balance carried forward, end of year	4,570	4,664
New financing authority (gross), detail:			
Mandatory:			
67.10	Authority to borrow	10,376	
67.10	FFB Authority to borrow	4,570	
67.90	Authority to borrow (total mandatory)	14,946	
69.00	Offsetting collections (cash)		150
69.47	Portion applied to repay debt		-40
69.47	FFB Portion applied to repay debt		
69.90	Spending authority from offsetting collections (total mandatory)		110
70.00	Total new financing authority (gross)	14,946	110
Change in obligated balances:			
72.40	Obligated balance, start of year		10,376
73.10	Total new obligations	10,376	16
73.20	Total financing disbursements (gross)		-710
74.40	Obligated balance, end of year	10,376	9,682
Outlays (gross), detail:			
87.00	Total financing disbursements (gross)		710

FEDERAL FAMILY EDUCATION LOAN PROGRAM FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 91-4251-0-3-502	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
01.01	Default claims	2,179	2,807
01.02	Special allowance	121	188
01.03	Interest benefits	3,070	5,011
01.04	Death, disability, and bankruptcy claims	174	223
01.05	Teacher loan forgiveness, other write-offs	21	112
01.07	Contract collection costs	17	20
01.08	Guaranty Agency loan processing issuance fees	93	125
01.09	Voluntary flexible agreement performance fee	54	
01.10	Guaranty Agency account maintenance fees	53	86
01.91	Subtotal, Stafford loans	5,782	8,572
02.02	Default claims	1,719	2,491
02.03	Special allowance	101	177
02.04	Death, disability, and bankruptcy claims	151	239
02.05	Teacher loan forgiveness, other write-offs	26	110
02.07	Contract collection costs	7	13
02.08	Guaranty Agency loan processing issuance fees	89	163
02.09	Voluntary flexible agreement performance fee	40	
02.10	Guaranty Agency account maintenance fees	46	86
02.91	Subtotal, Unsubsidized Stafford loans	2,179	3,279
03.01	Default claims	246	394
03.03	Special allowance	4	8
03.04	Death, disability, and bankruptcy claims	85	154
03.07	Contract Collection Costs	1	2
03.08	Guaranty Agency loan processing issuance fees	35	45
03.09	Voluntary flexible agreement performance fee	6	
03.10	Guaranty Agency account maintenance fees	13	28
03.91	Subtotal, PLUS loans	390	631
04.03	Default claims	23	3
04.04	Death, disability and bankruptcy claims	4	
04.07	Contract collection costs	3	4
04.09	Voluntary flexible agreement performance fee	1	
04.91	Subtotal, SLS loans	31	7
05.01	Default claims	4,200	3,232
05.02	Special allowance	3,565	1,100

FEDERAL FAMILY EDUCATION LOAN PROGRAM FINANCING ACCOUNT—Continued
Program and Financing—Continued

Identification code 91-4251-0-3-502	2008 actual	2009 est.	2010 est.
05.03 Interest benefits	948	1,009	365
05.04 Death, disability, and bankruptcy claims	1,007	894	915
05.05 Teacher loan forgiveness, other write-offs	23		
05.07 Contract collection costs	5	7	8
05.08 Voluntary flexible agreement performance fee	81		
05.10 Guaranty Agency account maintenance fees	149	164	161
05.91 Subtotal, Consolidations loans	9,978	6,406	5,330
08.01 Obligation of negative subsidy	4	1,220	
08.02 Downward reestimate to receipt account	2,082	13,528	
08.04 Interest on downward reestimate	374	3,487	
08.05 Downward Modification	2,475	2,640	
08.91 Downward Reestimate- Subtotal (1 level)	4,935	20,875	
10.00 Total new obligations	23,295	39,770	16,095
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	33,229	25,840	6,152
22.00 New financing authority (gross)	15,661	20,082	20,961
22.10 Resources available from recoveries of prior year obligations ...	245		
23.90 Total budgetary resources available for obligation	49,135	45,922	27,113
23.95 Total new obligations	-23,295	-39,770	-16,095
24.40 Unobligated balance carried forward, end of year	25,840	6,152	11,018
New financing authority (gross), detail:			
Mandatory:			
60.00 Appropriation	28	130	
67.10 Authority to borrow	4	1,220	
69.00 Offsetting collections (cash)	15,687	18,732	20,961
69.27 Capital transfer to general fund	-58		
69.90 Spending authority from offsetting collections (total mandatory)	15,629	18,732	20,961
70.00 Total new financing authority (gross)	15,661	20,082	20,961
Change in obligated balances:			
72.40 Obligated balance, start of year	3,709	2,910	2,099
73.10 Total new obligations	23,295	39,770	16,095
73.20 Total financing disbursements (gross)	-23,849	-40,581	-16,362
73.45 Recoveries of prior year obligations	-245		
74.40 Obligated balance, end of year	2,910	2,099	1,832
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	23,849	40,581	16,362
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Program subsidy account	-1,242		-726
88.00 Upward reestimate	-3,446	-178	
88.00 Modification	-11		
88.25 Interest on uninvested funds	-1,371	-1,218	-784
88.40 Stafford recoveries on defaults	-1,745	-2,021	-2,233
88.40 Stafford borrower origination fees	-348	-277	-141
88.40 Stafford lender origination fees	-165	-313	-379
88.40 Stafford other fees	-78		
88.40 Stafford special allowance rebate	-372	-2,708	-3,058
88.40 Unsubsidized Stafford recoveries on default	-946	-1,448	-1,711
88.40 Unsubsidized Stafford borrower origination fees	-338	-409	-197
88.40 Unsubsidized Stafford lender origination fees	-156	-408	-505
88.40 Unsubsidized Stafford other fees	-50		
88.40 Unsubsidized Stafford special allowance rebate	-359	-3,199	-4,072
88.40 PLUS recoveries on defaults	-179	-192	-226
88.40 PLUS borrower origination fees	-242	-337	-438
88.40 PLUS lender origination fees	-58	-112	-146
88.40 PLUS other fees	-9		
88.40 PLUS special allowance rebate	-176	-747	-966
88.40 SLS recoveries on defaults	-51	-58	-47
88.40 SLS other fees	-4		
88.40 Consolidation recoveries on defaults	-1,321	-1,754	-2,048
88.40 Consolidation lender origination fees	-134	-10	-11
88.40 Consolidation loan holders fee	-2,457	-2,305	-2,172
88.40 Consolidation other fees	-67		
88.40 Consolidation special allowance rebate	-362	-1,038	-1,101
88.90 Total, offsetting collections (cash)	-15,687	-18,732	-20,961

Net financing authority and financing disbursements:				
89.00	Financing authority	-26	1,350	
90.00	Financing disbursements	8,162	21,849	-4,599

Status of Guaranteed Loans (in millions of dollars)				
Identification code 91-4251-0-3-502	2008 actual	2009 est.	2010 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	25,669	28,004	29,360
2150	Total guaranteed loan commitments	25,669	28,004	29,360
2199	Guaranteed amount of guaranteed loan commitments	24,899	27,164	28,479
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	61,951	79,734	99,508
2231	Disbursements of new guaranteed loans	23,157	31,339	37,854
2251	Repayments and prepayments	-2,818	-8,471	-11,006
Adjustments:				
2261	Terminations for default that result in loans receivable	-2,179	-2,759	-2,073
2263	Terminations for default that result in claim payments	-174	-223	-238
2264	Other adjustments, net	-203	-112	-118
2290	Outstanding, end of year	79,734	99,508	123,927
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	77,342	96,523	120,209
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	4,027	4,896	5,432
2331	Disbursements for guaranteed loan claims	2,179	2,759	2,073
2351	Repayments of loans receivable	-1,378	-2,021	-2,233
2361	Write-offs of loans receivable	-174	-202	-189
2364	Other adjustments, net	242		
2390	Outstanding, end of year	4,896	5,432	5,083
UNSUBSIDIZED STAFFORD				
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders			
2131	Guaranteed loan commitments exempt from limitation	28,261	38,125	41,059
2150	Total guaranteed loan commitments	28,261	38,125	41,059
2199	Guaranteed amount of guaranteed loan commitments	27,413	36,981	39,827
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	54,588	75,382	103,321
2231	Disbursements of new guaranteed loans	24,381	40,823	50,545
2251	Repayments and prepayments	-2,644	-10,119	-13,983
Adjustments:				
2261	Terminations for default that result in loans receivable	-1,719	-2,416	-1,914
2263	Terminations for default that result in claim payments	-151	-239	-269
2264	Other adjustments, net	927	-110	-116
2290	Outstanding, end of year	75,382	103,321	137,584
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	73,120	100,222	133,456
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	3,269	4,231	5,011
2331	Disbursements for guaranteed loan claims	1,719	2,416	1,914
2351	Repayments of loans receivable	-814	-1,448	-1,711
2361	Write-offs of loans receivable	-151	-188	-189
2364	Other adjustments, net	208		
2390	Outstanding, end of year	4,231	5,011	5,025
PLUS				
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders			
2131	Guaranteed loan commitments exempt from limitation	8,422	9,698	10,711
2150	Total guaranteed loan commitments	8,422	9,698	10,711
2199	Guaranteed amount of guaranteed loan commitments	8,169	9,407	10,390
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	13,624	20,037	26,814

2231	Disbursements of new guaranteed loans	8,341	11,230	14,597
2251	Repayments and prepayments	-988	-3,921	-4,818
Adjustments:				
2261	Terminations for default that result in loans receivable	-246	-378	-267
2263	Terminations for default that result in claim payments	-85	-154	-163
2264	Other adjustments, net	-609		
2290	Outstanding, end of year	20,037	26,814	36,163

Memorandum:

2299	Guaranteed amount of guaranteed loans outstanding, end of year	19,436	26,010	35,078
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Addendum:

Cumulative balance of defaulted guaranteed loans that result in loans receivable:

2310	Outstanding, start of year	371	405	484
2331	Disbursements for guaranteed loan claims	246	378	267
2351	Repayments of loans receivable	-147	-192	-226
2361	Write-offs of loans receivable	-85	-107	-95
2364	Other adjustments, net	20		
2390	Outstanding, end of year	405	484	430

SLS

Cumulative balance of guaranteed loans outstanding:

2210	Outstanding, start of year	187	168	147
2251	Repayments and prepayments	-18	-15	-9
Adjustments:				
2261	Terminations for default that result in loans receivable	-23	-6	-2
2263	Terminations for default that result in claim payments	-4		
2264	Other adjustments, net	26		
2290	Outstanding, end of year	168	147	136

Memorandum:

2299	Guaranteed amount of guaranteed loans outstanding, end of year	163	142	132
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Addendum:

Cumulative balance of defaulted guaranteed loans that result in loans receivable:

2310	Outstanding, start of year	381	381	325
2331	Disbursements for guaranteed loan claims	23	6	2
2351	Repayments of loans receivable	-38	-58	-47
2361	Write-offs of loans receivable	-4	-4	-3
2364	Other adjustments, net	19		
2390	Outstanding, end of year	381	325	277

CONSOLIDATION

Position with respect to appropriations act limitation on commitments:

2111	Limitation on guaranteed loans made by private lenders			
2131	Guaranteed loan commitments exempt from limitation	10,745	1,018	1,082
2150	Total guaranteed loan commitments	10,745	1,018	1,082
2199	Guaranteed amount of guaranteed loan commitments	10,423	988	1,049

Cumulative balance of guaranteed loans outstanding:

2210	Outstanding, start of year	231,279	237,679	221,554
2231	Disbursements of new guaranteed loans	9,325	1,006	1,069
2251	Repayments and prepayments	-5,293	-12,801	-12,366
Adjustments:				
2261	Terminations for default that result in loans receivable	-4,200	-3,436	-3,019
2263	Terminations for default that result in claim payments	-1,007	-894	-915
2264	Other adjustments, net	7,575		
2290	Outstanding, end of year	237,679	221,554	206,323

Memorandum:

2299	Guaranteed amount of guaranteed loans outstanding, end of year	230,549	214,908	200,134
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Addendum:

Cumulative balance of defaulted guaranteed loans that result in loans receivable:

2310	Outstanding, start of year	5,276	7,728	8,275
2331	Disbursements for guaranteed loan claims	4,200	3,436	3,019
2351	Repayments of loans receivable	-1,122	-1,754	-2,048
2361	Write-offs of loans receivable	-1,007	-1,135	-1,114
2364	Other adjustments, net	381		
2390	Outstanding, end of year	7,728	8,275	8,132

As required by the Federal Credit Reform Act of 1990, this nonbudgetary account records all cash flows to and from the Government resulting from Federal Family Education Loans

(FFEL), formerly guaranteed student loans (GSL), committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 91-4251-0-3-502	2007 actual	2008 actual	
ASSETS:			
Federal assets:			
1101	Fund balances with Treasury	36,938	28,746
Investments in US securities:			
1106	Receivables, net	1,983	4,444
1206	Non-Federal assets: Receivables, net	29	109
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:			
1501	Defaulted guaranteed loans receivable, gross	13,325	17,641
1502	Interest receivable	1,957	2,143
1505	Allowance for subsidy cost (-)	-2,755	-4,160
1599	Net present value of assets related to defaulted guaranteed loans	12,527	15,624
1999	Total assets	51,477	48,923
LIABILITIES:			
2101	Federal liabilities: Accounts payable	743	5,654
Non-Federal liabilities:			
2201	Accounts payable	3	83
2204	Liabilities for loan guarantees	50,731	43,186
2999	Total liabilities	51,477	48,923
4999	Total liabilities and net position	51,477	48,923

FEDERAL FAMILY EDUCATION LOAN PROGRAM FINANCING ACCOUNT
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 91-4251-4-3-502	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
Stafford loans:			
01.01	Default claims		-1
01.02	Special allowance		-1
01.03	Interest benefits		-305
01.04	Death, disability, and bankruptcy claims		-2
01.08	Guaranty Agency loan processing issuance fees		-67
01.10	Guaranty Agency account maintenance fees		-11
01.91	Subtotal, Stafford loans		-387
Unsubsidized Stafford loans:			
02.03	Special allowance		-1
02.04	Death, disability, and bankruptcy claims		-5
02.08	Guaranty Agency loan processing issuance fees		-88
02.10	Guaranty Agency account maintenance fees		-14
02.91	Subtotal, Unsubsidized Stafford loans		-108
PLUS loans:			
03.04	Death, disability, and bankruptcy claims		-2
03.08	Guaranty Agency loan processing issuance fees		-32
03.10	Guaranty Agency account maintenance fees		-5
03.91	Subtotal, PLUS loans		-39
10.00	Total new obligations		-534
Budgetary resources available for obligation:			
22.00	New financing authority (gross)		-1,580
23.95	Total new obligations		534
24.40	Unobligated balance carried forward, end of year		-1,046
New financing authority (gross), detail:			
Mandatory:			
69.00	Offsetting collections (cash)		-1,580
Change in obligated balances:			
73.10	Total new obligations		-534
73.20	Total financing disbursements (gross)		534
Outlays (gross), detail:			
87.00	Total financing disbursements (gross)		-534
Offsets:			
Against gross financing authority and financing disbursements:			

FEDERAL FAMILY EDUCATION LOAN PROGRAM FINANCING ACCOUNT—Continued
Program and Financing—Continued

Identification code 91-4251-4-3-502	2008 actual	2009 est.	2010 est.
Offsetting collections (cash) from:			
Payments from program account:			
88.00 Program subsidy account			346
88.25 Interest on uninvested funds			15
Student Loans: Stafford, Unsubsidized Stafford, PLUS, SLS & Consolidation:			
88.40 Stafford borrower origination fees			42
88.40 Stafford lender origination fees			167
88.40 Stafford special allowance rebate			125
88.40 Unsubsidized Stafford borrower origination fees			55
88.40 Unsubsidized Stafford lender origination fees			219
88.40 Unsubsidized Stafford special allowance rebate			259
88.40 PLUS borrower origination fees			238
88.40 PLUS lender origination fees			79
88.40 PLUS special allowance rebate			34
88.40 Consolidation special allowance rebate			1
88.90 Total, offsetting collections (cash)			1,580
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements			1,046

TEMPORARY STUDENT LOAN PURCHASE AUTHORITY FINANCING ACCOUNT
Program and Financing (in millions of dollars)

Identification code 91-4453-0-3-502	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
00.01 Direct loan obligations	20,132	41,771	21,890
00.02 Interest payment to treasury	492	1,416	2,943
00.03 Lender fee rebate			271
00.04 Participation Agreement lender purchase fee			442
00.05 Contract collection costs			1
00.91 Direct Program by Activities - Subtotal (1 level)	20,624	43,187	25,547
08.01 Obligation of negative subsidy	406	3,120	2,934
10.00 Total new obligations	21,030	46,307	28,481
Budgetary resources available for obligation:			
22.00 New financing authority (gross)	21,030	46,307	31,404
23.95 Total new obligations	-21,030	-46,307	-28,481
24.40 Unobligated balance carried forward, end of year			2,923
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	20,565	46,307	28,480
69.00 Offsetting collections (cash)	465	881	2,924
69.10 Change in uncollected customer payments from Federal sources (unexpired)		-418	
69.47 Portion applied to repay debt		-463	
69.90 Spending authority from offsetting collections (total mandatory)	465		2,924
70.00 Total new financing authority (gross)	21,030	46,307	31,404
Change in obligated balances:			
72.40 Obligated balance, start of year		15,335	11,412
73.10 Total new obligations	21,030	46,307	28,481
73.20 Total financing disbursements (gross)	-5,695	-50,648	-24,149
74.00 Change in uncollected customer payments from Federal sources (unexpired)		418	
74.40 Obligated balance, end of year	15,335	11,412	15,744
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	5,695	50,648	24,149
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Upward reestimate		-859	
88.00 Upward reestimate interest		-22	

88.25 Interest on uninvested funds	-465		
88.40 Participation Agreement Yield Put			-500
88.40 Borrower principal repayments			-125
88.40 Borrower principal repayments			-1,854
88.40 Borrower interest repayments			-445
88.90 Total, offsetting collections (cash)	-465	-881	-2,924
Against gross financing authority only:			
88.95 Change in receivables from program accounts		418	
Net financing authority and financing disbursements:			
89.00 Financing authority	20,565	45,844	28,480
90.00 Financing disbursements	5,230	49,767	21,225

Status of Direct Loans (in millions of dollars)

Identification code 91-4453-0-3-502	2008 actual	2009 est.	2010 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	20,132	41,771	21,890
1150 Total direct loan obligations	20,132	41,771	21,890
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year		5,035	52,381
1232 Disbursements: Purchase of loans assets from the public	5,035	47,346	18,089
1251 Repayments: Repayments and prepayments			-1,854
1261 Adjustments: Capitalized interest			604
1264 Write-offs for default: Other adjustments, net (+ or -)			-36
1290 Outstanding, end of year	5,035	52,381	69,184

As required by the Federal Credit Reform Act of 1990, this nonbudgetary account records all cash flows to and from the Government resulting from the participation interest program authorized under the Ensuring Continued Access to Student Loans Act of 2008. Amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 91-4453-0-3-502	2007 actual	2008 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury		5,525
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross		5,035
1402 Interest receivable		11
1405 Allowance for subsidy cost (-)		183
1499 Net present value of assets related to direct loans		5,229
1999 Total assets		10,754
LIABILITIES:		
2103 Federal liabilities: Debt		10,754
4999 Total liabilities and net position		10,754

TEMPORARY STUDENT LOAN PURCHASE AUTHORITY STANDARD PUT FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 91-4449-0-3-502	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
00.01 Direct loan obligations	2,396	6,175	2,552
00.02 Interest payment to Treasury	3	213	466
00.03 Lender fee rebate	21	18	54
00.04 Standard Put lender purchase fee	33	28	57
00.05 Contract collection costs			1
00.91 Direct Program by Activities - Subtotal (1 level)	2,453	6,434	3,130
08.01 Obligation of negative subsidy	79	970	414
10.00 Total new obligations	2,532	7,404	3,544
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		3	93
22.00 New financing authority (gross)	2,535	7,497	3,655

22.60	Portion applied to repay debt	-3	-93
23.90	Total budgetary resources available for obligation	2,535	7,497
23.95	Total new obligations	-2,532	-7,404
24.40	Unobligated balance carried forward, end of year	3	93

New financing authority (gross), detail:

Mandatory:			
67.10	Authority to borrow	2,532	7,404
69.00	Offsetting collections (cash)	3	93
69.47	Portion applied to repay debt		-142
69.90	Spending authority from offsetting collections (total mandatory)	3	93
70.00	Total new financing authority (gross)	2,535	7,497

Change in obligated balances:

72.40	Obligated balance, start of year	2,465	1,082
73.10	Total new obligations	2,532	7,404
73.20	Total financing disbursements (gross)	-67	-8,787
74.40	Obligated balance, end of year	2,465	1,082

Outlays (gross), detail:

87.00	Total financing disbursements (gross)	67	8,787
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Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00	Upward reestimate	-3	
88.25	Interest on uninvested funds	-3	
88.40	Borrower principal repayments	-71	-589
88.40	Borrower interest repayments	-19	-131
88.90	Total, offsetting collections (cash)	-3	-93

Net financing authority and financing disbursements:

89.00	Financing authority	2,532	7,404
90.00	Financing disbursements	64	8,694

Status of Direct Loans (in millions of dollars)

Identification code 91-4449-0-3-502			
Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans		
1131	Direct loan obligations exempt from limitation	2,396	6,206
1150	Total direct loan obligations	2,396	6,206
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	59	8,346
1232	Disbursements: Purchase of loans assets from the public	59	8,351
1251	Repayments: Repayments and prepayments	-71	-589
1261	Adjustments: Capitalized interest	11	136
1264	Write-offs for default: Other adjustments, net (+ or -)	-4	-11
1290	Outstanding, end of year	59	8,346

As required by the Federal Credit Reform Act of 1990, this nonbudgetary account records all cash flows to and from the Government resulting from the standard and short-term put programs authorized under the Ensuring Continued Access to Student Loans Act of 2008. Amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 91-4449-0-3-502			
ASSETS:			
1101	Federal assets: Fund balances with Treasury		5
Net value of assets related to post-1991 direct loans receivable:			
1401	Direct loans receivable, gross		59
1405	Allowance for subsidy cost (-)		5
1499	Net present value of assets related to direct loans		64
1999	Total assets		69
LIABILITIES:			
2103	Federal liabilities: Debt		69
2999	Total liabilities		69

4999	Total liabilities and net position		69
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FEDERAL FAMILY EDUCATION LOAN LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 91-0230-0-1-502			
Obligations by program activity:			
01.01	Interest benefits, net of origination fees	5	3
01.02	Special allowance net of origination fees		1
01.03	Default claims	122	90
01.04	Death, disability, and bankruptcy claims	15	14
01.05	Contract collection costs	46	38
01.06	Voluntary flexible agreements	4	
01.91	Subtotal, Stafford loans	192	146
02.01	Default claims	15	15
02.02	Death, disability, and bankruptcy claims	8	5
02.05	Contract collection costs	9	7
02.91	Subtotal, PLUS/SLS loans	32	27
10.00	Total new obligations	224	173
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	190	292
22.00	New budget authority (gross)	507	173
22.10	Resources available from recoveries of prior year obligations	9	
22.40	Capital transfer to general fund	-190	-292
23.90	Total budgetary resources available for obligation	516	173
23.95	Total new obligations	-224	-173
24.40	Unobligated balance carried forward, end of year	292	

New budget authority (gross), detail:

Mandatory:			
69.00	Offsetting collections (cash)	909	747
69.27	Capital transfer to general fund	-402	-574
69.90	Spending authority from offsetting collections (total mandatory)	507	173

Change in obligated balances:

72.40	Obligated balance, start of year	31	25
73.10	Total new obligations	224	173
73.20	Total outlays (gross)	-221	-173
73.45	Recoveries of prior year obligations	-9	
74.40	Obligated balance, end of year	25	25

Outlays (gross), detail:

86.97	Outlays from new mandatory authority	221	173
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Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.40	Fed collections on defaulted loans, Stafford	-82	-207
88.40	Federal collections on bankruptcies, Stafford	-2	-4
88.40	Offsets against Federal tax refunds, Stafford	-382	-222
88.40	Reimbursements from guaranty agencies, Stafford	-242	-156
88.40	Other collections/ fees, Stafford	-77	-45
88.40	Federal collections on defaulted loans, PLUS/SLS	-62	-63
88.40	Federal collections on bankruptcies, PLUS/SLS	-1	-1
88.40	Offsets against Federal tax refunds, PLUS/SLS	-30	-17
88.40	Reimbursements from guaranty agencies, PLUS/SLS	-31	-32
88.90	Total, offsetting collections (cash)	-909	-747

Net budget authority and outlays:

89.00	Budget authority	-402	-574
90.00	Outlays	-688	-574

Status of Guaranteed Loans (in millions of dollars)

Identification code 91-0230-0-1-502			
STAFFORD LOANS			
Cumulative balance of guaranteed loans outstanding:			
2210	Outstanding, start of year	1,482	1,431
2251	Repayments and prepayments	-76	-24
Adjustments:			

FEDERAL FAMILY EDUCATION LOAN LIQUIDATING ACCOUNT—Continued
Status of Guaranteed Loans —Continued

Identification code 91-0230-0-1-502		2008 actual	2009 est.	2010 est.
2261	Terminations for default that result in loans receivable	-122	-65	-65
2263	Terminations for default that result in claim payments	-15	-12	-12
2264	Other adjustments, net	162		
2290	Outstanding, end of year	1,431	1,330	1,229
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	1,388	1,215	1,215
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	7,059	6,532	6,259
2331	Disbursements for guaranteed loan claims	122	65	65
2351	Repayments of loans receivable	-379	-289	-289
2361	Write-offs of loans receivable	-15	-12	-12
2364	Other adjustments, net	-255	-37	-37
2390	Outstanding, end of year	6,532	6,259	5,986
PLUS/SLS LOANS				
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	174	173	156
2251	Repayments and prepayments	-12	-1	-1
Adjustments:				
2261	Terminations for default that result in loans receivable	-15	-11	-11
2263	Terminations for default that result in claim payments	-8	-5	-5
2264	Other adjustments, net	34		
2290	Outstanding, end of year	173	156	139
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	168	134	134
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	1,148	1,055	1,008
2331	Disbursements for guaranteed loan claims	15	11	11
2351	Repayments of loans receivable	-60	-49	-49
2361	Write-offs of loans receivable	-8	-4	-4
2364	Other adjustments, net	-40	-5	-5
2390	Outstanding, end of year	1,055	1,008	961

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

Balance Sheet (in millions of dollars)

Identification code 91-0230-0-1-502		2007 actual	2008 actual
ASSETS:			
1101	Federal assets: Fund balances with Treasury	221	316
1701	Defaulted guaranteed loans, gross	8,208	7,587
1702	Interest receivable	223	182
1703	Allowance for estimated uncollectible loans and interest (-)	-4,396	-4,178
1704	Defaulted guaranteed loans and interest receivable, net	4,035	3,591
1799	Value of assets related to loan guarantees	4,035	3,591
1999	Total assets	4,256	3,907
LIABILITIES:			
2104	Federal liabilities: Resources payable to Treasury	4,108	3,766
Non-Federal liabilities:			
2201	Accounts payable	5	4
2204	Liabilities for loan guarantees	143	137
2999	Total liabilities	4,256	3,907
4999	Total liabilities and net position	4,256	3,907

Object Classification (in millions of dollars)

Identification code 91-0230-0-1-502		2008 actual	2009 est.	2010 est.
Direct obligations:				
25.2	Other services	55	46	41
33.0	Investments and loans	137	104	85
41.0	Grants, subsidies, and contributions	9	4	2
42.0	Insurance claims and indemnities	23	19	14
99.9	Total new obligations	224	173	142

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

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

Identification code 91-0217-4-1-502		2008 actual	2009 est.	2010 est.
Direct loan levels supportable by subsidy budget authority:				
115001	Federal Perkins Loans			3,476
115999	Total direct loan levels			3,476
Direct loan subsidy (in percent):				
132001	Federal Perkins Loans			-14.32
132999	Weighted average subsidy rate			-14.32
Direct loan subsidy budget authority:				
133001	Federal Perkins Loans			-498
133999	Total subsidy budget authority			-498
Direct loan subsidy outlays:				
134001	Federal Perkins Loans			-288
134999	Total subsidy outlays			-288

As required by the Federal Credit Reform Act of 1990, this program account records the subsidy costs associated with the Administration's proposal to shift the Perkins Loan program to a mandatory Federal credit program beginning in 2010. A description of the Perkins Loan program and accompanying tables are provided under the Student Financial Assistance account. Subsidy amounts are estimated on a net present value basis.

FEDERAL PERKINS LOAN FINANCING ACCOUNT
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 91-4574-4-3-502		2008 actual	2009 est.	2010 est.
Obligations by program activity:				
00.01	Perkins loan obligations			3,476
00.02	Interest payment to Treasury			26
00.03	Interest rate rebate			23
00.91	Subtotal			3,525
08.01	Obligation of negative subsidy			498
10.00	Total new obligations			4,023
Budgetary resources available for obligation:				
22.00	New financing authority (gross)			4,023
23.95	Total new obligations			-4,023
New financing authority (gross), detail:				
Mandatory:				
67.10	Authority to borrow			3,999
69.00	Offsetting collections (cash)			24
70.00	Total new financing authority (gross)			4,023
Change in obligated balances:				
73.10	Total new obligations			4,023
73.20	Total financing disbursements (gross)			-1,900
74.40	Obligated balance, end of year			2,123

Outlays (gross), detail:			
87.00	Total financing disbursements (gross)		1,900
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.40	Payment of principal		-2
88.40	Origination fees		-22
88.90	Total, offsetting collections (cash)		-24
Net financing authority and financing disbursements:			
89.00	Financing authority		3,999
90.00	Financing disbursements		1,876

Status of Direct Loans (in millions of dollars)

Identification code 91-4574-4-3-502	2008 actual	2009 est.	2010 est.
Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans		
1131	Direct loan obligations exempt from limitation		3,476
1150	Total direct loan obligations		3,476
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year		1,561
1231	Disbursements: Direct loan disbursements		-2
1251	Repayments: Repayments and prepayments		
1261	Adjustments: Capitalized interest		
1264	Write-offs for default: Other adjustments, net (+ or -)		
1290	Outstanding, end of year		1,559

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

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Federal Funds

INSTITUTE OF EDUCATION SCIENCES

For carrying out activities authorized by the Education Sciences Reform Act of 2002, the National Assessment of Educational Progress Authorization Act, section 208 of the Educational Technical Assistance Act of 2002, and section 664 of the Individuals with Disabilities Education Act, **[\$617,175,000] \$689,256,000, [of] which [\$312,241,000] shall [be] remain available until September 30, [2010] 2011: Provided, That funds available to carry out section 208 of the Educational Technical Assistance Act may be used for Statewide data systems that include postsecondary and workforce information and information on children of all ages: Provided further, That up to [\$5,000,000] \$6,000,000 of the funds available to carry out section 208 of the Educational Technical Assistance Act may be used for State data coordinators and for awards to public or private organizations or agencies to improve data coordination, quality, and use. (Department of Education Appropriations Act, 2009.)**

Program and Financing (in millions of dollars)

Identification code 91-1100-0-1-503	2008 actual	2009 est.	2010 est.	
Obligations by program activity:				
00.01	Research, development, and dissemination	164	167	224
00.02	Statistics	88	99	108
00.03	Regional educational laboratories	66	68	71
00.04	Assessment	104	139	139
00.05	Research in special education	66	76	71
00.06	Statewide data systems	47	316	65
00.07	Special education studies and evaluations	11	10	11
01.00	Total direct program	546	875	689
09.01	Reimbursable program	3	3	3
10.00	Total new obligations	549	878	692

Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	5	8	
22.00	New budget authority (gross)	549	870	692
22.10	Resources available from recoveries of prior year obligations ...	3		
23.90	Total budgetary resources available for obligation	557	878	692
23.95	Total new obligations	-549	-878	-692
24.40	Unobligated balance carried forward, end of year	8		

New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	556	617	689
40.01	Appropriation, Recovery Act		250	
40.35	Appropriation permanently reduced	-10		
43.00	Appropriation (total discretionary)	546	867	689
58.00	Spending authority from offsetting collections: Offsetting collections (cash)	3	3	3
70.00	Total new budget authority (gross)	549	870	692

Change in obligated balances:				
72.40	Obligated balance, start of year	826	903	1,119
73.10	Total new obligations	549	878	692
73.20	Total outlays (gross)	-467	-662	-617
73.40	Adjustments in expired accounts (net)	-2		
73.45	Recoveries of prior year obligations	-3		
74.40	Obligated balance, end of year	903	1,119	1,194

Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	97	110	41
86.93	Outlays from discretionary balances	370	552	576
87.00	Total outlays (gross)	467	662	617

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	546	867	689
90.00	Outlays	464	659	614

Research and Statistics:

Research, development, and dissemination.—Funds support a diverse portfolio of directed research, evaluation studies, research and development centers, and dissemination activities that provide parents, teachers, and schools with scientifically based information on effective educational practice. Funds requested in 2010 would be used to support a new research initiative on Reading for Understanding and to study, improve, and scale up promising educational innovations that focus on improving student learning and achievement.

Statistics.—Funds support the Department's statistical data collection activities, which are conducted by the National Center for Education Statistics (NCES). NCES collects, analyzes, and disseminates statistics on education at all levels, from preschool through postsecondary and adult education, including statistics on international education activities. The requested increase for 2010 would support a new teacher longitudinal study, State-level estimates for a small number of States in a new early childhood longitudinal study, preparation for an international assessment of adult competencies, a survey to examine parent and family involvement in education and the participation of preschool children in nonparental education and care arrangements, and technical assistance to States developing longitudinal data systems.

Regional educational laboratories.—Funds support a network of 10 regional laboratories that provide expert advice, including training and technical assistance, to help States and school districts apply proven research findings in their school improvement efforts. Funds requested in 2010 would be used to complete the program evaluation and to cover the costs of the laboratory contracts awarded in early 2006.

INSTITUTE OF EDUCATION SCIENCES—Continued

Assessment.—Funds support the National Assessment of Educational Progress (NAEP). NAEP administers assessments to samples of students in order to gather reliable information about educational attainment in important academic areas. Funds support collection and reporting of national, State, and long-term trend information, including the conduct of biennial State NAEP in reading and mathematics at grades four and eight. In 2010, funds will support the costs of the 2010 national U.S. history, civics, and geography assessments; a writing pilot test; preparation for 2011 and 2012 assessments; analysis of the 2009 high school transcript study; and continued analysis and reporting of assessments conducted prior to 2010.

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

Statewide data systems.—Funds support competitive awards to State educational agencies to foster the design, development, and implementation of longitudinal data systems. In 2010, funding would support systems that include postsecondary and workforce information and information on children of all ages and also would support awards to improve data coordination, quality, and use.

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

Object Classification (in millions of dollars)

Identification code 91-1100-0-1-503	2008 actual	2009 est.	2010 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	1	1	1
11.3 Other than full-time permanent	1	1	1
11.9 Total personnel compensation	2	2	2
12.1 Civilian personnel benefits			1
24.0 Printing and reproduction	1	1	1
25.1 Advisory and assistance services	21	24	24
25.2 Other services	174	216	226
25.5 Research and development contracts	113	118	150
25.7 Operation and maintenance of equipment	1	1	1
41.0 Grants, subsidies, and contributions	234	511	284
99.0 Direct obligations	546	873	689
99.0 Reimbursable obligations	3	3	3
99.5 Below reporting threshold		2	
99.9 Total new obligations	549	878	692

Employment Summary

Identification code 91-1100-0-1-503	2008 actual	2009 est.	2010 est.
Direct:			
1001 Civilian full-time equivalent employment	14	16	16

DEPARTMENTAL MANAGEMENT

Federal 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 three passenger motor vehicles, **[\$433,482,000] \$456,500,000**, of which **[\$5,400,000] \$8,200,000**, to remain available until expended, shall be for relocation of, and renovation

of buildings occupied by, Department staff. (*Department of Education Appropriations Act, 2009.*)

Program and Financing (in millions of dollars)

Identification code 91-0800-0-1-503	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
00.01 Program administration	409	433	457
09.01 Reimbursable program	3	4	4
10.00 Total new obligations	412	437	461
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	3	6	6
22.00 New budget authority (gross)	415	437	461
23.90 Total budgetary resources available for obligation	418	443	467
23.95 Total new obligations	-412	-437	-461
24.40 Unobligated balance carried forward, end of year	6	6	6
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	419	433	457
40.35 Appropriation permanently reduced	-7		
43.00 Appropriation (total discretionary)	412	433	457
Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	2	4	4
58.10 Change in uncollected customer payments from Federal sources (unexpired)	1		
58.90 Spending authority from offsetting collections (total discretionary)	3	4	4
70.00 Total new budget authority (gross)	415	437	461
Change in obligated balances:			
72.40 Obligated balance, start of year	164	126	119
73.10 Total new obligations	412	437	461
73.20 Total outlays (gross)	-443	-444	-449
73.40 Adjustments in expired accounts (net)	-6		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-1		
74.40 Obligated balance, end of year	126	119	131
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	345	341	359
86.93 Outlays from discretionary balances	76	89	87
86.98 Outlays from mandatory balances	22	14	3
87.00 Total outlays (gross)	443	444	449
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-2	-4	-4
88.40 Non-Federal sources	-1		
88.90 Total, offsetting collections (cash)	-3	-4	-4
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-1		
88.96 Portion of offsetting collections (cash) credited to expired accounts	1		
Net budget authority and outlays:			
89.00 Budget authority	412	433	457
90.00 Outlays	440	440	445

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

In addition, this account includes the cost of providing centralized support and administrative services, overall policy development, and strategic planning for the Department. Included in the centralized activities are rent and mail services; telecommu-

nications; contractual services; financial management and accounting, including payments to schools, education agencies and other grant recipients, and preparation of auditable financial statements; information technology services; personnel management; personnel security; budget formulation and execution; program evaluation; legal services; congressional and public relations; and intergovernmental affairs. The cost of implementing and overseeing the portions of the American Recovery and Reinvestment Act of 2009 for which no administrative funding was provided within the Act is also recorded in this account.

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

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

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

Object Classification (in millions of dollars)

Identification code 91-0800-0-1-503	2008 actual	2009 est.	2010 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	178	200	211
11.3 Other than full-time permanent	34	14	14
11.5 Other personnel compensation	4	4	4
11.9 Total personnel compensation	216	218	229
12.1 Civilian personnel benefits	53	55	59
21.0 Travel and transportation of persons	6	6	6
23.1 Rental payments to GSA	37	40	42
23.3 Communications, utilities, and miscellaneous charges	9	6	6
24.0 Printing and reproduction	2	3	3
25.1 Advisory and assistance services	3	3	3
25.2 Other services	25	21	22
25.3 Other purchases of goods and services from Government accounts	22	21	19
25.7 Operation and maintenance of equipment	32	53	58
26.0 Supplies and materials	1	1	1
31.0 Equipment	2	3	1
32.0 Land and structures	1	3	8
99.0 Direct obligations	409	433	457
99.0 Reimbursable obligations	2	3	3
99.5 Below reporting threshold	1	1	1
99.9 Total new obligations	412	437	461

Employment Summary

Identification code 91-0800-0-1-503	2008 actual	2009 est.	2010 est.
Direct:			
1001 Civilian full-time equivalent employment	2,092	2,044	2,102

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, **[\$96,826,000]** \$103,024,000. (*Department of Education Appropriations Act, 2009.*)

Program and Financing (in millions of dollars)

Identification code 91-0700-0-1-751	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
00.01 Civil rights	89	97	103
10.00 Total new obligations	89	97	103

Budgetary resources available for obligation:				
22.00	New budget authority (gross)	89	97	103
23.95	Total new obligations	-89	-97	-103
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	91	97	103
40.35	Appropriation permanently reduced	-2		
43.00	Appropriation (total discretionary)	89	97	103
Change in obligated balances:				
72.40	Obligated balance, start of year	21	18	18
73.10	Total new obligations	89	97	103
73.20	Total outlays (gross)	-91	-97	-98
73.40	Adjustments in expired accounts (net)	-1		
74.40	Obligated balance, end of year	18	18	23
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	81	82	85
86.93	Outlays from discretionary balances	10	15	13
87.00	Total outlays (gross)	91	97	98
Net budget authority and outlays:				
89.00	Budget authority	89	97	103
90.00	Outlays	91	97	98

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, the Americans with Disabilities Act of 1990 and the Boy Scouts of America Equal Access Act of 2002.

Object Classification (in millions of dollars)

Identification code 91-0700-0-1-751	2008 actual	2009 est.	2010 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	54	54	56
11.3 Other than full-time permanent	3	2	3
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	58	57	60
12.1 Civilian personnel benefits	14	15	16
21.0 Travel and transportation of persons	1	1	1
23.1 Rental payments to GSA	8	9	10
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	1	4	5
25.3 Other purchases of goods and services from Government accounts	3	3	3
25.7 Operation and maintenance of equipment	3	7	7
99.9 Total new obligations	89	97	103

Employment Summary

Identification code 91-0700-0-1-751	2008 actual	2009 est.	2010 est.
Direct:			
1001 Civilian full-time equivalent employment	614	595	614

OFFICE OF THE INSPECTOR GENERAL

For expenses necessary for the Office of the Inspector General, as authorized by section 212 of the Department of Education Organization

OFFICE OF THE INSPECTOR GENERAL—Continued
Act, **[\$54,539,000]** \$60,053,000. (Department of Education Appropriations Act, 2009.)

Program and Financing (in millions of dollars)

Identification code 91-1400-0-1-751	2008 actual	2009 est.	2010 est.
Obligations by program activity:			
00.01 Inspector General	51	56	63
10.00 Total new obligations	51	56	63
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year			13
22.00 New budget authority (gross)	51	69	60
23.90 Total budgetary resources available for obligation	51	69	73
23.95 Total new obligations	-51	-56	-63
24.40 Unobligated balance carried forward, end of year		13	10
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	52	55	60
40.01 Appropriation, Recovery Act		14	
40.35 Appropriation permanently reduced	-1		
43.00 Appropriation (total discretionary)	51	69	60
Change in obligated balances:			
72.40 Obligated balance, start of year	13	14	13
73.10 Total new obligations	51	56	63
73.20 Total outlays (gross)	-50	-57	-61
74.40 Obligated balance, end of year	14	13	15
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	42	46	48
86.93 Outlays from discretionary balances	8	11	13
87.00 Total outlays (gross)	50	57	61
Net budget authority and outlays:			
89.00 Budget authority	51	69	60
90.00 Outlays	50	57	61

The Inspector General is responsible for the quality, coverage, and coordination of audit and investigation functions relating to Federal education activities. The Inspector General has the authority to inquire into all activities of the Department, including those performed under Federal education contracts, grants, or other agreements. Under the Chief Financial Officers Act of 1990, the Inspector General is also responsible for internal reviews of the Department's financial systems and audits of its financial statements. This account includes \$14 million, available through 2012, for oversight and audit of programs, grants, and activities funded by the American Recovery and Reinvestment Act of 2009.

Object Classification (in millions of dollars)

Identification code 91-1400-0-1-751	2008 actual	2009 est.	2010 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	23	26	30
11.3 Other than full-time permanent	1	1	2
11.5 Other personnel compensation	2		
11.9 Total personnel compensation	26	27	32
12.1 Civilian personnel benefits	8	10	11
21.0 Travel and transportation of persons	1	2	2
23.1 Rental payments to GSA	5	5	6
23.3 Communications, utilities, and miscellaneous charges	2	1	1
25.1 Advisory and assistance services	2	3	3
25.2 Other services	1	2	2
25.3 Other purchases of goods and services from Government accounts	2	2	2
25.7 Operation and maintenance of equipment	2	4	4
99.0 Direct obligations	49	56	63
99.5 Below reporting threshold	2		

99.9	Total new obligations	51	56	63
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Employment Summary

Identification code 91-1400-0-1-751	2008 actual	2009 est.	2010 est.	
Direct:				
1001	Civilian full-time equivalent employment	264	273	298

HURRICANE EDUCATION RECOVERY

Federal Funds

HURRICANE EDUCATION RECOVERY

Program and Financing (in millions of dollars)

Identification code 91-0013-0-1-500	2008 actual	2009 est.	2010 est.	
Change in obligated balances:				
72.40	Obligated balance, start of year	359	181	
73.20	Total outlays (gross)	-177	-181	
73.40	Adjustments in expired accounts (net)	-1		
74.40	Obligated balance, end of year	181		
Outlays (gross), detail:				
86.93	Outlays from discretionary balances	177	181	
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	177	181	

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

GENERAL FUND RECEIPT ACCOUNTS

(in millions of dollars)

	2008 actual	2009 est.	2010 est.	
Offsetting receipts from the public:				
91-143500	General Fund Proprietary Interest Receipts, not Otherwise Classified	24	20	20
91-271810	Federal Family Education Loan Program, Negative Subsidies	2,645	5,019	3,143
91-271830	Federal Family Education Loan Program, Downward Reestimates of Subsidies	2,456	17,015	
91-274130	College Housing and Academic Facilities Loan, Downward Reestimates of Subsidies	20	28	
91-278110	Federal Direct Student Loan Program, Negative Subsidies	75	5,196	6,889
	Legislative proposal, subject to PAYGO			3,829
91-278130	Federal Direct Student Loan Program, Downward Reestimates of Subsidies	574	1,266	
91-278310	Federal Perkins Loan, Negative Subsidies			288
91-279410	TEACH Grant Program, Negative Subsidies		1	2
91-291500	Repayment of Loans, Capital Contributions, Higher Education Activities	28	28	28
91-322000	All Other General Fund Proprietary Receipts Including Budget Clearing Accounts	36	47	47
	General Fund Offsetting receipts from the public.....	5,858	28,620	14,246
Intragovernmental payments:				
91-388500	Undistributed Intragovernmental Payments and Receivables from Canceled Accounts	-5	4	4
	General Fund Intragovernmental payments	-5	4	4

GENERAL PROVISIONS

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

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

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

(TRANSFER OF FUNDS)

SEC. 304. Not to exceed 1 percent of any discretionary funds (pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985) which are appropriated for the Department of Education in this Act may be

transferred between appropriations, but no such appropriation shall be increased by more than 3 percent by any such transfer: *Provided*, That the transfer authority granted by this section shall be available only to meet emergency needs and shall not be used to create any new program or to fund any project or activity for which no funds are provided in this Act: *Provided further*, That the Committees on Appropriations of the House of Representatives and the Senate are notified at least 15 days in advance of any transfer.

【SEC. 305. The signature pages submitted by Heart Butte School District in Pondera County, Montana, as part of its application for Impact Aid under title VIII of the Elementary and Secondary Education Act of 1965, shall be considered to have been timely and complete for purposes of receiving funding under such program for fiscal year 2009.】

SEC. 【306】305. The Outlying Areas may consolidate funds received under this Act 【as well as any remaining funds received under the Department of Education Appropriations Act, 2008】, pursuant to 48 U.S.C. 1469a, under part A of title V of the Elementary and Secondary Education Act. (*Department of Education Appropriations Act, 2009.*)