

# DEPARTMENT OF EDUCATION

## OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

### Federal Funds

#### General and special funds:

#### EDUCATION REFORM

For carrying out activities authorized by the Goals 2000: Educate America Act and the School-to-Work Opportunities Act, \$691,000,000, of which \$476,000,000 for the Goals 2000: Educate America Act and \$200,000,000 for the School-to-Work Opportunities Act shall become available on July 1, 1997, and remain available through September 30, 1998.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

#### Program and Financing (in millions of dollars)

Identification code 91-0500-0-1-501	1995 actual	1996 est.	1997 est.
<b>Obligations by program activity:</b>			
<b>Goals 2000:</b>			
00.01 State and local education systemic improvement	221	479	476
00.02 Parental assistance	10	10	15
00.91 Subtotal, Goals 2000	231	489	491
01.01 School-to-work opportunities	63	190	200
10.00 Total obligations	294	679	691
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested balance	56	265	
22.00 New budget authority (gross)	494	414	691
22.20 Unobligated balance transferred	10		
22.30 Unobligated balance expiring	-1		
23.90 Total budgetary resources available for obligation	559	679	691
23.95 New obligations	-294	-679	-691
24.40 Unobligated balance available, end of year:			
Uninvested balance	265		
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation	494	414	691
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	89	322	494
73.10 New obligations	294	679	691
73.20 Total outlays (gross)	-61	-507	-473
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	322	494	712
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority	6	50	83
86.93 Outlays from current balances	55	457	391
87.00 Total outlays (gross)	61	507	473
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	494	414	691
90.00 Outlays	61	507	473

#### Summary of Budget Authority and Outlays

[In millions of dollars]

	1995 actual	1996 est.	1997 est.
Enacted/requested:			
Budget Authority	494	414	691
Outlays	61	507	474
Adjustment to 1996 continuing resolution levels:			
Budget Authority		257	
Outlays		31	175
Total:			
Budget Authority	494	671	691

Outlays	61	538	649
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Funds help States and localities undertake comprehensive systemic education reform and create State and local systems of school-to-work transition for students.

#### Goals 2000:

**State and local education systemic improvement.**—State grants support State and local education improvement efforts to help all students reach challenging academic standards. At least 90 percent of the funds are provided to local educational agencies. Forty-eight States participated in the first year of funding. Funds also support evaluation, research, and direct grants to local educational agencies in urban and rural areas that enroll significant proportions of students from disadvantaged backgrounds.

**Parental assistance.**—Centers in 28 States help provide parents with knowledge and skills they need to participate effectively in their children's education. The requested increase for 1997 would support centers in 14 additional States.

**School-to-Work Opportunities.**—School-to-work programs are jointly administered by the Departments of Education and Labor. An identical amount is provided for the Department of Labor to support these activities. Competitive, 5-year grants are awarded to States that have completed and are ready to implement their school-to-work plans. Twenty-seven States are currently in their first or second year of these grants.

Direct grants are also provided to local communities for school-to-work systems. By mid-1996 ninety-one local partnerships, including 45 that are serving young people who live in urban and rural areas characterized by high-poverty, will have received awards and be setting up their systems. These funds also support a national evaluation, research, and development activities to provide national leadership and analysis of school-to-work opportunities initiatives.

#### Object Classification (in millions of dollars)

Identification code 91-0500-0-1-501	1995 actual	1996 est.	1997 est.
25.1 Advisory and assistance services	4	9	9
25.2 Other services	2	5	5
41.0 Grants, subsidies, and contributions	288	665	677
99.9 Total obligations	294	679	691

#### EDUCATION FOR THE DISADVANTAGED

For carrying out title I of the Elementary and Secondary Education Act of 1995, \$7,679,000,000, of which \$7,658,000,000 shall become available on July 1, 1997 and shall remain available through September 30, 1998: Provided, That \$5,430,213,000 shall be available for basic grants under section 1124, of which up to \$4,000,000 shall be available October 1, 1996 to obtain updated local-educational-agency-level census poverty data from the Bureau of the Census; \$663,137,000 shall be available for concentration grants under section 1124A; \$1,000,000,000 shall be available for targeted grants under section 1125; and \$17,000,000 for part E shall be used to carry out sections 1501 and 1502.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

**General and special funds—Continued**

*EDUCATION FOR THE DISADVANTAGED—Continued*

Program and Financing (in millions of dollars)

Identification code 91-0900-0-1-501	1995 actual	1996 est.	1997 est.
<b>Obligations by program activity:</b>			
Direct program:			
Grants to local educational agencies:			
00.01 Basic grants .....	5,965	4	5,430
00.02 Concentration grants .....	663		663
00.03 Targeted grants .....			1,000
00.04 Set-aside for BIA/outlying areas .....	21	5	72
00.05 Capital expenses .....	45		20
00.06 Even start .....	100	4	102
00.07 State agency programs .....	350	4	360
00.08 State school improvement .....	28		15
00.09 Demonstrations of innovative practices .....			10
00.10 Evaluation .....	4		7
00.11 Migrant education .....	10		
00.12 Unallocated amount under P.L. 104-99 .....		6,015	
00.91 Total direct program .....	7,186	6,032	7,679
01.01 Reimbursable program .....	14		
10.00 Total obligations .....	7,200	6,032	7,679
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested balance .....	12	17	
22.00 New budget authority (gross) .....	7,201	6,015	7,679
22.10 Resources available from recoveries of prior year obligations .....			
.....	5		
22.30 Unobligated balance expiring .....	-1		
23.90 Total budgetary resources available for obligation .....	7,217	6,032	7,679
23.95 New obligations .....	-7,200	-6,032	-7,679
24.40 Unobligated balance available, end of year:			
Uninvested balance .....	17		
<b>New budget authority (gross), detail:</b>			
Current:			
40.00 Appropriation .....	7,228	6,015	7,679
41.00 Transferred to other accounts .....	-41		
43.00 Appropriation (total) .....	7,187	6,015	7,679
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	14		
70.00 Total new budget authority (gross) .....	7,201	6,015	7,679
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation .....	7,556	7,900	6,977
73.10 New obligations .....	7,200	6,032	7,679
73.20 Total outlays (gross) .....	-6,821	-6,955	-6,551
73.40 Adjustments in expired accounts .....	-30		
73.45 Adjustments in unexpired accounts .....	-5		
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation .....	7,900	6,977	8,105
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	353	722	921
86.93 Outlays from current balances .....	6,467	6,224	5,627
86.97 Outlays from new permanent authority .....	2		
86.98 Outlays from permanent balances .....		9	3
87.00 Total outlays (gross) .....	6,821	6,955	6,551
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-14		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	7,187	6,015	7,679
90.00 Outlays .....	6,807	6,955	6,551

Summary of Budget Authority and Outlays

(In millions of dollars)

Enacted/requested:	1995 actual	1996 est.	1997 est.
Budget Authority .....	7,187	6,015	7,679
Outlays .....	6,808	6,955	6,551

Adjustment to 1996 continuing resolution levels:

Budget Authority .....		1,313	
Outlays .....		158	893
Total:			
Budget Authority .....	7,187	7,328	7,679
Outlays .....	6,808	7,113	7,444

*Grants to local educational agencies.*—Funds will be allocated through the Basic, Concentration, and Targeted grant formulas for local programs that stress the achievement of challenging State education standards, support schoolwide improvement, integrate Title I assessment and curriculum with State systemic reforms, and target funds to high-poverty schools. Up to \$4.0 million in Basic Grant funds will be used to continue work needed to obtain updated poverty data at the local educational agency level from the Bureau of the Census, for use in allocating Title I funds beginning in 1999, as required by the statute.

*Capital expenses.*—Funds are provided by formula to States to support capital costs incurred by local educational agencies that are associated with providing educational services to eligible children attending non-public schools.

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

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

*State school improvement.*—Funds are provided by formula to States to be used for technical assistance, incentives, and other strategies to assist schools and districts to implement Title I programs that help children meet challenging State education standards.

*Demonstrations of innovative practices.*—Funds will be used to test and evaluate strategies and approaches for educating disadvantaged children.

*Evaluation.*—Funds support national activities to evaluate Title I programs and a national assessment of the program's effectiveness in helping schools and children achieve to challenging State education standards.

*Reimbursable program.*—Amounts in this activity consist of funds appropriated in other accounts for consolidated grants to the insular areas.

Object Classification (In millions of dollars)

Identification code 91-0900-0-1-501	1995 actual	1996 est.	1997 est.
<b>Direct obligations:</b>			
25.1 Advisory and assistance services .....	3		6
25.2 Other services .....	8		9
41.0 Grants, subsidies, and contributions .....	7,175	17	7,664
92.0 Undistributed .....		6,015	
99.0 Subtotal, direct obligations .....	7,186	6,032	7,679
99.0 Reimbursable obligations .....	14		
99.9 Total obligations .....	7,200	6,032	7,679

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, \$617,000,000, of which \$550,000,000 shall be for basic support payments under section 8003(b), \$40,000,000 shall be for payments for children with disabilities under section 8003(d), \$20,000,000, to remain available until expended, shall be for payments under section 8003(f), \$4,000,000 shall be for construction under section 8007, and \$3,000,000, to remain available until expended, shall*

be for facilities maintenance under section 8008: Provided, That payments and eligibility under section 8003 shall be based only on federally connected children described in sections 8003(a)(1)(B) and 8003(a)(1)(C): Provided further, That notwithstanding the provisions of section 8003(b)(1)(B), any local educational agency that received a payment based on federally connected children described in sections 8003(a)(1)(B) and 8003(a)(1)(C) for fiscal year 1996 shall be eligible to receive a payment under sections 8003(b) and 8003(d) for fiscal year 1997: Provided further, That notwithstanding section 8003(b)(1)(C), the maximum amount of the basic support payment shall be determined by multiplying each local educational agency's weighted student units for federally connected children described in sections 8003(a)(1)(B) and 8003(a)(1)(C) by the factor described under section 8003(b)(1)(C)(iv): Provided further, That notwithstanding section 8003(b)(2), if funds provided are insufficient to pay each local educational agency the full amount of its payment calculated under section 8003(b)(1)(C), then payments shall be ratably reduced: Provided further, That none of the funds provided herein shall be used for payments under section 8003(e).

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (In millions of dollars)

Identification code 91-0102-0-1-501	1995 actual	1996 est.	1997 est.
<b>Obligations by program activity:</b>			
Payments for federally connected children:			
00.01 Basic support payments .....	632		550
00.02 Supplemental payments for children with disabilities .....	40		40
00.03 Payments for heavily impacted districts .....		40	20
00.91 Subtotal, payments for federally connected children .....	672	40	610
01.01 Facilities maintenance .....	1	14	3
02.01 Construction .....			4
03.01 Payments for Federal property .....	16		
04.01 Payments for section 3(d)(2)(B) .....	26	7	
05.01 Disaster assistance .....	66		
06.01 Construction (P.L. 81-815) .....	2	21	
07.01 Unallocated amount under P.L. 104-99 .....		660	
10.00 Total obligations .....	783	742	617
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested balance .....	152	105	24
22.00 New budget authority (gross) .....	728	660	617
22.10 Resources available from recoveries of prior year obligations .....	24		
22.30 Unobligated balance expiring .....	-16		
23.90 Total budgetary resources available for obligation .....	888	765	641
23.95 New obligations .....	-783	-742	-617
24.40 Unobligated balance available, end of year:			
Uninvested balance .....	105	24	24
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	728	660	617
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation .....	642	471	382
73.10 New obligations .....	783	742	617
73.20 Total outlays (gross) .....	-808	-830	-693
73.40 Adjustments in expired accounts .....	-121		
73.45 Adjustments in unexpired accounts .....	-24		
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation .....	471	382	307
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	573	541	504
86.93 Outlays from current balances .....	235	289	189
87.00 Total outlays (gross) .....	808	830	693
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	728	660	617
90.00 Outlays .....	808	830	693

Funds help to pay the operating costs of local educational agencies that are affected by Federal activities. Payments

would be made to local educational agencies that educate children living on Indian lands and military dependents living on Federal property.

**Basic support payments.**—Payments would be made on behalf of approximately 337,000 federally connected children enrolled in over 1,200 school districts across the country. The request would provide an average payment of \$1,632 for each of these federally connected children.

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

**Payments for heavily impacted districts.**—Increased payments would be provided for certain heavily impacted school districts, including school districts whose boundaries are the same as a military base, and school districts that enroll high proportions of federally connected children and meet certain fiscal requirements.

**Facilities maintenance.**—Funds would be used to provide emergency repairs for school facilities that are owned by the Department of Education.

**Construction.**—Formula-based payments for capital improvements would be made to school districts that meet the statutory eligibility criteria.

Object Classification (In millions of dollars)

Identification code 91-0102-0-1-501	1995 actual	1996 est.	1997 est.
32.0 Land and structures .....	2	35	3
41.0 Grants, subsidies, and contributions .....	781	47	614
92.0 Undistributed .....		660	
99.9 Total obligations .....	783	742	617

SCHOOL IMPROVEMENT PROGRAMS

For carrying out titles II, IV, V, IX, X and XIII of the Elementary and Secondary Education Act of 1965; the Stewart B. McKinney Homeless Assistance Act; the Civil Rights Act of 1964; and title V of the Higher Education Act; \$1,404,000,000, of which \$1,154,000,000 shall become available on July 1, 1997 and remain available through September 30, 1998: Provided, That of the amount appropriated, \$610,000,000 shall be for State grants for professional development under title II, part B of the Elementary and Secondary Education Act; \$40,000,000 shall be for charter schools under title X, part C of such Act; and \$120,000 shall be for the report required under section 5207(a) of such Act.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (In millions of dollars)

Identification code 91-1000-0-1-501	1995 actual	1996 est.	1997 est.
<b>Obligations by program activity:</b>			
Direct program:			
Professional development and program innovation:			
00.01 Eisenhower professional development State grants .....	250	508	610
00.02 Innovative education program strategies State grants .....	347		
Safe and drug-free schools and communities:			
00.03 State grants .....	434	335	515
00.04 National programs .....	25	19	25
00.05 Safe schools .....	20		
00.06 Inexpensive book distribution .....	10		9
00.07 Arts in education .....	11		10
00.08 Instruction in civics, government and law .....	4		
00.09 Christa McAuliffe fellowships .....	2		2
00.10 Magnet schools assistance .....	112		95
00.11 Education for homeless children and youth .....	28		29
00.12 Women's educational equity .....	4		4

**General and special funds—Continued**

*SCHOOL IMPROVEMENT PROGRAMS—Continued*

Program and Financing (In millions of dollars)—Continued

Identification code 91-1000-0-1-501	1995 actual	1996 est.	1997 est.
00.13 Training and advisory services .....	21		14
00.14 Dropout prevention demonstrations .....	12		
00.15 Ellender fellowships .....	3		
00.16 Education for Native Hawaiians .....	9		6
00.17 Foreign language assistance .....	11		
00.18 Charter schools .....	6	6	40
00.19 Comprehensive regional assistance centers .....	30	22	45
00.21 Unallocated amount under P.L. 104-99 .....		126	
10.00 Total obligations .....	1,339	1,016	1,404
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance .....	20	5	
22.00 New budget authority (gross) .....	1,322	1,011	1,404
22.10 Resources available from recoveries of prior year obligations .....	2		
23.90 Total budgetary resources available for obligation .....	1,344	1,016	1,404
23.95 New obligations .....	-1,339	-1,016	-1,404
24.40 Unobligated balance available, end of year:			
Uninvested balance .....	5		
New budget authority (gross), detail:			
40.00 Appropriation .....	1,328	1,011	1,404
41.00 Transferred to other accounts .....	-6		
43.00 Appropriation (total) .....	1,322	1,011	1,404
70.00 Total new budget authority (gross) .....	1,322	1,011	1,404
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation .....	1,827	1,761	1,227
73.10 New obligations .....	1,339	1,016	1,404
73.20 Total outlays (gross) .....	-1,391	-1,550	-1,161
73.40 Adjustments in expired accounts .....	-13		
73.45 Adjustments in unexpired accounts .....	-2		
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation .....	1,761	1,227	1,470
Outlays (gross), detail:			
86.90 Outlays from new current authority .....	52	121	168
86.93 Outlays from current balances .....	1,339	1,429	993
87.00 Total outlays (gross) .....	1,391	1,550	1,161
Net budget authority and outlays:			
89.00 Budget authority .....	1,322	1,011	1,404
90.00 Outlays .....	1,391	1,550	1,161

Summary of Budget Authority and Outlays

[In millions of dollars]

	1995 actual	1996 est.	1997 est.
Enacted/requested:			
Budget Authority .....	1,322	1,011	1,404
Outlays .....	1,391	1,550	1,161
Adjustment to 1996 continuing resolution levels:			
Budget Authority .....		308	
Outlays .....		37	209
Total:			
Budget Authority .....	1,322	1,319	1,404
Outlays .....	1,391	1,587	1,370

Note.—Excludes \$5 million in budget authority in 1997 for activities transferred to Office of Bilingual Education and Minority Languages Affairs, Bilingual and Immigrant Education account.

*Eisenhower professional development State grants.*—Formula grants are provided to States, local districts, and institutions of higher education to support intensive, high-quality professional development in the core academic subject areas.

*Safe and drug-free schools and communities.*—

*State grants.*—Formula grants are made to States and Outlying Areas to assist in combatting school violence and drug use by the Nation's children and youth.

*National programs.*—Funds support activities to promote safe and disciplined academic environments and prevent the illegal use of drugs and violence among students at all educational levels. Such activities may include training, demonstrations, direct services to school districts with severe drug and violence problems, program evaluation, and development and dissemination of information and materials.

*Other programs.*—

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

*Arts in education.*—Funds support Federal leadership activities in arts education as well as the education activities of the Kennedy Center and Very Special Arts.

*Christa McAuliffe fellowships.*—Fellowships are awarded to outstanding teachers to enable and encourage them to continue their education or to develop educational projects and programs.

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

*Education for homeless children and youth.*—Funds are provided to States, Outlying Areas, and the Bureau of Indian Affairs to provide educational and support services that enable homeless children and youth to enroll in, attend, and achieve success in school.

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

*Training and advisory services.*—Grants are made to State educational agencies and regional desegregation assistance centers that provide technical assistance to school districts in desegregating public schools and developing effective methods of coping with special educational problems associated with desegregation.

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

*Charter schools.*—The President is proposing a significant increase in this program to support innovative education reform and public school choice. Grants are awarded to State educational agencies and charter schools to support the design and initial implementation of model charter schools. These schools are created by teachers, parents, and members of the community, and are exempt from certain local, State, and Federal regulations.

*Comprehensive regional assistance centers.*—Funds are provided for 15 comprehensive regional technical assistance centers that provide services to States, local educational agencies, schools, and other recipients of Federal education funds to improve elementary and secondary education programs.

Object Classification (In millions of dollars)

Identification code 91-1000-0-1-501	1995 actual	1996 est.	1997 est.
24.0 Printing and reproduction .....	1	1	1
25.1 Advisory and assistance services .....	1	1	2
25.2 Other services .....	29	8	20
25.5 Research and development contracts .....	6		
41.0 Grants, subsidies, and contributions .....	1,302	881	1,381
92.0 Undistributed .....		125	
99.9 Total obligations .....	1,339	1,016	1,404

CHICAGO LITIGATION SETTLEMENT

Program and Financing (In millions of dollars)

Identification code 91-0220-0-1-501	1995 actual	1996 est.	1997 est.
<b>Obligations by program activity:</b>			
10.00 Total obligations (object class 41.0)	4	10	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested balance	14	10	
22.00 New budget authority (gross)			
23.90 Total budgetary resources available for obligation	14	10	
23.95 New obligations	-4	-10	
24.40 Unobligated balance available, end of year:			
Uninvested balance	10		
<b>New budget authority (gross), detail:</b>			
70.00 Total new budget authority (gross)			
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	4	2	5
73.10 New obligations	4	10	
73.20 Total outlays (gross)	-6	-7	-5
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	2	5	
<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances	6	7	5
87.00 Total outlays (gross)	6	7	5
<b>Net budget authority and outlays:</b>			
89.00 Budget authority			
90.00 Outlays	6	7	5

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

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

INDIAN EDUCATION

For necessary expenses to carry out, to the extent not otherwise provided, title IX, part A of the Elementary and Secondary Act of 1965 (ESEA), and section 215 of the Department of Education Organization Act, \$81,500,000; Provided, That \$1,600,000 available pursuant to section 9123 of the ESEA shall remain available for obligation until September 30, 1998.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (In millions of dollars)

Identification code 91-0101-0-1-501	1995 actual	1996 est.	1997 est.
<b>Obligations by program activity:</b>			
00.01 Grants to local educational agencies	60	1	62
00.02 Special programs for Indian children and adults and National activities	18		17
00.03 Federal Administration	3		3
00.04 Unallocated amount under P.L. 104-99		61	
10.00 Total obligations	81	62	82

Budgetary resources available for obligation:

21.40 Unobligated balance available, start of year:			
Uninvested balance	1	1	
22.00 New budget authority (gross)	81	61	82
23.90 Total budgetary resources available for obligation	82	62	82
23.95 New obligations	-81	-62	-82
24.40 Unobligated balance available, end of year:			
Uninvested balance	1		

New budget authority (gross), detail:

40.00 Appropriation	81	61	82
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Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	86	93	78
73.10 New obligations	81	62	82
73.20 Total outlays (gross)	-71	-76	-68
73.40 Adjustments in expired accounts	-3		
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	93	78	92

Outlays (gross), detail:

86.90 Outlays from new current authority	4	9	12
86.93 Outlays from current balances	67	67	57
87.00 Total outlays (gross)	71	76	68

Net budget authority and outlays:

89.00 Budget authority	81	61	82
90.00 Outlays	71	76	68

Summary of Budget Authority and Outlays

(In millions of dollars)

	1995 actual	1996 est.	1997 est.
<b>Enacted/requested:</b>			
Budget Authority	81	61	82
Outlays	71	76	69
<b>Adjustment to 1996 continuing resolution levels:</b>			
Budget Authority		20	
Outlays		2	14
<b>Total:</b>			
Budget Authority	81	81	82
Outlays	71	78	83

The Indian Education program (Title IX, Part A of the Elementary and Secondary Education Act) supports the efforts of local educational agencies, State educational agencies, and Indian tribes and organizations to improve teaching and learning for the Nation's American Indian and Alaska Native children and adults.

**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 are based on challenging State standards that are used for all students. In 1995, 1,272 formula grants were made to local educational agencies and certain tribal schools enrolling approximately 429,865 Indian students.

**Special programs for Indian children.**—Competitive grants are made for a Demonstration Grants program, a Fellowship program, and a Professional Development program.

**Special programs for Indian adults.**—Competitive grants are made to State educational agencies, local educational agencies, Indian tribes, institutions, and organizations for programs to improve educational opportunities for Indian adults.

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

**Federal administration.**—Funds support the administrative expenses of the Office of Indian Education and the National Advisory Council on Indian Education.

Object Classification (In millions of dollars)

Identification code 91-0101-0-1-501	1995 actual	1996 est.	1997 est.
11.1 Personnel compensation: Full-time permanent	2	2	2
25.2 Other services	4		2
41.0 Grants, subsidies, and contributions	75	1	78

**General and special funds—Continued**

*INDIAN EDUCATION—Continued*

Object Classification (In millions of dollars)—Continued

Identification code 91-0101-0-1-501	1995 actual	1996 est.	1997 est.
92.0 Undistributed .....		59	
99.9 Total obligations .....	81	62	82

**Personnel Summary**

Identification code 91-0101-0-1-501	1995 actual	1996 est.	1997 est.
1001 Total compensable workyears: Full-time equivalent employment .....	35	30	30

**OFFICE OF BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS**

*Federal Funds*

**General and special funds:**

*BILINGUAL AND IMMIGRANT EDUCATION*

For carrying out, to the extent not otherwise provided, bilingual, foreign language, and immigrant education activities authorized by parts A and C, and section 7203 of title VII of the Elementary and Secondary Education Act, \$261,700,000, of which \$25,180,000 shall be for training activities under subpart 3 of part A of title VII \$5,000,000 shall be for foreign language assistance, and \$100,000,000 shall be for the immigrant education program authorized by part C: Provided, That State educational agencies may use all, or any part of, their part C allocation for competitive grants to local educational agencies.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in the three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (In millions of dollars)

Identification code 91-1300-0-1-501	1995 actual	1996 est.	1997 est.
<b>Obligations by program activity:</b>			
00.01 Instructional services .....	117		118
00.02 Support services .....	14		14
00.03 Training grants .....	25		25
00.04 Immigrant education .....	50	50	100
00.05 Foreign language assistance .....			5
00.06 Unallocated amount under P.L. 104-99 .....		105	
10.00 Total obligations .....	206	155	262
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	207	155	262
22.30 Unobligated balance expiring .....	-1		
23.90 Total budgetary resources available for obligation .....	206	155	262
23.95 New obligations .....	-206	-155	-262
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	207	155	262
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance: .....			
Appropriation .....	295	266	188
73.10 New obligations .....	206	155	262
73.20 Total outlays (gross) .....	-225	-233	-183
73.40 Adjustments in expired accounts .....	-11		
74.40 Unpaid obligations, end of year: Obligated balance: .....			
Appropriation .....	266	188	267
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	7	19	31
86.93 Outlays from current balances .....	218	214	152
87.00 Total outlays (gross) .....	225	233	183
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	207	155	262

90.00 Outlays .....	225	233	183
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**Summary of Budget Authority and Outlays**

(In millions of dollars)

Enacted/requested:	1995 actual	1996 est.	1997 est.
Budget Authority .....	207	155	262
Outlays .....	225	233	183
<b>Adjustment to 1996 continuing resolution levels:</b>			
Budget Authority .....		52	
Outlays .....		6	35
<b>Total:</b>			
Budget Authority .....	207	207	262
Outlays .....	225	239	218

Note.—Includes \$5.0 million in budget authority in 1997 for activities previously financed from Department of Education, Office of Elementary and Secondary Education, School Improvement account.

*Bilingual education.*—The 1994 reauthorization of the Elementary and Secondary Education Act aligned bilingual education programs with the broader educational reforms underway in States and communities. These programs provide assistance to local educational agencies and other entities to develop and enhance their capacity to provide high-quality instructional programs to children and youth of limited English proficiency. Programs are designed to teach English and to assist these students to achieve to the same challenging State content and performance standards expected of all children and youth. Aid is also given to train educational personnel to serve limited English proficient children, to build State capacity to improve educational services for these children, and for information dissemination, studies, and evaluations.

*Foreign language assistance.*—The foreign language assistance program provides competitive grants to State and local educational agencies to improve the quality of foreign language instruction for elementary and secondary school students.

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

Object Classification (In millions of dollars)

Identification code 91-1300-0-1-501	1995 actual	1996 est.	1997 est.
25.2 Other services .....	2		1
41.0 Grants, subsidies, and contributions .....	204	50	261
92.0 Undistributed .....		105	
99.9 Total obligations .....	206	155	262

**OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES**

*Federal Funds*

**General and special funds:**

*SPECIAL EDUCATION*

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (In millions of dollars)

Identification code 91-0300-0-1-501	1995 actual	1996 est.	1997 est.
<b>Obligations by program activity:</b>			
Direct program:			
State grants:			
00.01 Grants to States .....	2,467	31	
00.02 Chapter 1 handicapped program .....	14		
00.03 Preschool grants .....	394	4	
00.04 Grants for infants and families .....	242	303	
00.91 Subtotal, State grants .....	3,117	338	
Special purpose funds:			
01.01 Deaf-blindness .....	13		
01.02 Serious emotional disturbance .....	4		
01.03 Severe disabilities .....	10		
01.04 Early childhood education .....	25		
01.05 Secondary and transitional services .....	24		
01.06 Postsecondary education .....	9		
01.07 Innovation and development .....	21		
01.08 Media and captioning services .....	19		
01.09 Technology applications .....	11		
01.10 Special studies .....	4		
01.11 Personnel development .....	91		
01.12 Parent training .....	14		
01.13 Clearinghouses .....	2		
01.14 Regional resource centers .....	7		
01.15 Architectural barriers removal .....		1	
01.91 Subtotal, Special purpose funds .....	254	1	
02.01 Unallocated amount under P.L. 104-99 .....		3,093	
10.00 Total obligations .....	3,370	3,432	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested balance .....	444	339	
22.00 New budget authority (gross) .....	3,253	3,093	
22.10 Resources available from recoveries of prior year obligations .....	13		
23.90 Total budgetary resources available for obligation .....	3,710	3,432	
23.95 New obligations .....	-3,370	-3,432	
24.40 Unobligated balance available, end of year:			
Uninvested balance .....	339		
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	3,253	3,093	
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation .....	3,787	3,952	3,898
73.10 New obligations .....	3,370	3,432	
73.20 Total outlays (gross) .....	-3,177	-3,486	-2,798
73.40 Adjustments in expired accounts .....	-16		
73.45 Adjustments in unexpired accounts .....	-13		
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation .....	3,952	3,898	1,100
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	137	309	
86.93 Outlays from current balances .....	3,040	3,177	2,798
87.00 Total outlays (gross) .....	3,177	3,486	2,798
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	3,253	3,093	
90.00 Outlays .....	3,177	3,486	2,798

Summary of Budget Authority and Outlays

[In millions of dollars]

	1995 actual	1996 est.	1997 est.
<b>Enacted/requested:</b>			
Budget Authority .....	3,253	3,093	
Outlays .....	3,177	3,486	2,798
<b>Legislative proposal, not subject to PAYGO:</b>			
Budget Authority .....			3,553
Outlays .....			355
<b>Adjustment to 1996 continuing resolution levels:</b>			
Budget Authority .....		249	
Outlays .....		25	149
<b>Total:</b>			
Budget Authority .....	3,253	3,342	3,553
Outlays .....	3,177	3,511	3,302

Legislation is pending authorizing programs under the Individuals with Disabilities Education Act. When new authorizing legislation is enacted, resources will be requested for the Special Education account. See the "Legislative proposal, not subject to PAYGO" schedule for additional details.

Program measures under the current program include:

Number of children served on December 1:	1993 actual	1994 actual	1995 est.
Ages 3 through 21 .....	5,279,490	5,466,517	5,622,000
Ages 3 through 5 .....	493,425	527,789	554,000
Birth through 2 .....	150,783	164,100	172,000
	1990-1991 actual	1991-1992 actual	1992-1993 actual
<b>Educational Environment</b>			
Children provided special education in:			
Regular classrooms with or without resource rooms .....	3,235,128	3,397,326	3,563,883
Separate classes .....	1,194,012	1,160,943	1,219,867
Separate schools .....	233,012	219,055	204,764
Residential facilities .....	38,095	40,893	40,466
<b>Status of Exiting Students</b>			
Graduated with a diploma .....	101,959	100,742	103,801
Graduated through certification .....	29,733	30,839	34,732
Reached maximum age .....	4,368	4,337	5,096
Dropped out of school .....	51,949	51,489	NA
Status unknown .....	35,220	41,961	NA

NA—Not available due to changes in data collection form.

Object Classification (In millions of dollars)

Identification code 91-0300-0-1-501	1995 actual	1996 est.	1997 est.
25.2 Other services .....	8		
25.3 Purchases of goods and services from Government accounts .....	1		
25.5 Research and development contracts .....	3		
41.0 Grants, subsidies, and contributions .....	3,359		
92.0 Undistributed .....		3,432	
99.9 Total obligations .....	3,370	3,432	

SPECIAL EDUCATION

(Legislative proposal, not subject to PAYGO)

Program and Financing (In millions of dollars)

Identification code 91-0300-2-1-501	1995 actual	1996 est.	1997 est.
<b>Obligations by program activity:</b>			
State grants:			
00.01 Grants to States .....			2,603
00.02 Preschool grants .....			380
00.03 Grants for infants and families .....			316
00.91 Subtotal, State grants .....			3,299
Program support and improvement (proposed legislation):			
01.01 Research to practice .....			96
01.02 State improvement .....			37
01.03 Professional development .....			77
01.04 Parent training and information .....			15
01.05 Technology development and educational media services .....			30
01.91 Subtotal, Program support and improvement .....			254
10.00 Total obligations .....			3,553
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			3,553
23.95 New obligations .....			-3,553
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....			3,553
<b>Change in unpaid obligations:</b>			
73.10 New obligations .....			3,553
73.20 Total outlays (gross) .....			-355
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation .....			3,198
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....			355
87.00 Total outlays (gross) .....			355

**General and special funds—Continued**

**SPECIAL EDUCATION—Continued**

Program and Financing (In millions of dollars)—Continued

Identification code 91-0300-2-1-501	1995 actual	1996 est.	1997 est.
Net budget authority and outlays:			
89.00 Budget authority			3,553
90.00 Outlays			355

The resources in this schedule are proposed for later transmittal under proposed legislation to authorize programs under the Individuals with Disabilities Education Act.

*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 aged 3 through 21 years old.

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

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

*Program support and improvement.*—These funds support a variety of research, demonstration, training, technical assistance, systems change, and other activities.

The Department is in the process of developing performance indicators that will provide information on the impact of special education and early intervention on improving results for children with disabilities.

Object Classification (In millions of dollars)

Identification code 91-0300-2-1-501	1995 actual	1996 est.	1997 est.
25.1 Advisory and assistance services			2
25.2 Other services			7
25.5 Research and development contracts			2
41.0 Grants, subsidies, and contributions			3,542
99.9 Total obligations			3,553

*REHABILITATION SERVICES AND DISABILITY RESEARCH*

For carrying out, to the extent not otherwise provided, the Rehabilitation Act of 1973, the Technology-Related Assistance for Individuals with Disabilities Act, and the Helen Keller National Center Act, as amended, \$2,512,587,000.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (In millions of dollars)

Identification code 91-0301-0-1-506	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
Direct program:			
00.01 Vocational rehabilitation State grants	2,054	2,108	2,176
00.02 Client assistance State grants	10		10
00.03 Training	40		40
00.04 Special demonstration programs	32	2	19
00.05 Migratory workers	1		2
00.06 Recreational programs	3		3
00.07 Protection and advocacy	7		8
00.08 Projects with industry	22		22
00.09 Supported employment State grants	37		38
00.10 Independent living	71		75
00.11 Program improvement			2
00.12 Evaluation	2		2
00.13 Helen Keller National Center	7		7

00.14 National Institute on Disability and Rehabilitation Research	70		70
00.15 Assistive technology	39		39
00.16 Unallocated Amount under PL 104-99		337	
00.91 Total, direct program	2,395	2,447	2,513
01.01 Reimbursable	2		
10.00 Total obligations	2,397	2,447	2,513

Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	4	2	
22.00 New budget authority (gross)	2,395	2,445	2,513
23.90 Total budgetary resources available for obligation	2,399	2,447	2,513
23.95 New obligations	-2,397	-2,447	-2,513
24.40 Unobligated balance available, end of year:			
Uninvested balance	2		

New budget authority (gross), detail:			
Current:			
40.00 Appropriation	2,393	2,444	2,513
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	2		
70.00 Total new budget authority (gross)	2,395	2,445	2,513

Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	876	922	775
73.10 New obligations	2,397	2,447	2,513
73.20 Total outlays (gross)	-2,335	-2,594	-2,609
73.40 Adjustments in expired accounts	-15		
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	922	775	679

Outlays (gross), detail:			
86.90 Outlays from new current authority	1,621	1,882	1,934
86.93 Outlays from current balances	713	711	674
86.97 Outlays from new permanent authority	1		
86.98 Outlays from permanent balances			
87.00 Total outlays (gross)	2,335	2,594	2,609

Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-2		

Net budget authority and outlays:			
89.00 Budget authority	2,393	2,445	2,513
90.00 Outlays	2,334	2,594	2,609

*Vocational rehabilitation State grants.*—The basic State grant program provides Federal matching funds to State vocational rehabilitation (VR) agencies to assist individuals with physical or mental impairments to become gainfully employed. Services provided include vocational evaluation, counseling, mental and physical restoration, education, vocational training, work adjustment, job placement, and post-employment services. Priority is given to serving those with the most severe disabilities.

In 1995, there was a 5 percent increase in the total number of eligible individuals in the VR system. In that year, 35 of the 82 VR agencies could not serve all individuals determined to be eligible for the program. Of those individuals whose cases were closed in 1995 after receiving VR services, about 60 percent achieved an employment outcome and an estimated 85 percent of these individuals entered the competitive labor market or became self-employed.

The table below presents national estimates of the number of eligible individuals in the VR system (individuals being served and eligible individuals awaiting service) and estimates of the number of individuals who achieved an employment outcome under the program.

ESTIMATES OF ELIGIBLE INDIVIDUALS AND INDIVIDUALS REHABILITATED

Eligible individuals in the VR system	1994 actual 1,193,661	1995 preliminary 1,251,710
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Severe disabilities, percent .....	73.9	75.2
Individuals achieving employment outcomes .....	203,035	209,450
Severe disabilities, percent .....	73.5	75.9

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

**Training.**—Grants are made to States and public or nonprofit agencies and organizations, including institutions of higher education, to increase the number of skilled personnel available for employment in the field of rehabilitation.

**Special demonstration programs.**—Grants are made to develop innovative methods and comprehensive service programs to assist individuals with disabilities to achieve satisfactory vocational outcomes. Supported employment projects, which provide grants to expand or improve the provision of supported employment services to individuals with the most severe disabilities, are included under this activity.

**Migratory workers.**—Grants are made to State VR agencies and other nonprofit or local agencies to provide comprehensive vocational rehabilitation services to migrant or seasonal farm workers with disabilities.

**Recreational programs.**—Grants are made to provide individuals with disabilities with recreation 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.**—Grants are made to a variety of public and private organizations, including State VR agencies, community rehabilitation programs, and labor organizations to provide training in work settings to prepare individuals with disabilities for employment and career advancement in the competitive labor market.

**Supported employment State grants.**—Formula grants are made to assist States in developing programs with public and nonprofit organizations to provide supported employment services for individuals with the most severe disabilities who require on-going support services to enter or retain competitive employment.

**Independent living.**—Grants are awarded to States and nonprofit agencies for services designed to enable individuals with significant disabilities to live and function more independently.

**Program Improvement.**—Funds would be 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 purposes of the Rehabilitation Act. Examples of program improvement activities would include technical assistance activities of national scope; the development of an effective data management and reporting system, including program performance measures; and the development of a dissemination and utilization strategy for demonstration projects of national significance.

**Evaluation.**—Studies are conducted to evaluate the impact and effectiveness of various programs authorized under the Rehabilitation Act. The Department is conducting a multi-year national longitudinal study of the Vocational rehabilitation State grants program.

**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 research and training centers, rehabilitation engineering centers, research and demonstration projects, information dissemination and utilization projects, and training activities.

**Assistive technology.**—Grants are made to States to support systems change and advocacy activities designed to develop and implement consumer-responsive comprehensive statewide programs of technology-related assistance for individuals of all ages with disabilities.

Object Classification (In millions of dollars)

Identification code 91-0301-0-1-506	1995 actual	1996 est.	1997 est.
Direct obligations:			
25.1 Advisory and assistance services .....	4		5
25.2 Other services .....	1		1
25.3 Purchases of goods and services from Government accounts .....	2		2
25.5 Research and development contracts .....	2		2
41.0 Grants, subsidies, and contributions .....	2,385	2,110	2,503
92.0 Undistributed .....		337	
99.0 Subtotal, direct obligations .....	2,394	2,447	2,513
99.0 Reimbursable obligations .....	2		
99.5 Below reporting threshold .....	1		
99.9 Total obligations .....	2,397	2,447	2,513

SPECIAL INSTITUTIONS FOR PERSONS WITH DISABILITIES

AMERICAN PRINTING HOUSE FOR THE BLIND

For carrying out the Act of March 3, 1879, as amended (20 U.S.C. 101 et seq.), \$6,495,000.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (In millions of dollars)

Identification code 91-0600-0-1-501	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0) .....	7	5	6
Budgetary resources available for obligation:			
22.00 New budget authority (gross) .....	7	5	6
23.95 New obligations .....	-7	-5	-6
New budget authority (gross), detail:			
40.00 Appropriation .....	7	5	6
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation .....	1	1	
73.10 New obligations .....	7	5	6
73.20 Total outlays (gross) .....	-7	-5	-6
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation .....	1		
Outlays (gross), detail:			
86.90 Outlays from new current authority .....	6	5	6
86.93 Outlays from current balances .....	1	1	
87.00 Total outlays (gross) .....	7	5	6
Net budget authority and outlays:			
89.00 Budget authority .....	7	5	6
90.00 Outlays .....	7	5	6

Summary of Budget Authority and Outlays

(In millions of dollars)

Enacted/requested:	1995 actual	1996 est.	1997 est.
Budget Authority .....	7	5	6
Outlays .....	7	6	6

**General and special funds—Continued**

*SPECIAL INSTITUTIONS FOR PERSONS WITH DISABILITIES—Continued*

**AMERICAN PRINTING HOUSE FOR THE BLIND—Continued**

Summary of Budget Authority and Outlays—Continued

[In millions of dollars]			
Adjustment to 1996 continuing resolution levels:	1995 actual	1996 est.	1997 est.
Budget Authority .....		1	
Outlays .....		1	
<b>Total:</b>			
Budget Authority .....	7	6	6
Outlays .....	7	7	6

The Federal appropriation supports the production of free educational materials for students below the college level who are blind, research related to developing and improving products, and advisory services to consumer organizations on the availability and use of materials. In 1995, the portion of the Federal appropriation allocated to educational materials represented approximately 40 percent of the Printing House's total sales. The full appropriation represented approximately 44 percent of the Printing House's total budget.

*NATIONAL TECHNICAL INSTITUTE FOR THE DEAF*

*For the National Technical Institute for the Deaf under titles I and II of the Education of the Deaf Act of 1986 (20 U.S.C. 4301 et seq.), \$43,041,000, of which \$336,000 shall be for the endowment program as authorized under section 207 and shall be available until expended: Provided, That from the total amount available, the Institute may at its discretion use additional amounts for the endowment program, to remain available until September 30, 1997.*

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (In millions of dollars)

Identification code 91-0601-0-1-502	1995 actual	1996 est.	1997 est.
<b>Obligations by program activity:</b>			
04.01 Unallocated amount under P.L. 104-99 .....	43	40	43
10.00 Total obligations (object class 41.0) .....	43	40	43
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	43	40	43
23.95 New obligations .....	-43	-40	-43
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	43	40	43
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation .....	3		2
73.10 New obligations .....	43	40	43
73.20 Total outlays (gross) .....	-46	-38	-43
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation .....		2	
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	43	38	40
86.93 Outlays from current balances .....	3		2
87.00 Total outlays (gross) .....	46	38	43
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	43	40	43
90.00 Outlays .....	46	38	43

Summary of Budget Authority and Outlays

[In millions of dollars]			
Enacted/requested:	1995 actual	1996 est.	1997 est.
Budget Authority .....	43	40	43
Outlays .....	46	38	42
<b>Adjustment to 1996 continuing resolution levels:</b>			
Budget Authority .....		3	

Outlays .....	3		
<b>Total:</b>			
Budget Authority .....	43	43	43
Outlays .....	46	41	42

This residential center 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 1995, Federal appropriations represented 83 percent of the Institute's operating budget. Funds are also provided for endowment matching grants.

*GALLAUDET UNIVERSITY*

*For the Kendall Demonstration Elementary School, the Model Secondary School for the Deaf, and the partial support of Gallaudet University under titles I and II of the Education of the Deaf Act of 1986 (20 U.S.C. 4301 et seq.), \$80,030,000, of which \$1,000,000 shall be for the endowment program as authorized under section 207 and shall be available until expended: Provided, That from the total amount available, the University may at its discretion use additional amounts for the endowment program, to remain available until September 30, 1997.*

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (In millions of dollars)

Identification code 91-0602-0-1-502	1995 actual	1996 est.	1997 est.
<b>Obligations by program activity:</b>			
01.01 University programs .....	54		
02.01 Pre-college programs .....	25	22	
03.01 Endowment grant .....	1		
04.01 Unallocated amount under P.L. 104-99 .....		50	80
10.00 Total obligations (object class 41.0) .....	80	72	80
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	80	72	80
23.95 New obligations .....	-80	-72	-80
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	80	72	80
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation .....	7	3	4
73.10 New obligations .....	80	72	80
73.20 Total outlays (gross) .....	-84	-71	-80
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation .....	3	4	4
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	80	68	75
86.93 Outlays from current balances .....	4	2	4
87.00 Total outlays (gross) .....	84	71	80
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	80	72	80
90.00 Outlays .....	84	71	80

Summary of Budget Authority and Outlays

[In millions of dollars]			
Enacted/requested:	1995 actual	1996 est.	1997 est.
Budget Authority .....	80	72	80
Outlays .....	84	70	79
<b>Adjustment to 1996 continuing resolution levels:</b>			
Budget Authority .....		8	
Outlays .....		8	
<b>Total:</b>			
Budget Authority .....	80	80	80
Outlays .....	84	78	79

This institution provides college preparatory, 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 pre-college programs on the main campus of the University. The Kendall Demonstration Elementary School serves students who are deaf from infancy through age 15, and the Model Secondary School for the Deaf serves students who are deaf of high school age. 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 1995, the Federal appropriation represented 65.4 percent of the University's operating budget, excluding Federal financial aid, vocational rehabilitation, and competitive grants, and 98.7 percent of the operating budgets of the related elementary and secondary schools. Funds are also requested for endowment matching grants.

**OFFICE OF VOCATIONAL AND ADULT EDUCATION**

**Federal Funds**

**General and special funds:**

*VOCATIONAL AND ADULT EDUCATION*

For carrying out, to the extent not otherwise provided, the Carl D. Perkins Vocational and Applied Technology Education Act, the Adult Education Act, and the National Literacy Act of 1991, \$1,420,000,000, which shall become available on July 1, 1997 and shall remain available through September 30, 1998.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (In millions of dollars)

Identification code 91-0400-0-1-501	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
Vocational education:			
Annual appropriations:			
Basic grants:			
00.01	Basic State grants	979	
00.02	Indian and Hawaiian natives set-aside	15	15
00.03	Territorial set-aside	2	1
00.91	Subtotal, basic grants	996	16
01.01	Consumer and homemaking education	1	
01.02	State councils	9	
01.03	Tech-prep education	110	
01.04	Tribally controlled postsecondary vocational institutions	3	
01.05	Bilingual vocational training	3	
National programs:			
01.06	Research	9	7
01.07	Demonstrations	22	
01.08	National Occupational Information Coordinating Committee	1	4
01.10	Vocational education programs		1,120
01.91	Subtotal	158	11
02.00	Total, annual appropriation	1,154	27
03.01	Permanent appropriation	7	7
04.00	Total, vocational education	1,161	34
Adult education:			
05.01	State programs	252	
05.02	Evaluation and technical assistance	5	3
05.03	National Institute for Literacy	5	5
05.04	State literacy resource centers	3	
05.05	Workplace literacy partnerships	19	13
05.06	Literacy training for homeless adults	10	

05.07	Literacy programs for prisoners	5	5	
05.08	Adult education programs			300
05.91	Total, adult education	299	26	300
06.01	Unallocated amount under P.L. 104-99		1,163	
07.00	Total, direct program	1,460	1,223	1,427
08.01	Reimbursable program	1		
10.00	Total obligations	1,461	1,223	1,427
Budgetary resources available for obligation:				
21.40	Unobligated balance available, start of year:			
	Uninvested balance	123	53	
22.00	New budget authority (gross)	1,391	1,170	1,427
23.90	Total budgetary resources available for obligation	1,514	1,223	1,427
23.95	New obligations	-1,461	-1,223	-1,427
24.40	Unobligated balance available, end of year:			
	Uninvested balance	53		
New budget authority (gross), detail:				
Current:				
40.00	Appropriation	1,383	1,163	1,420
Permanent:				
60.00	Appropriation	7	7	7
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	1		
70.00	Total new budget authority (gross)	1,391	1,170	1,427
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance:			
	Appropriation	1,682	1,639	1,375
73.10	New obligations	1,461	1,223	1,427
73.20	Total outlays (gross)	-1,482	-1,487	-1,289
73.40	Adjustments in expired accounts	-20		
74.40	Unpaid obligations, end of year: Obligated balance:			
	Appropriation	1,639	1,375	1,513
Outlays (gross), detail:				
86.90	Outlays from new current authority	79	141	172
86.93	Outlays from current balances	1,395	1,338	1,111
86.97	Outlays from new permanent authority	2	1	1
86.98	Outlays from permanent balances	7	7	6
87.00	Total outlays (gross)	1,482	1,487	1,289
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-1		
Net budget authority and outlays:				
89.00	Budget authority	1,390	1,170	1,427
90.00	Outlays	1,481	1,487	1,289

Summary of Budget Authority and Outlays

[In millions of dollars]

	1995 actual	1996 est.	1997 est.
Enacted/requested:			
Budget Authority	1,390	1,170	1,427
Outlays	1,482	1,487	1,290
Legislative proposal, subject to PAYGO:			
Budget Authority			-7
Outlays			-1
Adjustment to 1996 continuing resolution levels:			
Budget Authority		219	
Outlays		26	149
Total:			
Budget Authority	1,390	1,389	1,420
Outlays	1,482	1,513	1,438

Budget authority for vocational and adult education includes the following amounts:

[In millions of dollars]

	1995 actual	1996 est.	1997 est.
1. Vocational education:			
a. Basic grants	973		
b. Tech-prep education	108		
c. Tribally controlled postsecondary vocational institutions	3		
d. State councils	9		
e. National programs	11		
f. Permanent appropriation	7	7	

**General and special funds—Continued**

*VOCATIONAL AND ADULT EDUCATION—Continued*

g. Vocational education programs .....			1,120
2. Adult education:			
a. State programs .....	252		
b. Evaluation and technical assistance .....	4		
c. National Institute for Literacy .....	5		
d. Workplace literacy partnerships .....	13		
e. Literacy programs for prisoners .....	5		
f. Adult education programs .....			300
3. Unallocated amount under P.L. 104-99 .....			1,163
Total .....	1,390	1,170	1,420

*Vocational and adult education.*—As part of the GI Bill for America's Workers initiative, which is designed to promote lifelong learning and economic security for all Americans, the Administration proposed in fiscal year 1996 to restructure Federal workforce-related education and training programs, including those under the Carl D. Perkins Vocational and Applied Technology Education Act, the Adult Education Act, and the National Literacy Act. As proposed by the Administration, State formula grant programs for vocational education and for adult education would be consolidated into a single State grant for each program. In addition, national activities for both vocational and adult education would support State efforts through research, development, technical assistance, and evaluation. The Administration and the Congress are currently working together to ensure that new legislation in support of this initiative is enacted in 1996.

Pending enactment of the new legislation, the fiscal year 1997 budget estimate reflects funding under current law. Funds will be allocated for specific activities once new legislation is enacted.

Object Classification (In millions of dollars)

Identification code 91-0400-0-1-501	1995 actual	1996 est.	1997 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent .....	1		1
25.1 Advisory and assistance services .....	4		4
25.2 Other services .....	3		3
25.3 Purchases of goods and services from Government accounts .....	1		1
25.5 Research and development contracts .....	2		2
41.0 Grants, subsidies, and contributions .....	1,448	60	1,416
92.0 Undistributed .....		1,163	
99.0 Subtotal, direct obligations .....	1,459	1,223	1,427
99.0 Reimbursable obligations .....	1		
41.0 Allocation Account—Direct Obligations: Grants, subsidies, and contributions .....	1		
99.9 Total obligations .....	1,461	1,223	1,427

Personnel Summary

Identification code 91-0400-0-1-501	1995 actual	1996 est.	1997 est.
1001 Total compensable workyears: Full-time equivalent employment .....	13	11	10

**VOCATIONAL AND ADULT EDUCATION**  
**(Legislative proposal, subject to PAYGO)**

Program and Financing (In millions of dollars)

Identification code 91-0400-4-1-501	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Permanent appropriation .....			-7
10.00 Total obligations .....			-7
Budgetary resources available for obligation:			
22.00 New budget authority (gross) .....			-7
23.95 New obligations .....			7

New budget authority (gross), detail:			
60.00 Appropriation .....			-7
Change in unpaid obligations:			
73.10 New obligations .....			-7
73.20 Total outlays (gross) .....			1
74.40 Unpaid obligations, end of year: Obligated balance: Appropriation .....			-6
Outlays (gross), detail:			
86.97 Outlays from new permanent authority .....			-1
87.00 Total outlays (gross) .....			-1
Net budget authority and outlays:			
89.00 Budget authority .....			-7
90.00 Outlays .....			-1

The Smith-Hughes Act authorizes a permanent appropriation for four vocational education activities: Basic Grants, the Indian and Hawaiian Natives set-aside, the Territorial set-aside, and National Programs. The permanent appropriation is proposed for repeal, and an equivalent level of funding is included in the Administration's proposal to reauthorize and restructure the Carl D. Perkins Vocational and Applied Technology Education Act.

**OFFICE OF POSTSECONDARY EDUCATION**

*Federal Funds*

**General and special funds:**

*STUDENT FINANCIAL ASSISTANCE*

*For carrying out subparts 1 and 3 of part A, and parts C and E of title IV of the Higher Education Act of 1965, as amended, \$7,359,407,000, which shall remain available through September 30, 1998.*

*The maximum Pell Grant for which a student shall be eligible during award year 1997-1998 shall be \$2,700: Provided, That notwithstanding section 401(g) of the Act, if the Secretary determines, prior to publication of the payment schedule for such award year, that the amount included within this appropriation for Pell Grant awards in such award year, and any funds available from the FY 1996 appropriation for Pell Grant awards, are insufficient to satisfy fully all such awards for which students are eligible, as calculated under section 401(b) of the Act, the amount paid for each such award shall be reduced by either a fixed or variable percentage, or by a fixed dollar amount, as determined in accordance with a schedule of reductions established by the Secretary for this purpose.*

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99. Of the 1996 appropriation, ten percent is not available for obligation pending resolution of a full-year appropriation.

Program and Financing (In millions of dollars)

Identification code 91-0200-0-1-502	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
Pell grants:			
01.01 Current academic year program .....	3,144	3,538	3,670
01.02 Prior academic year program .....	2,675	3,561	2,169
01.91 Subtotal, Pell grants .....	5,819	7,099	5,839
Campus-based aid:			
03.01 Work-study .....	620	617	679
03.02 Supplemental educational opportunity grants .....	588		583
03.03 Perkins loans: Federal capital contributions .....	161		158
03.04 Perkins loans: Teacher cancellations .....	26	20	20
03.91 Subtotal, Campus-based aid .....	1,395	637	1,440
04.01 State student incentive grants .....	64		
05.01 State postsecondary review program .....	13		
06.01 Unallocated amount under P.L. 104-99 .....		1,243	
10.00 Total obligations .....	7,291	8,979	7,279
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year: Uninvested balance .....	3,074	3,561	2,169

22.00	New budget authority (gross)	7,586	7,586	7,359
22.10	Resources available from recoveries of prior year obligations	196		
22.30	Unobligated balance expiring	-4		
23.90	Total budgetary resources available for obligation	10,852	11,147	9,528
23.95	New obligations	-7,291	-8,979	-7,279
24.40	Unobligated balance available, end of year: Uninvested balance	3,561	2,169	2,249
New budget authority (gross), detail:				
Current:				
40.00	Appropriation	7,583	7,586	7,359
Permanent:				
62.00	Transferred from other accounts	3		
70.00	Total new budget authority (gross)	7,586	7,586	7,359
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance:			
	Appropriation	3,334	3,363	4,902
73.10	New obligations	7,291	8,979	7,279
73.20	Total outlays (gross)	-7,047	-7,440	-8,083
73.40	Adjustments in expired accounts	-19		
73.45	Adjustments in unexpired accounts	-196		
74.40	Unpaid obligations, end of year: Obligated balance:			
	Appropriation	3,363	4,902	4,098
Outlays (gross), detail:				
86.90	Outlays from new current authority	1,334	741	1,226
86.93	Outlays from current balances	5,709	6,696	6,857
86.97	Outlays from new permanent authority	1		
86.98	Outlays from permanent balances	3	3	
87.00	Total outlays (gross)	7,047	7,440	8,083
Net budget authority and outlays:				
89.00	Budget authority	7,586	7,586	7,359
90.00	Outlays	7,047	7,440	8,083

Summary of Budget Authority and Outlays

[In millions of dollars]

	1995 actual	1996 est.	1997 est.
Enacted/requested:			
Budget Authority	7,586	7,586	7,359
Outlays	7,047	7,440	8,083
Adjustment to 1996 continuing resolution levels:			
Budget Authority		-453	
Outlays		-45	-394
Total:			
Budget Authority	7,586	7,133	7,359
Outlays	7,047	7,395	7,689

<sup>1</sup>The Ninth Continuing Resolution, P.L. 104-99, provides for a maximum Pell grant of "at least \$2,440." The preliminary Federal Pell Grant Program payment and disbursement schedules for 1996-97 are therefore calculated using a \$2,400 maximum award. However, the President's 1996 policy for the Federal Pell Grant Program calls for a maximum award level of \$2,620. The Pell grant estimates for 1996 are based on an assumed maximum award level of \$2,620. Establishing this maximum award level would require the joint agreement of the Administration and the Congress.

<sup>2</sup>Includes obligations from budget authority in the amount of \$3,165 thousand in 1994 and 1995 for benefits for participants in Operation Desert Shield/Desert Storm appropriated by transfer from the Department of Defense pursuant to P.L. 102-27, the Dire Emergency Supplemental Appropriations Act of 1991.

<sup>3</sup>Represents budget authority for benefits for participants in Operation Desert Shield/Desert Storm appropriated by transfer from the Department of Defense pursuant to P.L. 102-27, the Dire Emergency Supplemental Appropriations Act of 1991.

Status of Direct Loans (In millions of dollars)

Identification code 91-0200-0-1-502	1995 actual	1996 est.	1997 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	323	187	189
1251 Repayments: Repayments and prepayments	-66	-51	-50
1262 Adjustments: Discount on loan asset sales to the public or discounted	-7	-8	-8
1264 Write-offs for default: Other adjustments, net	-63	61	61
1290 Outstanding, end of year	187	189	192

Object Classification (In millions of dollars)

Identification code 91-0200-0-1-502	1995 actual	1996 est.	1997 est.
41.0 Grants, subsidies, and contributions	7,291	7,736	7,279
92.0 Undistributed		1,243	

99.9	Total obligations	7,291	8,979	7,279
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<sup>1</sup>Includes in all years institutional matching share of defaulted notes assigned from institutions to the Education Department.

**Federal Pell Grants.**—Undergraduate students establish eligibility for these grants under award and need determination rules set out in the authorizing statute and the annual appropriation act. The maximum award for FY 1997 would be \$2,700.

**Federal Work-Study.**—Federal grants are awarded by formula to qualifying institutions, which develop and provide part-time jobs for eligible undergraduate and graduate students with demonstrated need. Federal grants in most cases pay 75 percent of a student's hourly earnings, with the remainder paid by the employer. Hourly earnings must not be less than the Federal minimum wage. Institutions are required to spend at least 5 percent of their Work-Study allocation to pay students working in community service jobs. The President is proposing to increase funding for Work-Study over the next four years to help one million students per year work their way through college by the year 2000.

**Federal Supplemental Educational Opportunity Grants.**—Federal funds are awarded by formula to qualifying institutions, which use these funds at their discretion to award grants to undergraduate students, with priority for Pell Grant recipients and others with exceptional need. The Federal share of such grants may not exceed 75 percent of the total grant.

**Perkins Loan Program.**—Schools award loans from revolving funds, composed of Federal Capital Contributions, collections on prior year loans, and Federal payments for loan cancellations granted in exchange for specified types of teaching, military or public service.

**Perkins Loans—Cancellations.**—Under the Perkins Loan (formerly national direct student loan (NDSL)) cancellation program, institutional revolving funds are reimbursed for indebtedness cancelled as a result of a borrower engaging in certain public service occupations.

The Higher Education Amendments of 1992 broadened statutory cancellations in the Perkins Loan program. This has resulted in a progressive increase in the usage of cancellations provisions by Perkins Loan borrowers in recent years.

**Gatekeeping in Student Financial Assistance Programs.**—The Federal student aid programs will make available more than \$41 billion in grant, loan, and work-study assistance to about 7.3 million students in the academic year 1997-98. The Department of Education, together with States and accrediting agencies, works to ensure that institutions of higher education participating in the Federal student aid programs meet a basic standard of quality in the education and training of their students, and that these institutions are administratively capable and financially responsible.

Since 1993, the Department has terminated the participation of more than 300 institutions that have violated the Federal regulations. In 1997, the Department plans to complete its recertification of all institutions currently eligible to participate. It also plans to develop a system of risk analysis that will better enable the Department to identify institutions with potentially serious problems, and to improve major elements of its information management system, including the National Student Loan Data System and the Postsecondary Education Participants System.

The Department also plans to provide regulatory relief—such as less frequent recertification, less frequent submission of compliance audits, and exemption from certain regulatory requirements—to institutions that have demonstrated outstanding administration of federal programs and strong financial responsibility.

In addition, the Department helps students make better decisions by requiring schools to provide important informa-

**General and special funds—Continued**

*STUDENT FINANCIAL ASSISTANCE—Continued*

tion about their education programs. It enforces long-standing statutory requirements for institutions to inform prospective students of educational programs, college costs, and financial aid. Final regulations to implement the Student Right to Know Act, published in 1995, require institutions to disclose completion and graduation rates for students who enter the institution after July 1, 1996.

The following tables display student aid funds available, the number of aid awards, average awards, and the unduplicated count of students receiving awards, based on current law and legislation proposed for later transmittal. The tables include aid under the Federal Family Education Loan (FFEL) program, formerly the Guaranteed Student Loan (GSL) program, the William D. Ford Direct Loan (DL) Program, as well as under programs in this account. The tables include the effects of matching funds wherever applicable. Perkins loan amounts also reflect available capital in institutional revolving funds, including loan collection and loan cancellation receipts. FFEL and DL amounts reflect the capital actually loaned, not the Federal costs of those loans.

**AID FUNDS AVAILABLE FOR POSTSECONDARY EDUCATION AND TRAINING**

	[In millions of dollars]		
	1995 actual	1996 est.	1997 est.
Pell Grants .....	5,426	6,170	6,406
Student loans:			
Guaranteed student loans:			
Stafford loans .....	11,086	8,843	7,859
Unsubsidized Stafford loans .....	5,989	4,688	4,137
PLUS .....	1,445	1,229	1,198
Direct student loans:			
Stafford loans .....	3,181	6,229	7,750
Unsubsidized Stafford loans .....	1,499	3,213	4,168
PLUS .....	480	949	1,243
Consolidation:			
FFEL .....	3,117	4,031	4,510
Direct Loans .....	329	882	1,599
Student loans, subtotal .....	27,126	30,064	32,464
Work-study .....	760	760	837
Supplemental educational opportunity grants .....	738	NA	738
Perkins loans .....	999	NA	1,058
State student incentive grants .....	127	NA	.....
Total aid available .....	35,176	NA	41,503

Note: 1996 amounts not available for SEOG, Perkins loans, and SSIg pending final appropriations.

**NUMBER OF AID AWARDS**

	[In thousands]		
	1995 actual	1996 est.	1997 est.
Pell grants .....	3,600	3,712	3,755
Student loans:			
Guaranteed student loans:			
Stafford loans .....	3,392	2,592	2,197
Unsubsidized Stafford loans .....	1,673	1,290	1,087
PLUS .....	267	212	190
Direct student loans:			
Stafford loans .....	824	1,669	2,137
Unsubsidized Stafford loans .....	393	834	1,086
PLUS .....	81	156	200
Consolidation:			
FFEL .....	208	234	246
Direct Loans .....	32	106	140
Student loans, subtotal .....	6,870	7,101	7,282
Work-study .....	713	713	786
Supplemental educational opportunity grants .....	991	NA	991
Perkins loans .....	744	NA	788
State student incentive grants .....	211	NA	.....
Total awards .....	13,129	NA	13,603

Note: 1996 amounts not available for SEOG, Perkins loans, and SSIg pending final appropriations.

**AVERAGE AID AWARDS**

	[In whole dollars]		
	1995 actual	1996 est.	1997 est.
Pell grants .....	1,507	1,662	1,706
Student loans:			
Guaranteed student loans:			
Stafford loans .....	3,268	3,412	3,578
Unsubsidized Stafford loans .....	3,581	3,634	3,805
PLUS .....	5,409	5,794	6,308
Direct student loans:			
Stafford loans .....	3,862	3,733	3,627
Unsubsidized Stafford loans .....	3,814	3,854	3,837
PLUS .....	5,910	6,074	6,229
Consolidation:			
FFEL .....	15,005	16,576	18,356
Direct Loans .....	10,281	8,358	11,349
Work-study .....	1,065	1,065	1,065
Supplemental educational opportunity grants .....	745	745	745
Perkins loans .....	1,342	1,342	1,342
State student incentive grants .....	600	600	.....

**NUMBER OF STUDENTS AIDED**

	[In thousands]		
	1995 actual	1996 est.	1997 est.
Unduplicated student count .....	6,986	NA	7,284

Note: 1996 count data not available pending final appropriations.

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

**ADMINISTRATIVE PAYMENTS TO INSTITUTIONS**

	[In millions of dollars]		
	1995 actual	1996 est.	1997 est.
Pell grants .....	18	19	19
Work-study .....	47	47	52
Supplemental educational opportunity grants .....	30	NA	30
Perkins loans .....	40	NA	42
Direct student loans .....	10	20	32

Note: 1996 amounts not available for SEOG, Perkins loans, and SSIg pending final appropriations.

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

**DEFAULTED PERKINS LOANS**

	[In millions of dollars]		
	1995 actual	1996 est.	1997 est.
Outstanding defaulted loans, beginning of year:			
Assigned defaulted loans <sup>1</sup> .....	323	187	189
Unassigned defaulted loans <sup>2</sup> .....	744	754	764
New defaulted loans .....	34	159	162
Collections on assigned loans .....	-66	-51	-50
Collections on unassigned loans .....	-82	-84	-88
Write-offs for assigned loans .....	-7	-8	-8
Write-offs for unassigned loans .....	-4	-4	-4
Outstanding defaulted loans, end of year .....	1,263	1,140	1,156

<sup>1</sup> Permanently assigned to the Federal Government for collection. Does not include the following amounts in loans made to institutions to establish Perkins revolving funds: \$94 thousand in 1995, \$94 thousand in 1996, and \$94 thousand in 1997. These amounts are recorded as outstanding loans in the "Status of Direct Loans" schedule.

<sup>2</sup> Unassigned loans at institutions.

**HIGHER EDUCATION**

For carrying out, to the extent not otherwise provided, titles III (without regard to section 360(a)(1)(B)(ii)), IV, V, VI, VII, IX, and part A and subpart 1 of part B of title X of the Higher Education Act of 1965, as amended (HEA); and the Mutual Educational and Cultural Exchange Act of 1961, \$842,771,000, of which \$2,015,000 for endowment activities under part C of title III and \$15,673,000 for interest subsidies under title VII of HEA shall remain available until expended: Provided, That funds available for part C of title III of HEA shall be available only for awards to recipients that are title III, part B institutions, as defined in section 322(2): Provided further, That funds available for Part D of title IX of HEA shall be available to fund noncompeting continuation awards for academic year 1997-98 for fellowships awarded originally under parts B and C of title IX of HEA, under the terms and conditions of parts B and C, respectively.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the

levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (In millions of dollars)

Identification code 91-0201-0-1-502	1995 actual	1996 est.	1997 est.
<b>Obligations by program activity:</b>			
<b>Aid for institutional development:</b>			
00.01 Strengthening historically Black colleges and universities .....	129		129
00.02 Strengthening institutions .....	80		40
00.03 Strengthening Hispanic serving institutions .....	12		12
00.04 Endowment challenge grants .....	9	15	2
00.05 Evaluation .....	1		
00.91 Subtotal, aid for institutional development .....	231	15	183
<b>Other aid for institutions:</b>			
01.01 Program development .....	116		85
01.02 Interest subsidy grants .....	18	1	16
01.03 Special grants .....	4	4	
01.91 Subtotal, other aid for institutions .....	138	5	101
<b>Aid for students:</b>			
02.01 Federal TRIO programs .....	463		500
02.02 Scholarships .....	35		29
02.03 Graduate fellowships .....	44		30
02.04 School, college and university partnerships .....	4		
02.05 Legal training for the disadvantaged .....	3		
02.91 Subtotal, aid for students .....	549		559
03.01 Unallocated amount under P.L. 104-99 .....		758	
10.00 Total obligations .....	918	778	843
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested balance .....	20	20	
22.00 New budget authority (gross) .....	919	758	843
22.10 Resources available from recoveries of prior year obligations .....	1		
22.30 Unobligated balance expiring .....	-2		
23.90 Total budgetary resources available for obligation .....	938	778	843
23.95 New obligations .....	-918	-778	-843
24.40 Unobligated balance available, end of year:			
Uninvested balance .....	20		
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	919	758	843
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation .....	950	974	856
73.10 New obligations .....	918	778	843
73.20 Total outlays (gross) .....	-871	-896	-803
73.40 Adjustments in expired accounts .....	-24		
73.45 Adjustments in unexpired accounts .....	-1		
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation .....	974	856	896
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	87	104	113
86.93 Outlays from current balances .....	784	792	690
87.00 Total outlays (gross) .....	871	896	803
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	919	758	843
90.00 Outlays .....	871	896	803

Summary of Budget Authority and Outlays

(In millions of dollars)

	1995 actual	1996 est.	1997 est.
<b>Enacted/requested:</b>			
Budget Authority .....	919	758	843
Outlays .....	871	896	803
<b>Legislative proposal, not subject to PAYGO:</b>			
Budget Authority .....			130
Outlays .....			16
<b>Adjustment to 1996 continuing resolution levels:</b>			
Budget Authority .....		13	
Outlays .....		2	9
<b>Total:</b>			
Budget Authority .....	919	771	973
Outlays .....	871	898	828

Aid for institutional development.—

*Strengthening historically Black colleges and universities.*—Funds support grants to help historically Black undergraduate and graduate institutions equalize educational opportunity and strengthen their management and fiscal operations so that they may eventually become self-sufficient.

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

*Endowment challenge grants.*—Funds support endowment challenge grants for historically Black colleges and universities to enable such institutions to establish or increase institutional endowment funds.

*Other aid for institutions.*—

*Program development.*—Funds support: the Fund for the Improvement of Postsecondary Education (FIPSE), to address problems and encourage improvements in postsecondary education; the minority science improvement program, to improve science education at predominantly minority institutions; international education and foreign language study programs, to help strengthen American education in foreign languages and area and international studies and to provide research and study opportunities in foreign countries for American graduate students, faculty members, and teachers of foreign languages; and minority teacher recruitment, to encourage minorities to enter teaching careers.

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

*Aid for students.*—

*Federal TRIO programs.*—Funds support: undergraduate outreach programs to help individuals from disadvantaged backgrounds enter and complete college; the student support services program to assist postsecondary students from disadvantaged backgrounds who need academic support to successfully complete their education; the McNair postbaccalaureate program, to provide support to disadvantaged groups underrepresented in graduate education; and staff training, to provide training opportunities for staff employed in or preparing for employment in TRIO programs. Funds also support the continuation of an evaluation of the TRIO programs.

*Scholarships.*—Funds support: Byrd honors scholarships for outstanding students who show promise of continued excellence.

*Graduate fellowships.*—Funds support graduate assistance in areas of national need, to provide fellowships to financially needy graduate students who are studying in areas of national need, to underrepresented groups pursuing masters degrees and professional study, and to students of superior ability completing graduate-level education.

Object Classification (In millions of dollars)

Identification code 91-0201-0-1-502	1995 actual	1996 est.	1997 est.
25.1 Advisory and assistance services .....	2	1	1
25.2 Other services .....	2	2	2
25.3 Purchases of goods and services from Government accounts .....	1		
41.0 Grants, subsidies, and contributions .....	913	17	840
92.0 Undistributed .....		758	
99.9 Total obligations .....	918	778	843

**General and special funds—Continued**

**HIGHER EDUCATION**  
**(Legislative proposal, not subject to PAYGO)**

Program and Financing (In millions of dollars)

Identification code 91-0201-2-1-502	1995 actual	1996 est.	1997 est.
<b>Obligations by program activity:</b>			
00.01 Presidential honors scholarships .....			130
10.00 Total obligations (object class 41.0) .....			130
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			130
23.95 New obligations .....			-130
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....			130
<b>Change in unpaid obligations:</b>			
73.10 New obligations .....			130
73.20 Total outlays (gross) .....			-16
74.40 Unpaid obligations, end of year: Obligated balance: .....			
Appropriation .....			114
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....			16
87.00 Total outlays (gross) .....			16
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			130
90.00 Outlays .....			16

*Presidential Honors Scholarships.*—In his State of the Union address, the President called for this new legislative initiative to reward the best and the brightest of graduating high school students. Under this program, \$1,000 merit-based scholarships will be extended to the top five percent of graduating students in every secondary school in the Nation for their use at the postsecondary institution of their choice. It is the aim of this program to encourage and reward students for their academic excellence and achievement. Individual high schools would have sole responsibility in the selection of recipients.

*HOWARD UNIVERSITY*

*For partial support of Howard University (20 U.S.C. 121 et seq.), \$195,965,000, including at least \$3,530,000 for the endowment program: Provided, That, of the amounts available for the endowment program, \$3,530,000 shall remain available until expended, for a matching endowment grant to be administered in accordance with the Howard University Endowment Act (Public Law 95-480).*

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (In millions of dollars)

Identification code 91-0603-0-1-502	1995 actual	1996 est.	1997 est.
<b>Obligations by program activity:</b>			
00.01 Academic program .....	157		
00.02 Endowment program .....	2	4	
00.03 Research .....	5		
00.04 Howard University Hospital .....	29		29
00.05 Construction .....	11		
00.06 Law School Clinical Center .....	6		
00.07 Unallocated amount under P.L. 104-99 .....		170	
00.08 Undistributed .....			167
10.00 Total obligations (object class 41.0) .....	210	174	196
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year: .....			
Uninvested balance .....	9	4	

22.00 New budget authority (gross) .....	205	170	196
23.90 Total budgetary resources available for obligation .....	214	174	196
23.95 New obligations .....	-210	-174	-196
24.40 Unobligated balance available, end of year: .....			
Uninvested balance .....	4		

<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	205	170	196

<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance: .....			
Appropriation .....	15	14	15
73.10 New obligations .....	210	174	196
73.20 Total outlays (gross) .....	-210	-175	-199
74.40 Unpaid obligations, end of year: Obligated balance: .....			
Appropriation .....	14	15	12

<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	184	157	184
86.93 Outlays from current balances .....	24	18	15
87.00 Total outlays (gross) .....	210	175	199

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	205	170	196
90.00 Outlays .....	210	175	199

**Summary of Budget Authority and Outlays**

(In millions of dollars)

	1995 actual	1996 est.	1997 est.
<b>Enacted/requested:</b>			
Budget Authority .....	205	170	196
Outlays .....	208	175	199
<b>Adjustment to 1996 continuing resolution levels:</b>			
Budget Authority .....		17	
Outlays .....		16	1
<b>Total:</b>			
Budget Authority .....	205	187	196
Outlays .....	208	191	200

Howard University is a private, nonprofit educational institution consisting of 17 schools and colleges. Federal funds are used to provide partial support for university programs as well as for the teaching hospital facilities. In 1995, direct Federal appropriations for the academic and research programs represented 53 percent of the university's educational and general expenditures.

**Credit accounts:**

**FEDERAL DIRECT STUDENT LOAN PROGRAM ACCOUNT**

Program and Financing (In millions of dollars)

Identification code 91-0243-0-1-502	1995 actual	1996 est.	1997 est.
<b>Obligations by program activity:</b>			
02.01 Direct loan subsidy .....	810	427	88
02.02 Reestimates of subsidy .....	11	-271	
02.91 Subtotal, subsidy cost .....	821	156	88
07.09 Student loan administrative expenses .....	383	550	595
10.00 Total obligations .....	1,204	706	683
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year: .....			
Uninvested balance .....	95		
22.00 New budget authority (gross) .....	1,105	706	683
22.10 Resources available from recoveries of prior year obligations .....	4		
23.90 Total budgetary resources available for obligation .....	1,204	706	683
23.95 New obligations .....	-1,204	-706	-683
24.40 Unobligated balance available, end of year: .....			
Uninvested balance .....			
<b>New budget authority (gross), detail:</b>			
60.00 Appropriation .....	284	550	595
60.05 Appropriation (indefinite) .....	821	156	88



63.00	Appropriation (total) .....	1,105	706	683
70.00	Total new budget authority (gross) .....	1,105	706	683
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance:			
	Appropriation .....	105	465	558
73.10	New obligations .....	1,204	706	683
73.20	Total outlays (gross) .....	-840	-613	-722
73.45	Adjustments in unexpired accounts .....	-4		
74.40	Unpaid obligations, end of year: Obligated balance:			
	Appropriation .....	465	558	519
Outlays (gross), detail:				
86.90	Outlays from new current authority .....	325	433	522
86.97	Outlays from new permanent authority .....	453		9
86.98	Outlays from permanent balances .....	62	180	191
87.00	Total outlays (gross) .....	840	613	722
Net budget authority and outlays:				
89.00	Budget authority .....	1,105	706	683
90.00	Outlays .....	840	613	722

Summary of Budget Authority and Outlays

[In millions of dollars]

	1995 actual	1996 est.	1997 est.
Enacted/requested:			
Budget Authority .....	1,105	706	683
Outlays .....	840	613	722
Legislative proposal, subject to PAYGO:			
Budget Authority .....		-124	-139
Outlays .....		-68	-121
Total:			
Budget Authority .....	1,105	582	544
Outlays .....	840	545	601

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

Identification code 91-0243-0-1-502	1995 actual	1996 est.	1997 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Stafford .....	3,659	6,336	7,898
1150 Unsubsidized Stafford .....	1,834	3,282	4,266
1150 PLUS .....	457	1,003	1,319
1150 Consolidated .....	1,653	886	1,618
1159 Total direct loan levels .....	7,603	11,507	15,101
Direct loan subsidy (in percent):			
1320 Stafford .....	17.51	13.29	10.38
1320 Unsubsidized Stafford .....	-2.92	-8.68	-11.77
1320 PLUS .....	-5.35	-8.24	-9.36
1320 Consolidated .....	10.93	-5.29	-6.59
1329 Weighted average subsidy rate .....	9.48	3.71	0.58
Direct loan subsidy budget authority:			
1330 Stafford .....	747	842	820
1330 Unsubsidized Stafford .....	28	-285	-502
1330 PLUS .....	-40	-83	-123
1330 Consolidated .....	52	-47	-107
1330 Reestimates of subsidy .....	5	-271	
1339 Total subsidy budget authority .....	792	156	88
Direct loan subsidy outlays:			
1340 Stafford .....	495	747	820
1340 Unsubsidized Stafford .....	30	-191	-413
1340 PLUS .....	-30	-58	-102
1340 Consolidated .....	8	-47	-105
1340 Reestimates of subsidy .....	12	-271	
1349 Total subsidy outlays .....	515	180	200
Student loan administrative expense data:			
3510 Budget authority .....	284	550	595
3590 Outlays .....	325	433	522

The Federal Government operates two major student loan programs: the Federal Family Education Loan (FFEL) program—formerly the Guaranteed Student Loan (GSL) program—and the William D. Ford Direct Loan (Direct Loan) program. The President is committed to allowing individual

institutions to choose which of these two programs best meets their needs and the needs of their students.

This summary section outlines the structure of these two programs, highlights their differences and similarities, and provides text tables displaying program cost data; loan volume, subsidy, default, and interest rates; and other descriptive information. As part of his January 1996 seven-year balanced budget plan, the President proposed a number of relatively small policy changes for the Direct Loan and FFEL programs. These changes are discussed as part of this program description.

From its inception in 1965 through 1995, the FFEL program has provided over \$196 billion in loans to postsecondary students and their parents. Since beginning on July 1, 1994, the Direct Loan program has provided over \$7 billion in loans to students and parents. Taken together, the FFEL and Direct Loan programs will make over \$30 billion available in FY 1996. Because funding for these two programs is provided on a permanent indefinite basis, for budget purposes they are considered separately from other Federal student financial assistance programs. The FFEL and Direct Loan programs should be viewed in combination with these other programs, however, and with Perkins Loans in particular, as part of the overall Federal effort to ensure access to higher education.

The Direct Loan program was created by the Student Loan Reform Act (SLRA) of 1993. Under this program, the Federal Government provides funds to postsecondary institutions to originate loans. Direct Loans offer a streamlined system that is simpler for student and parent borrowers, less prone to waste and abuse, and less expensive for the Federal taxpayer than the FFEL program. The program also offers flexible repayment options that allow borrowers to consider lower-paying careers, such as public service, without fear of default. In addition, at the time SLRA was passed in 1993, a gradual phase-in of direct lending was projected to save \$4 billion over five years.

Loan capital in the FFEL program is provided by private lenders. The FFEL program primarily is administered by State and private nonprofit guaranty agencies that serve as intermediate loan insurers, collect defaulted loans, and provide various other services to lenders. The Government provides substantial subsidies to these guaranty agencies. The Government also pays interest subsidies to lenders for certain borrowers, as well as most costs associated with loan defaults and other write-offs.

The SLRA established statutory participation goals for the Direct Loan program of 40 percent of overall new loan volume in academic year 1995-1996, 50 percent of overall loan volume in academic years 1996-1997 and 1997-1998, and 60 percent of overall loan volume beginning in academic year 1998-1999. In addition to these goals, beginning in academic year 1996-1997, any eligible institution will be able to participate in the Direct Loan program.

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

For new Stafford Loans, the interest rate equals the 91-day Treasury bill rate plus 2.5 percent during in-school, grace, and deferment periods, and the 91-day Treasury bill plus 3.1 percent at all other times, with a cap of 8.25 percent. Interest payments for these loans are fully subsidized by the Government while a student is in school and during grace and deferment periods. Unsubsidized Stafford loans carry the same interest rate as Stafford loans, but have no interest subsidy. For PLUS loans, the interest rate equals the 52-

**Credit accounts—Continued**

## FEDERAL DIRECT STUDENT LOAN PROGRAM ACCOUNT—Continued

week Treasury bill rate plus 3.1 percent, with a cap of 9 percent and no interest subsidy.

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. Under FFEL, the interest rate for loans made on or after July 1, 1994, equals the weighted average of the interest rate on the loans consolidated, rounded upward to the nearest whole percent. Lenders may choose to offer a lower rate. Direct Consolidation loans carry the variable Stafford interest rate.

Origination/insurance fees for each loan type are essentially the same across the two programs. Direct Loan borrowers are charged an origination fee equal to 4 percent of principal, which partially offsets Federal program operation costs. FFEL borrowers pay an origination fee to the Government equal to 3 percent of principal, and are also liable for a guaranty agency insurance premium of up to 1 percent of principal. For both programs, the Government is liable for 100 percent of cost related to death, disability, and bankruptcy.

Loan limits are also identical across the two programs. As part of his balanced budget plan, the President has proposed a \$15,000 annual limit on borrowing for an individual student under the PLUS loan program. (There is currently no limit on borrowing under this program.)

In addition to these common elements, the Direct Loan and FFEL programs each have a number of unique provisions. For Direct Loans, the Government provides assistance to institutions for originating loans, including alternative origination services for institutions that are unable or unwilling to perform these functions. The Government has paid institutions that choose to originate loans \$10 per borrower as compensation for their administrative expenses. As part of his balanced budget plan, the President has proposed to eliminate this payment.

Borrowers under Direct Loans may choose from among five repayment plans including income-contingent repayment ("Pay-as-you-can"), under which annual repayment amounts vary based on the income of the borrower and the amount borrowed and payments can be made over an extended period of time of up to 25 years. Borrowers may switch between repayment plans at any time. (Income-contingent repayment is not available to Direct PLUS borrowers.)

For the FFEL program, lenders may receive a quarterly 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 recent Stafford and Unsubsidized Stafford loans, for example, the Federal Government must pay lenders a special allowance if the average 91-day Treasury bill rate for a given quarter plus 3.1 percent—or 2.5 percent during in-school, grace, or deferment periods—is higher than the current interest rate charged borrowers.

The FFEL program includes a number of fees on lenders, holders of Consolidation loans, and the Student Loan Marketing Association (Sallie Mae). As part of his balanced budget plan, the President has proposed the following changes to these fees: (1) the current fee lenders pay upon originating a loan would be increased from 0.5 percent of principal to 0.8 percent of principal; (2) a new semiannual fee equal to 0.035 percent of outstanding principal would be applied to all holders of subsidized and unsubsidized Stafford and PLUS loans originated after July 1, 1996; and (3) the current Sallie Mae offset fee, which is equal to 0.3 percent of outstanding principal held by the association, would be extended to all

other participants in the student loan secondary market, including subsidiaries and related companies.

The President has proposed a number of changes to the FFEL program's default management system. Supplemental preclaims assistance payments to guaranty agencies, which have proven ineffective in achieving their intended goal of enhancing agency default prevention activities, would be eliminated. In order to share the financial risk associated with defaults more broadly across FFEL program participants, the lender default insurance rate would be reduced from 98 percent to 95 percent, and the maximum reinsurance rate for guaranty agencies would be lowered from 98 percent to 96 percent.

The President has also proposed to reduce the amount guaranty agencies may retain from default collection to cover their collection costs from 27 percent to 18.5 percent of the amount collected. In addition, the President has proposed to codify current Government regulations allowing guaranty agencies to retain up to 18.5 percent of new Consolidation loans for which the underlying loans were in default.

Lastly, the President has proposed the return to the Government of a portion of guaranty agency reserve funds that he has determined are no longer needed. This policy would be phased in over six years.

In order to ensure the uninterrupted availability of loan funds for students and parents, Congress provided permanent funding to support student loan administration and expenses. These funds support Department personnel and contractors for Direct Loan origination and servicing as well as certain costs associated with activities common to Direct Loans, FFEL and other student assistance programs, such as application printing and processing. The President believes that the current services level of this permanent appropriation could be reduced. Discretionary funds requested for the FFEL program support Department personnel and administrative activities associated with operating the program.

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

Funding Levels (In thousands of dollar)

	1995 actual	1996 est.	1997 est.
Budget Authority:			
FFEL:			
Liquidating <sup>1</sup> .....	1,080,615	302,714	-179,711
Program <sup>2</sup> .....	3,418,620	2,964,492	1,918,154
Subtotal, FFEL .....	4,499,235	3,267,206	1,738,443
Direct Loans:			
Program <sup>2</sup> .....	821,656	138,426	53,023
Administration:			
FFEL <sup>3</sup> .....	62,096	46,572	46,572
Student Aid Management <sup>4</sup> .....	164,574	249,627	221,512
Direct Loans .....	118,990	195,372	269,488
Subtotal, Administration .....	345,660	491,571	537,572
Total, FFEL and Direct Loans .....	5,666,551	3,897,203	2,329,038
Outlays:			
FFEL:			
Liquidating <sup>1</sup> .....	1,588,590	73,542	-280,997
Program <sup>2</sup> .....	3,537,307	2,249,927	1,875,699
Subtotal, FFEL .....	5,125,897	2,323,469	1,594,702
Direct Loans:			
Program <sup>2</sup> .....	515,153	210,190	172,773
Administration:			
FFEL <sup>3</sup> .....	62,527	47,990	47,302
Student Aid Management <sup>4</sup> .....	255,734	233,330	210,809
Direct Loans .....	69,024	142,749	215,908
Subtotal, Administration .....	387,285	424,069	474,019
Total, FFEL and Direct Loans .....	6,028,335	2,957,728	2,241,494

<sup>1</sup> Liquidating account reflects loans made prior to 1992.<sup>2</sup> Program account totals for 1996 reflect adjustments resulting from reestimates of prior year costs.

<sup>3</sup>Reflects annual discretionary appropriation.  
<sup>4</sup>Supports administrative expense allowance payments to FFEL guaranty agencies, as well as a range of administrative activities, such as application printing, mailing, and processing, that are common to all Federal student financial assistance programs.

Summary of Loans Available (net commitments in millions of dollars) <sup>1</sup>

	1995 actual	1996 est.	1997 est.
<b>FFEL:</b>			
Stafford .....	11,086	8,843	7,859
Unsubsidized Stafford .....	5,989	4,688	4,137
PLUS .....	1,445	1,229	1,198
Total, FFEL .....	18,519	14,760	13,193
<b>Direct Loans:</b>			
Stafford .....	3,181	6,229	7,750
Unsubsidized Stafford .....	1,499	3,213	4,168
PLUS .....	480	949	1,243
Total, Direct Loans .....	5,161	10,391	13,161
<b>Consolidated Loans:</b>			
FFEL .....	3,117	4,031	4,510
Direct Loans .....	329	882	1,599
Total, Consolidated Loans .....	3,446	4,913	6,109
Total, All Loans .....	27,126	30,064	32,464

<sup>1</sup>Net commitments equal gross commitments minus loan cancellations.

Number of Loans (In thousands)

	1995 actual	1996 est.	1997 est.
<b>FFEL:</b>			
Stafford .....	3,392	2,592	2,197
Unsubsidized Stafford .....	1,673	1,290	1,087
PLUS .....	267	212	190
Total, FFEL .....	5,332	4,094	3,474
<b>Direct Loans:</b>			
Stafford .....	824	1,669	2,137
Unsubsidized Stafford .....	393	834	1,086
PLUS .....	81	156	200
Total, Direct Loans .....	1,298	2,659	3,423
<b>Consolidated Loans:</b>			
FFEL .....	208	243	246
Direct Loans .....	32	106	140
Total, Consolidated Loans .....	240	349	386
Total, All Loans .....	6,870	7,101	7,282

Average Loan Size (in whole dollars)

	1995 actual	1996 est.	1997 est.
<b>FFEL:</b>			
Stafford .....	3,268	3,412	3,578
Unsubsidized Stafford .....	3,581	3,634	3,805
PLUS .....	5,409	5,794	6,308
Weighted Average, FFEL .....	3,473	3,605	3,798
<b>Direct Loans:</b>			
Stafford .....	3,862	3,733	3,627
Unsubsidized Stafford .....	3,814	3,854	3,837
PLUS .....	5,910	6,074	6,229
Weighted Average, Direct Loans .....	3,975	3,908	3,845
<b>Consolidated Loans:</b>			
FFEL .....	15,005	16,576	18,356
Direct Loans .....	10,281	8,358	11,394
Weighted Average, Consolidated Loans .....	14,374	14,089	15,825
Weighted Average, All Loans .....	3,948	4,234	4,458

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

	1995 actual	1996 est.	1997 est.
<b>Subsidy Rates (in percent) <sup>1</sup></b>			
<b>FFEL:</b>			
Stafford .....	25.02	21.40	19.77
Unsubsidized Stafford .....	7.77	5.10	5.05
PLUS .....	3.58	2.25	1.71
Consolidation .....	6.66	-0.34	-0.94

Weighted Average, FFEL .....	16.24	11.60	10.04
<b>Direct Loans:</b>			
Stafford .....	17.51	13.13	10.17
Unsubsidized Stafford .....	-2.92	-8.83	-12.15
PLUS .....	-5.35	-8.34	-9.49
Consolidation .....	10.93	-5.49	-6.59
Weighted Average, Direct Loans .....	9.48	3.55	0.35
<b>Default Rates (in percent) <sup>2</sup></b>			
<b>FFEL:</b>			
Stafford .....	23.47	23.47	23.47
Unsubsidized Stafford .....	16.90	16.57	16.41
PLUS .....	9.00	9.00	9.00
Consolidation .....	10.50	10.50	10.50
Weighted Average, FFEL .....	18.82	18.02	17.54
<b>Direct Loans:</b>			
Stafford .....	21.95	21.74	21.74
Unsubsidized Stafford .....	15.81	15.35	15.20
PLUS .....	9.00	9.00	9.00
Consolidation .....	10.50	10.50	10.50
Weighted Average, Direct Loans .....	18.43	17.94	17.58
<b>Borrower Interest Rates (in percent)</b>			
<b>FFEL:</b>			
Stafford .....	8.25	8.25	7.79
Unsubsidized Stafford .....	8.25	8.25	7.79
PLUS .....	9.00	8.44	8.05
Consolidation <sup>3</sup> .....			
<b>Direct Loans:</b>			
Stafford .....	8.25	8.25	7.79
Unsubsidized Stafford .....	8.25	8.25	7.79
PLUS .....	9.00	8.44	8.05
Consolidation <sup>3</sup> .....			
Federal Borrowing Rate for Direct Loans (in percent) .....	7.26	5.84	5.49

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

<sup>2</sup>Default rates displayed in this table, which reflect projected defaults over the life of a loan cohort, are used in developing program cost estimates. The Department uses other rates based on defaults occurring in the first three years of repayment, which tend to be slightly lower than those included in this table, to determine institutional eligibility to participate in Federal loan programs.

<sup>3</sup>Interest rates under the FFEL Consolidation Loan program reflect a weighted average of the rates of the loans consolidated, rounded upward to the nearest whole percentage. For the Direct Loan Consolidation Loan program, loans consolidated from the Stafford Loan program are charged the Stafford Loan interest rate. Loans consolidated from the Stafford and Unsubsidized Stafford Loan programs are charged the Unsubsidized Stafford interest rates. Loans consolidated from the PLUS program are charged the PLUS interest rates.

Composition of Default Collections (In thousands of dollars)

	1995 actual	1996 est.	1997 est.
<b>FFEL:</b>			
Collections by Guaranty Agencies <sup>1</sup> .....	1,005,827	865,548	878,301
Collections by Department of Education .....	537,259	462,329	469,142
Internal Revenue Service Tax Refund Offsets .....	519,350	446,918	453,503
Total, FFEL .....	2,062,436	1,774,795	1,800,946
<b>Direct Loans:</b>			
Collections by Department of Education .....	2	99	1,180
Internal Revenue Service Tax Refund Offsets .....			
Total, Direct Loans .....	2	99	1,180
Total, FFEL and Direct Loans .....	2,062,438	1,774,894	1,802,126

<sup>1</sup>These figures show total collections by guaranty agencies. Actual Federal revenues resulting from these collections are lower than the figures shown here because agencies retain 27 percent of the amount collected.

Projected Participation in Direct Loan Repayment <sup>1</sup> (In thousands of dollars)

	1995 cohort	1996 cohort	1997 cohort
<b>Standard:</b>			
Percent of Direct Loan Volume <sup>2</sup> .....	41.81	41.81	41.81
Maximum Term (in years) .....	10	10	10
Subsidy Rate (in percent) <sup>3</sup> .....	10.92	4.49	2.19
Budget Authority .....	408,331	246,775	163,918
Outlays .....	259,746	260,509	174,081
<b>Extended: <sup>4</sup></b>			
Percent of Direct Loan Volume <sup>2</sup> .....	13.58	13.58	13.58
Subsidy Rate (in percent) <sup>3</sup> .....	8.03	3.08	0.44
Budget Authority .....	92,564	44,437	7,980
Outlays .....	56,176	54,160	19,990
<b>Graduated: <sup>4</sup></b>			
Percent of Direct Loan Volume <sup>2</sup> .....	28.05	28.05	28.05
Subsidy Rate (in percent) <sup>3</sup> .....	6.94	1.90	-0.84
Budget Authority .....	179,899	56,609	-31,669

**Credit accounts—Continued**

**FEDERAL DIRECT STUDENT LOAN PROGRAM ACCOUNT—Continued**

Projected Participation in Direct Loan Repayment<sup>1</sup> (In thousands of dollars)—  
Continued

	1995 cohort	1996 cohort	1997 cohort
Outlays .....	109,179	91,107	3,227
Income-Contingent:			
Percent of Direct Loan Volume <sup>2</sup> .....	16.56	16.56	16.56
Maximum Term (in years) .....	25	25	25
Subsidy Rate (in percent) <sup>3</sup> .....	10.77	3.87	-4.33
Budget Authority .....	129,249	61,605	-87,206
Outlays .....	78,440	75,414	-24,525
Total:			
Percent of Direct Loan Volume <sup>2</sup> .....	100.00	100.00	100.00
Subsidy Rate (in percent) <sup>3</sup> .....	9.48	3.55	0.35
Budget Authority .....	810,043	409,426	53,023
Outlays .....	503,540	481,190	172,773

<sup>1</sup>No data are included for the Alternative repayment plan. Borrowers are not expected to participate in this plan due to the flexibility available under the other options. BA and outlay amounts do not reflect re-estimates for prior-year cohorts.

<sup>2</sup>Percent of Direct Loan Volume represents aggregate data. Individual borrowers may move between plans over time.

<sup>3</sup>Subsidy rate reflects weighted average for four loan types: Stafford, Unsubsidized Stafford, PLUS, and Consolidation Loans.

<sup>4</sup>Maximum terms under the Extended and Graduated repayment plans reflect the following "classes" based on borrower debt levels.

Debt Level:	Maximum Term (in years)	Percent of Volume Within Affected Plans
Below \$10,000 .....	12	57.57
\$10,000-\$20,000 .....	15	24.28
\$20,000-\$40,000 .....	20	14.56
\$40,000-\$60,000 .....	25	2.22
Above \$60,000 .....	30	1.37

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

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

The risk group data below also reflect proposed policy changes and interest rate projections in the President's 1997 Budget. These factors substantially decrease subsidy rates across years in the FFEL program. Subsidy rates in the Direct Loan program are also significantly reduced, primarily as a result of interest rate projections.

**DIRECT LOAN RISK CATEGORIES: STAFFORD LOANS**

	1995 actual	1996 est.	1997 est.
Subsidy Rate (as a percentage of loan commitments)			
Risk Categories:			
Category 1: 4 year college, 1st and 2nd year students .....	23.36	17.37	13.31
Category 2: 4 year college, all other students .....	14.94	11.10	8.51
Category 3: 2 year school, all students .....	22.98	17.06	13.08
Category 4: Proprietary school, all students .....	23.27	17.30	13.26
Gross Default Rates (in percent)			
Risk Categories:			
Category 1: 4 year college, 1st and 2nd year students .....	27.57	26.40	25.70
Category 2: 4 year college, all other students .....	14.69	14.07	13.70
Category 3: 2 year school, all students .....	36.39	34.85	33.91
Category 4: Proprietary school, all students .....	41.99	40.21	39.13

**UNSUBSIDIZED STAFFORD LOANS**

	1995 actual	1996 est.	1997 est.
Subsidy Rate (as a percentage of loan commitments)			
Risk Categories:			
Category 1: 4 year college, 1st and 2nd year students .....	-2.27	-7.15	-10.24

Category 2: 4 year college, all other students .....	-3.29	-10.37	-14.86
Category 3: 2 year school, all students .....	-1.32	-4.16	-5.96
Category 4: Proprietary school, all students .....	-0.48	-1.50	-2.14
Gross Default Rates (in percent)			
Category 1: 4 year college, 1st and 2nd year students .....	27.57	26.40	25.70
Category 2: 4 year college, all other students .....	14.69	14.07	13.70
Category 3: 2 year school, all students .....	36.39	34.85	33.91
Category 4: Proprietary school, all students .....	41.99	40.21	39.13

**PLUS LOANS**

	1995 actual	1996 est.	1997 est.
Subsidy Rate (as a percentage of loan commitments)			
All PLUS loans .....	-5.35	-8.34	-9.49

Gross Default Rate (in percent)

All PLUS loans .....	9.00	9.00	9.00
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**CONSOLIDATED LOANS**

	1995 actual	1996 est.	1997 est.
Subsidy Rate (as a percentage of loan commitments)			
All consolidated loans .....	10.93	-5.49	-6.59

Gross Default Rate (in percent)

All consolidated loans .....	10.50	10.50	10.50
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**FFEL LOAN RISK CATEGORIES: STAFFORD LOANS**

	1995 actual	1996 est.	1997 est.
Subsidy Rate (as a percentage of loan commitments)			
Risk Categories:			
Category 1: 4 year college, 1st and 2nd year students .....	32.37	27.67	25.79
Category 2: 4 year college, all other students .....	20.70	17.68	16.48
Category 3: 2 year school, all students .....	31.82	27.11	25.26
Category 4: Proprietary school, all students .....	32.23	27.47	25.59

Gross Default Rates (in percent)

Risk Categories:			
Category 1: 4 year college, 1st and 2nd year students .....	27.57	26.40	25.70
Category 2: 4 year college, all other students .....	14.69	14.07	13.70
Category 3: 2 year school, all students .....	36.39	34.85	33.91
Category 4: Proprietary school, all students .....	41.99	40.21	39.13

**UNSUBSIDIZED STAFFORD LOANS**

	1995 actual	1996 est.	1997 est.
Subsidy Rate (as a percentage of loan commitments)			
Risk Categories:			
Category 1: 4 year college, 1st and 2nd year students .....	9.41	6.21	7.14
Category 2: 4 year college, all other students .....	1.82	1.20	1.37
Category 3: 2 year school, all students .....	19.89	13.09	15.07
Category 4: Proprietary school, all students .....	29.24	19.23	22.13

Gross Default Rates (in percent)

Category 1: 4 year college, 1st and 2nd year students .....	27.57	26.40	25.70
Category 2: 4 year college, all other students .....	14.69	14.07	13.70
Category 3: 2 year school, all students .....	36.39	34.85	33.91
Category 4: Proprietary school, all students .....	41.99	40.21	39.13

**PLUS LOANS**

	1995 actual	1996 est.	1997 est.
Subsidy Rates (as a percentage of loan commitments)			
All PLUS loans .....	3.58	2.25	1.71

Gross Default Rate (in percent)

All PLUS loans .....	9.00	9.00	9.00
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**CONSOLIDATED LOANS**

	1995 actual	1996 est.	1997 est.
Subsidy Rate (as a percentage of loan commitments)			
All consolidated loans .....	6.66	-0.34	-0.94

Gross Default Rates (in percent)

All consolidated loans .....	10.50	10.50	10.50
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**Summary of Program Costs and Offsets (In thousands of dollars)**

	1995 actual	1996 est.	1997 est.
Interest subsidy costs:			
FFEL:			
Interest benefits .....	2,171,426	1,986,013	1,746,511
Special allowance .....	159,107	126,713	114,622
Total FFEL .....	2,330,533	2,112,726	1,861,133
Direct Loans <sup>1</sup> .....	34,673	163,578	670,765
Default costs and offsets:			
Default costs <sup>2</sup> :			
FFEL .....	1,306,175	1,554,000	2,065,932
Direct Loans .....	14,154	12,542	52,350

Gross default collections:			
FFEL	-247,430	-59,397	-102,376
Direct Loans	-3	-99	-1,180
Default collection costs:			
FFEL:			
Contract collection costs	7,089	2,749	4,636
Guaranty agency retention	37,521	9,007	15,525
Total, FFEL collect costs	44,610	11,756	20,161
Direct Loans:			
Collection costs <sup>3</sup>	488	22	267
Net default costs <sup>4</sup> :			
FFEL	1,103,355	1,506,359	1,983,717
Direct Loans	14,639	12,465	51,437
Death, disability, and bankruptcy costs:			
FFEL	16,472	99,343	130,429
Direct Loans	0	4,305	12,355
Other write-offs <sup>5, 6</sup>	9,418	28,841	50,037
Administrative Costs:			
Federal administration:			
FFEL	62,527	47,990	47,302
Direct Loans <sup>7</sup>	324,758	375,000	427,000
Guaranty agency administrative payments			
Student Aid Management <sup>8</sup>	219,978	175,918	135,742
Supplemental preclaims assistance <sup>5</sup>	7,503	5,810	
Payments for origination services <sup>9</sup>	13,927	10,438	5,138
Fees:			
Borrower origination fees:			
FFEL	-710,302	-444,081	-434,010
Direct Loans	-90,667	-354,527	-513,906
Lender origination fee <sup>5</sup>	-114,627	-90,438	-109,723
Loan holder's fee <sup>5</sup>		-6,443	-16,432
State default fees <sup>5</sup>		-38,984	-85,405
Sallie Mae offset fee <sup>5</sup>	-10,263	-18,669	-27,341
Consolidation loan holder fees <sup>5</sup>	-56,691	-96,125	-136,007

<sup>1</sup> This represents net interest costs associated with Direct Loans.

<sup>2</sup> Default costs under FFEL reflect claims paid to guaranty agencies. Default costs under Direct Loans reflect non-repayment of defaulted loans.

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

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

<sup>5</sup> Applies to FFEL program only.

<sup>6</sup> Includes repayment of agency advances, elimination of excess agency reserves, through direct payments to the Government and reduced reinsurance payments to the agencies, and purchase of rehabilitated loans by the agencies.

<sup>7</sup> A number of expenses related to the management of the student assistance programs are paid out of Student Loan administration funds. The largest of these, administrative expense allowances to guaranty agencies, is shown as a separate line.

<sup>8</sup> Administrative Expense Allowances paid from Student Loan administrative funds.

<sup>9</sup> Applies to Direct Loans only.

Object Classification (In millions of dollars)

Identification code 91-0243-0-1-502	1995 actual	1996 est.	1997 est.
Personnel compensation:			
11.1 Full-time permanent	15	23	25
11.3 Other than full-time permanent	1	1	1
11.9 Total personnel compensation	16	24	26
12.1 Civilian personnel benefits	2	5	6
13.0 Benefits for former personnel	1		
21.0 Travel and transportation of persons	2	4	4
23.1 Rental payments to GSA	3	5	5
23.3 Communications, utilities, and miscellaneous charges	5	16	17
24.0 Printing and reproduction	9	9	10
25.1 Advisory and assistance services	2	2	2
25.2 Other services	116	290	365
25.3 Purchases of goods and services from Government accounts	2	2	2
26.0 Supplies and materials	2	1	1
31.0 Equipment	2	2	2
33.0 Investments and loans	822	156	88
41.0 Grants, subsidies, and contributions	220	190	155
99.5 Below reporting threshold			
99.9 Total obligations	1,204	706	683

Personnel Summary

Identification code 91-0243-0-1-502	1995 actual	1996 est.	1997 est.
1001 Total compensable workyears: Full-time equivalent employment	322	496	520

FEDERAL DIRECT STUDENT LOAN PROGRAM ACCOUNT

(Legislative proposal, subject to PAYGO)

Program and Financing (In millions of dollars)			
Identification code 91-0243-4-1-502	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
02.01 Direct loan subsidy		-18	-35
02.02 Reestimates of subsidy			
02.91 Subtotal, subsidy cost		-18	-35
07.09 Student loan administrative expenses		-106	-104
10.00 Total obligations		-124	-139
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		-124	-139
23.95 New obligations		124	139
New budget authority (gross), detail:			
60.00 Appropriation		-106	-104
60.05 Appropriation (indefinite)		-18	-35
63.00 Appropriation (total)		-124	-139
70.00 Total new budget authority (gross)		-124	-139
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation			-56
73.10 New obligations		-124	-139
73.20 Total outlays (gross)		68	121
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation		-56	-74
Outlays (gross), detail:			
86.90 Outlays from new current authority		-58	-95
86.97 Outlays from new permanent authority		-10	-21
86.98 Outlays from permanent balances			-5
87.00 Total outlays (gross)		-68	-121
Net budget authority and outlays:			
89.00 Budget authority		-124	-139
90.00 Outlays		-68	-121

A description of the Administration's proposed legislation to modify the Direct Loan program is included under the Federal Direct Student Loan program account.

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

Identification code 91-0243-4-1-502	1995 actual	1996 est.	1997 est.
Direct loan subsidy (in percent):			
1320 Stafford		-16.00	-21.00
1320 Unsubsidized Stafford		-15.00	-38.00
1320 PLUS		-10.00	-13.00
1320 Consolidated		-20.00	0.00
1329 Weighted average subsidy rate		-15.00	-23.00
Direct loan subsidy budget authority:			
1330 Stafford		-10	-17
1330 Unsubsidized Stafford		-5	-16
1330 PLUS		-1	-2
1330 Consolidated		-2	
1339 Total subsidy budget authority		-18	-35
Direct loan subsidy outlays:			
1340 Stafford		-6	-14
1340 Unsubsidized Stafford		-2	-11
1340 PLUS		-1	-1
1340 Consolidated		-1	
1349 Total subsidy outlays		-10	-26
Student loan administrative expense data:			
3510 Budget authority		-106	-104
3590 Outlays		-58	-95

**Credit accounts—Continued**

**FEDERAL DIRECT STUDENT LOAN PROGRAM ACCOUNT—Continued**

Object Classification (In millions of dollars)

Identification code 91-0243-4-1-502	1995 actual	1996 est.	1997 est.
23.3 Communications, utilities, and miscellaneous charges			-3
24.0 Printing and reproduction		-3	
25.2 Other services		-87	-79
33.0 Investments and loans		-18	-35
41.0 Grants, subsidies, and contributions		-16	-22
99.9 Total obligations		-124	-139

**FEDERAL DIRECT STUDENT LOAN PROGRAM, FINANCING ACCOUNT**

Program and Financing (In millions of dollars)

Identification code 91-4253-0-3-502	1995 actual	1996 est.	1997 est.
<b>Obligations by program activity:</b>			
<b>Direct loans:</b>			
01.01 Stafford	3,659	6,229	7,750
01.02 Unsubsidized Stafford	1,834	3,213	4,168
01.03 PLUS	457	949	1,243
01.04 Consolidated	1,653	882	1,599
01.91 Subtotal, direct loans obligations	7,603	11,273	14,760
<b>Payment of origination services:</b>			
02.01 Stafford	8	14	17
02.02 Unsubsidized Stafford	4	7	8
02.03 PLUS	1	1	2
02.04 Consolidated	1	6	5
02.91 Subtotal, Payment of origination services	14	28	32
03.01 Interest on Treasury borrowing	383	441	1,028
10.00 Total obligations	8,000	11,742	15,820

<b>Budgetary resources available for obligation:</b>			
22.00 New financing authority (gross)	7,811	12,013	15,820
22.10 Resources available from recoveries of prior year obligations	189		
22.60 Redemption of debt		-271	
23.90 Total budgetary resources available for obligation	8,000	11,742	15,820
23.95 New obligations	-8,000	-11,742	-15,820

<b>New financing authority (gross), detail:</b>			
67.15 Authority to borrow (indefinite)	6,793	11,541	14,668
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash)	947	926	1,780
68.10 Change in orders on hand from Federal sources	307	-177	-108
68.47 Portion applied to debt reduction	-235	-277	-520
68.90 Spending authority from offsetting collections (total)	1,019	472	1,152
70.00 Total new financing authority (gross)	7,811	12,013	15,820

<b>Change in unpaid obligations:</b>			
<b>Unpaid obligations, start of year:</b>			
72.90 Obligated balance: Unpaid obligations	673	4,545	4,156
72.95 Orders on hand from Federal sources	61	368	191
72.99 Total unpaid obligations, start of year	734	4,913	4,347
73.10 New obligations	8,000	11,742	15,820
73.20 Total financing disbursements (gross)	-3,633	-12,308	-14,816
73.45 Adjustments in unexpired accounts	-189		
<b>Unpaid obligations, end of year:</b>			
74.90 Obligated balance: Fund balance: Unpaid obligations	4,545	4,156	5,268
74.95 Orders on hand from Federal sources	368	191	83
74.99 Total unpaid obligations, end of year	4,913	4,347	5,351

<b>Outlays (gross), detail:</b>			
87.00 Total financing disbursements (gross)	3,633	12,308	14,816

<b>Offsets:</b>			
<b>Against gross financing authority and financing disbursements:</b>			
<b>Offsetting collections (cash) from:</b>			
<b>Federal sources:</b>			
<b>Payments from subsidy account:</b>			
88.00 Stafford	-495	-747	-820

88.00 Unsubsidized Stafford	-31	191	413
88.00 PLUS	30	58	102
88.00 Consolidated	-8	47	105
88.00 Volume Reestimate	-12	271	
<b>Interest on uninvested funds:</b>			
88.25 Stafford	-183		
88.25 Unsubsidized Stafford	-78		
88.25 PLUS	-36		
<b>Non-Federal sources:</b>			
<b>Stafford loans:</b>			
88.40 Repayment of principal	-4	-33	-123
88.40 Interest received on loans		-56	-169
88.40 Fees	-53	-206	-288
88.40 Recoveries of defaults			-1
<b>Unsubsidized Stafford loans:</b>			
88.40 Repayment of principal	-5	-31	-101
88.40 Interest received on loans	-4	-48	-136
88.40 Fees	-25	-106	-153
88.40 Repayment of principal	-8	-50	-120
<b>PLUS loans:</b>			
88.40 Interest received on loans	-8	-60	-127
88.40 Fees	-8	-31	-45
88.40 Payment of Principal	-12	-52	-142
88.40 Interest received on loans	-2	-61	-148
88.40 Fees	-5	-12	-27
88.90 Total, offsetting collections (cash)	-947	-926	-1,780
88.95 Change in receivables from program accounts	-307	177	108

<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority	6,557	11,264	14,148
90.00 Financing disbursements	2,686	11,382	13,036

Status of Direct Loans (In millions of dollars)

Identification code 91-4253-0-3-502	1995 actual	1996 est.	1997 est.
<b>Stafford</b>			
<b>Position with respect to appropriations act limitation on obligations:</b>			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	3,659	6,229	7,750
1150 Total direct loan obligations	3,659	6,229	7,750

<b>Cumulative balance of direct loans outstanding:</b>			
1210 Outstanding, start of year	294	1,558	6,656
1231 Disbursements: Direct loan disbursements	1,273	5,139	7,194
1251 Repayments: Repayments and prepayments	-4	-33	-123
<b>Write-offs for default:</b>			
1263 Direct loans		-6	-26
1264 Other adjustments, net	-5	-2	-5
1290 Outstanding, end of year	1,558	6,656	13,696

<b>Unsubsidized Stafford</b>			
<b>Position with respect to appropriations act limitation on obligations:</b>			
1131 Direct loan obligations exempt from limitation	1,834	3,213	4,168
<b>Total direct loan obligations:</b>			
1150 Total direct loan obligations	1,834	3,213	4,168
1150 Total direct loan obligations	1,834	3,213	4,168

<b>Cumulative balance of direct loans outstanding:</b>			
1210 Outstanding, start of year	141	708	3,474
1231 Disbursements: Direct loan disbursements	553	2,802	3,835
1251 Repayments: Repayments and prepayments	-5	-31	-101
<b>Write-offs for default:</b>			
1263 Direct loans		-4	-16
1264 Other adjustments, net	19	-1	-3
1290 Outstanding, end of year	708	3,474	7,189

<b>PLUS</b>			
<b>Position with respect to appropriations act limitation on obligations:</b>			
1131 Direct loan obligations exempt from limitation	457	949	1,243
<b>Total direct loan obligations:</b>			
1150 Total direct loan obligations	457	949	1,243
1150 Total direct loan obligations	457	949	1,243

<b>Cumulative balance of direct loans outstanding:</b>			
1210 Outstanding, start of year	42	225	950
1231 Disbursements: Direct loan disbursements	188	777	1,135
1251 Repayments: Repayments and prepayments	-8	-50	-120

Write-offs for default:				
1263	Direct loans		-1	-4
1264	Other adjustments, net	3	-1	-2
1290	Outstanding, end of year	225	950	1,959
Consolidated				
Position with respect to appropriations act limitation on obligations:				
1131	Direct loan obligations exempt from limitation	1,653	882	1,599
Total direct loan obligations:				
1150	Total direct loan obligations	1,653	882	1,599
1150	Total direct loan obligations	1,653	882	1,599
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year		310	1,138
1231	Disbursements: Direct loan disbursements	318	882	1,599
1251	Repayments: Repayments and prepayments	-12	-52	-142
Write-offs for default:				
1263	Direct loans		-14	-1
1264	Other adjustments, net		18	-1
1290	Outstanding, end of year	310	1,138	2,587

Balance Sheet (In millions of dollars)

Identification code 91-4253-0-3-502	1994 actual	1995 actual	1996 est.	1997 est.	
ASSETS:					
1101	Federal assets: Fund balances with Treasury	531	4,913	4,510	5,477
Net value of assets related to post-1991 direct loans receivable:					
Direct loans receivable, gross:					
1401	Stafford	192	1,558	6,656	13,696
1401	Unsubsidized Stafford	81	708	3,474	7,189
1401	PLUS	38	225	950	1,959
1401	Consolidated		310	1,138	2,587
1405	Allowance for subsidy cost (-)	-26	-553	-354	-208
1499	Net present value of assets related to direct loans	285	2,248	11,864	25,223
1999	Total assets	816	7,161	16,374	30,700
LIABILITIES:					
2103	Federal liabilities: Debt	787	6,793	16,051	20,145
2999	Total liabilities	787	6,793	16,051	20,145
NET POSITION:					
3100	Appropriated capital	29	368	323	10,555
3999	Total net position	29	368	323	10,555
4999	Total liabilities and net position	816	7,161	16,374	30,700

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

FEDERAL 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	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
Payment of origination services:			
02.01	Stafford	-10	-17
02.02	Unsubsidized Stafford	-5	-8
02.03	PLUS	-1	-2
02.04	Consolidated	-2	
02.91	Subtotal, Payment of origination services	-18	-27
03.01	Interest on Treasury borrowing		-1
10.00	Total obligations	-18	-28
Budgetary resources available for obligation:			
22.00	New financing authority (gross)	-18	-28
23.95	New obligations	18	28
New financing authority (gross), detail:			
67.15	Authority to borrow (indefinite)	15	35

Spending authority from offsetting collections:			
68.00	Offsetting collections (cash)	-10	-26
68.10	Change in orders on hand from Federal sources	-5	-9
68.47	Portion applied to debt reduction	-18	-28
68.90	Spending authority from offsetting collections (total)	-33	-63
70.00	Total new financing authority (gross)	-18	-28
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.90	Obligated balance: Unpaid obligations		8
72.95	Orders on hand from Federal sources		-5
72.99	Total unpaid obligations, start of year		3
73.10	New obligations	-18	-28
73.20	Total financing disbursements (gross)	21	25
Unpaid obligations, end of year:			
74.90	Obligated balance: Fund balance: Unpaid obligations	8	14
74.95	Orders on hand from Federal sources	-5	-14
74.99	Total unpaid obligations, end of year	3	

Outlays (gross), detail:			
86.97	Outlays from new permanent authority		1
87.00	Total financing disbursements (gross)	-21	-25

Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Federal sources:			
Payments from subsidy account:			
88.00	Stafford	6	14
88.00	Unsubsidized Stafford	2	11
88.00	PLUS	1	1
88.00	Consolidated	1	
88.90	Total, offsetting collections (cash)	10	26
88.95	Change in receivables from program accounts	5	9

Net financing authority and financing disbursements:			
89.00	Financing authority	-3	7
90.00	Financing disbursements	-11	1

Balance Sheet (In millions of dollars)

Identification code 91-4253-4-3-502	1994 actual	1995 actual	1996 est.	1997 est.
ASSETS:				
1101	Federal assets: Fund balances with Treasury		-3	-11
Net value of assets related to post-1991 direct loans receivable:				
1405	Allowance for subsidy cost (-)		11	26
1499	Net present value of assets related to direct loans		11	26
1999	Total assets		8	15
LIABILITIES:				
2103	Federal liabilities: Debt		12	24
2999	Total liabilities		12	24
NET POSITION:				
3100	Appropriated capital		-4	-9
3999	Total net position		-4	-9
4999	Total liabilities and net position		8	15

FEDERAL FAMILY EDUCATION LOAN PROGRAM ACCOUNT

For Federal administrative expenses to carry out guaranteed student loans authorized by title IV, part B, of the Higher Education Act, as amended, \$46,572,000.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

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

**Credit accounts—Continued**

**FEDERAL FAMILY EDUCATION LOAN PROGRAM ACCOUNT—Continued**

Program and Financing (In millions of dollars)

Identification code 91-0231-0-1-502	1995 actual	1996 est.	1997 est.
<b>Obligations by program activity:</b>			
<b>Guaranteed loan subsidy:</b>			
02.01 Stafford	2,526	2,277	1,963
02.02 Unsubsidized Stafford	274	355	311
02.03 PLUS	23	46	45
02.05 Consolidated	130	6	3
02.07 Upward reestimate (92 cohort)	421	565	
02.08 Interest on reestimate	45	30	
02.91 Subtotal, subsidy cost	3,419	3,279	2,322
<b>Administrative expenses:</b>			
07.01 Administrative expenses due to limitations	62	47	47
10.00 Total obligations	3,481	3,326	2,369
<b>Budgetary resources available for obligation:</b>			
21.90 Unobligated balance available, start of year: Fund balance			
22.00 New budget authority (gross)	3,481	3,326	2,369
22.10 Resources available from recoveries of prior year obligations			
23.90 Total budgetary resources available for obligation	3,481	3,326	2,369
23.95 New obligations	-3,481	-3,326	-2,369
<b>New budget authority (gross), detail:</b>			
<b>Current:</b>			
40.00 Appropriation (Federal Administration)	62	47	47
<b>Permanent:</b>			
60.05 Appropriation (indefinite)	3,419	3,279	2,322
70.00 Total new budget authority (gross)	3,481	3,326	2,369
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	1,121	1,002	1,251
73.10 New obligations	3,481	3,326	2,369
73.20 Total outlays (gross)	-3,600	-3,076	-2,269
73.45 Adjustments in unexpired accounts			
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	1,002	1,251	1,351
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority	41	32	33
86.93 Outlays from current balances	1,108	960	958
86.97 Outlays from new permanent authority	2,452	2,084	1,279
87.00 Total outlays (gross)	3,600	3,076	2,269
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	3,481	3,326	2,369
90.00 Outlays	3,600	3,076	2,269

**Summary of Budget Authority and Outlays**

[In millions of dollars]

	1995 actual	1996 est.	1997 est.
<b>Enacted/requested:</b>			
Budget Authority	3,481	3,326	2,369
Outlays	3,601	3,076	2,270
<b>Legislative proposal, subject to PAYGO:</b>			
Budget Authority		-314	-404
Outlays		-779	-347
<b>Total:</b>			
Budget Authority	3,481	3,012	1,965
Outlays	3,601	2,297	1,923

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

Identification code 91-0231-0-1-502	1995 actual	1996 est.	1997 est.
<b>Guaranteed loan levels supportable by subsidy budget authority:</b>			
2150 Stafford	11,130	9,746	8,627
2150 Unsubsidized Stafford	5,581	5,226	4,594
2150 PLUS	1,391	1,400	1,359
2150 Consolidated	1,501	4,061	4,534

2159 Total loan guarantee levels	19,603	20,433	19,114
<b>Guaranteed loan subsidy (in percent):</b>			
2320 Stafford	25.02	23.37	22.75
2320 Unsubsidized Stafford	7.77	6.80	6.77
2320 PLUS	3.58	3.27	3.33
2320 Consolidated	6.66	0.16	0.06
2329 Weighted average subsidy rate	16.24	13.14	12.15
<b>Guaranteed loan subsidy budget authority:</b>			
2330 Stafford	2,526	2,277	1,963
2330 Unsubsidized Stafford	274	355	311
2330 PLUS	23	46	45
2330 Consolidated	130	6	3
2330 Upward Reestimate	465	595	
2339 Total subsidy budget authority	3,418	3,279	2,322
<b>Guaranteed loan subsidy outlays:</b>			
2340 Stafford	2,684	2,058	1,885
2340 Unsubsidized Stafford	242	331	294
2340 PLUS	15	38	40
2340 SLS	2		
2340 Consolidated	128	6	3
2340 Upward reestimate	465	595	
2349 Total subsidy outlays	3,536	3,028	2,222
<b>Administrative expense data:</b>			
3510 Budget authority	62	47	47
3590 Outlays	63	48	47

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

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

**Object Classification (In millions of dollars)**

Identification code 91-0231-0-1-502	1995 actual	1996 est.	1997 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent	20	15	15
11.9 Total personnel compensation	20	15	15
12.1 Civilian personnel benefits	4	4	4
13.0 Benefits for former personnel	1		
21.0 Travel and transportation of persons	2	1	1
23.1 Rental payments to GSA	3	2	3
23.3 Communications, utilities, and miscellaneous charges	1	1	1
24.0 Printing and reproduction	3	2	2
25.1 Advisory and assistance services	1		
25.2 Other services	23	20	20
25.3 Purchases of goods and services from Government accounts	2	1	1
26.0 Supplies and materials	1		
31.0 Equipment	1		
41.0 Grants, subsidies, and contributions	3,419	3,279	2,322
99.5 Below reporting threshold		1	
99.9 Total obligations	3,481	3,326	2,369

**Personnel Summary**

Identification code 91-0231-0-1-502	1995 actual	1996 est.	1997 est.
1001 Total compensable workyears: Full-time equivalent employment	446	330	315



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	1995 actual	1996 est.	1997 est.
<b>Obligations by program activity:</b>			
Guaranteed loan subsidy:			
02.01 Stafford		-192	-257
02.02 Unsubsidized Stafford		-88	-79
02.03 PLUS		-14	-22
02.05 Consolidated		-20	-46
10.00 Total obligations		-314	-404
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)		-314	-404
23.95 New obligations		314	404
<b>New budget authority (gross), detail:</b>			
60.05 Appropriation (indefinite)		-314	-404
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation			465
73.10 New obligations		-314	-404
73.20 Total outlays (gross)		779	347
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation		465	408
<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances			-103
86.97 Outlays from new permanent authority		-779	-244
87.00 Total outlays (gross)		-779	-347
<b>Net budget authority and outlays:</b>			
89.00 Budget authority		-314	-404
90.00 Outlays		-779	-347

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

Identification code 91-0231-4-1-502			
	1995 actual	1996 est.	1997 est.
<b>Guaranteed loan subsidy (in percent):</b>			
2320 Stafford		-1.97	-2.98
2320 Unsubsidized Stafford		-1.70	-1.72
2320 PLUS		-1.02	-1.62
2320 Consolidated		-0.50	-1.00
2329 Weighted average subsidy rate		-1.54	-2.11
<b>Guaranteed loan subsidy budget authority:</b>			
2330 Stafford		-192	-257
2330 Unsubsidized Stafford		-88	-79
2330 PLUS		-14	-22
2330 Consolidated		-20	-46
2330 Upward Reestimate		-595	
2339 Total subsidy budget authority		-909	-404
<b>Guaranteed loan subsidy outlays:</b>			
2340 Stafford		-107	-210
2340 Unsubsidized Stafford		-50	-74
2340 PLUS		-7	-17
2340 Consolidated		-20	-46
2340 Upward reestimate		-595	
2349 Total subsidy outlays		-779	-347

A description of the Administration's proposed legislation to modify the Federal Family Education Loan program is included under the Federal Direct Student Loan program account.

FEDERAL FAMILY EDUCATION LOAN PROGRAM, FINANCING ACCOUNT

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

Program and Financing (In millions of dollars)

Identification code 91-4251-0-3-502			
	1995 actual	1996 est.	1997 est.
<b>Obligations by program activity:</b>			
Stafford loans:			
01.01 Interest benefits	2,162	1,986	1,746
01.02 Special allowance	152	125	115
01.03 Default claims	805	1,038	1,373
01.04 Death, disability, and bankruptcy claims	16	94	121
01.06 Supplemental preclaims assistance	5	5	7
01.07 Contract collection costs	5	1	1
01.91 Subtotal, Stafford loans	3,145	3,249	3,363
Unsubsidized Stafford loans:			
02.02 Special allowance	4		
02.03 Default claims	54	99	252
02.04 Death, disability, and bankruptcy claims	4	8	21
02.06 Supplemental preclaims assistance		1	1
02.07 Contract collection costs	1		
02.91 Subtotal, Unsubsidized Stafford loans	63	108	274
03.02 Special Allowance	2		
03.03 Default claims	110	76	118
03.04 Death, disability, and bankruptcy claims	3	24	42
03.06 Supplemental preclaims assistance	1		1
03.91 Subtotal, PLUS loans	116	100	161
04.02 Special Allowance	1		
04.03 Default claims	308	262	132
04.04 Death, disability and bankruptcy claims	2	2	2
04.06 Supplemental preclaims assistance	2	2	1
04.07 Contract collection costs	1	2	3
04.91 Subtotal, SLS loans	314	268	138
05.01 Interest benefits	9		
05.03 Default claims	29	100	235
05.04 Death, disability, and bankruptcy claims	1	8	13
05.06 Supplemental preclaims assistance			1
05.91 Subtotal, Consolidations loans	39	108	249
07.01 Interest paid to Treasury	118	86	53
10.00 Total obligations	3,795	3,919	4,238
<b>Budgetary resources available for obligation:</b>			
21.90 Unobligated balance available, start of year: Fund balance	6,359	7,884	7,813
22.00 New financing authority (gross)	5,302	3,847	3,393
22.10 Resources available from recoveries of prior year obligations	19		
23.90 Total budgetary resources available for obligation	11,680	11,731	11,206
23.95 New obligations	-3,795	-3,919	-4,238
24.90 Unobligated balance available, end of year: Fund balance	7,884	7,813	6,968
<b>New financing authority (gross), detail:</b>			
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	5,773	4,298	3,717
68.47 Portion applied to debt reduction	-471	-451	-323
68.90 Spending authority from offsetting collections (total)	5,302	3,847	3,394
70.00 Total new financing authority (gross)	5,302	3,847	3,393
<b>Change in unpaid obligations:</b>			
72.90 Unpaid obligations, start of year: Obligated balance:			
Fund balance		552	575
73.10 New obligations	3,795	3,919	4,238
73.20 Total financing disbursements (gross)	-3,224	-3,895	-4,185
73.45 Adjustments in unexpired accounts	-19		
74.90 Unpaid obligations, end of year: Obligated balance:			
Fund balance: Uninvested balance		552	628
<b>Outlays (gross), detail:</b>			
87.00 Total financing disbursements (gross)	3,224	3,895	4,185
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Federal sources:			
Payment from subsidy account:			
88.00 Stafford loans	-2,684	-2,067	-1,788
88.00 Unsubsidized Stafford	-242	-319	-279

**Credit accounts—Continued**

*FEDERAL FAMILY EDUCATION LOAN PROGRAM, FINANCING  
ACCOUNT—Continued*

Program and Financing (In millions of dollars)—Continued

Identification code 91-4251-0-3-502	1995 actual	1996 est.	1997 est.
88.00 PLUS loans .....	-15	-40	-40
88.00 SLS .....	-2		
88.00 Consolidated loans .....	-128	-6	-3
88.00 Upward reestimate .....	-465	-595	
88.00 Scheduled payments from Liquidating account for noncontractual modifications .....	-589	-538	-376
88.25 Interest on uninvested funds: Stafford loans .....	-507	-344	-342
Non-Federal sources:			
Stafford loans:			
88.40 Recoveries on defaults .....	-174	-12	-34
88.40 Origination fees .....	-416	-77	-287
88.40 Sallie Mae offset fees .....		-44	-49
88.40 State default fees .....		-39	-85
88.40 Unsubsidized Stafford—Recoveries on defaults .....	-8		-1
88.40 Origination fees .....	-158	-42	-164
88.40 PLUS—Recoveries on defaults .....	-15	-1	-3
88.40 Origination fees .....	-208	-12	-42
88.40 SLS—Recoveries on defaults .....	-48	-46	-64
88.40 Origination fees .....	-88		
88.40 Consolidated—Recoveries on defaults .....	-3		
88.40 Origination fees .....	-23	-20	-23
88.40 Consolidated Loan Holders Fee .....		-96	-136
88.90 Total, offsetting collections (cash) .....	-5,773	-4,298	-3,716
Net financing authority and financing disbursements:			
89.00 Financing authority .....	-471	-451	-323
90.00 Financing disbursements .....	-2,549	-403	469

Status of Guaranteed Loans (In millions of dollars)

Identification code 91-4251-0-3-502	1995 actual	1996 est.	1997 est.
<b>STAFFORD</b>			
Position with respect to appropriations act limitation on commitments:			
2131 Guaranteed loan commitments exempt from limitation .....	11,130	9,746	8,627
2150 Total guaranteed loan commitments .....	11,130	9,746	8,627
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	28,016	37,830	45,080
2231 Disbursements of new guaranteed loans .....	12,424	8,581	8,189
2251 Repayments and prepayments .....	-1,821	-199	-1,834
Adjustments:			
2261 Terminations for default that result in loans receivable .....	-773	-1,038	-1,369
2263 Terminations for default that result in claim payments .....	-16	-94	-121
2290 Outstanding, end of year .....	37,830	45,080	49,945
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	37,830	45,080	49,945
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year .....	377	955	1,980
2331 Disbursements for guaranteed loan claims .....	773	1,038	1,369
2351 Repayments of loans receivable .....	-174	-12	-34
2361 Write-offs of loans receivable .....	-21	-1	-4
2390 Outstanding, end of year .....	955	1,980	3,311
<b>UNSUBSIDIZED STAFFORD</b>			
Position with respect to appropriations act limitation on commitments:			
2131 Guaranteed loan commitments exempt from limitation .....	5,581	5,226	4,594
2150 Total guaranteed loan commitments .....	5,581	5,226	4,594

Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	3,128	7,210	10,920
2231 Disbursements of new guaranteed loans .....	4,247	4,050	3,677
2251 Repayments and prepayments .....	-112	-236	-257
Adjustments:			
2261 Terminations for default that result in loans receivable .....	-49	-96	-237
2263 Terminations for default that result in claim payments .....	-4	-8	-21
2290 Outstanding, end of year .....	7,210	10,920	14,082
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	7,210	10,920	14,082
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year .....	5	45	141
2331 Disbursements for guaranteed loan claims .....	49	96	237
2351 Repayments of loans receivable .....	-8		-1
2361 Write-offs of loans receivable .....	-1		
2390 Outstanding, end of year .....	45	141	377
<b>PLUS</b>			
Position with respect to appropriations act limitation on commitments:			
2131 Guaranteed loan commitments exempt from limitation .....	1,391	1,400	1,359
2150 Total guaranteed loan commitments .....	1,391	1,400	1,359
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	2,675	3,629	4,108
2231 Disbursements of new guaranteed loans .....	1,606	1,138	1,200
2251 Repayments and prepayments .....	-542	-551	-683
Adjustments:			
2261 Terminations for default that result in loans receivable .....	-107	-84	-116
2263 Terminations for default that result in claim payments .....	-3	-24	-42
2290 Outstanding, end of year .....	3,629	4,108	4,467
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	3,629	4,108	4,467
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year .....	83	173	256
2331 Disbursements for guaranteed loan claims .....	107	84	116
2351 Repayments of loans receivable .....	-15	-1	-3
2361 Write-offs of loans receivable .....	-2		
2390 Outstanding, end of year .....	173	256	369
<b>SLS</b>			
Position with respect to appropriations act limitation on commitments:			
2150 Total guaranteed loan commitments .....			
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	4,841	5,061	4,716
2231 Disbursements of new guaranteed loans .....	577		
2251 Repayments and prepayments .....	-51	-64	-302
Adjustments:			
2261 Terminations for default that result in loans receivable .....	-305	-279	-157
2263 Terminations for default that result in claim payments .....	-1	-2	-2
2290 Outstanding, end of year .....	5,061	4,716	4,255
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	5,061	4,716	4,255
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year .....	228	479	707
2331 Disbursements for guaranteed loan claims .....	305	279	157
2351 Repayments of loans receivable .....	-48	-46	-64

2361	Write-offs of loans receivable .....	-6	-5	-8
2390	Outstanding, end of year .....	479	707	792
<b>CONSOLIDATED</b>				
Position with respect to appropriations act limitation on commitments:				
2131	Guaranteed loan commitments exempt from limitation .....	1,501	4,061	4,534
2150	Total guaranteed loan commitments .....	1,501	4,061	4,534
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year .....	1,608	2,827	6,583
2231	Disbursements of new guaranteed loans .....	1,467	4,031	4,510
2251	Repayments and prepayments .....	-221	-175	-476
Adjustments:				
2261	Terminations for default that result in loans receivable .....	-26	-92	-222
2263	Terminations for default that result in claim payments .....	-1	-8	-13
2290	Outstanding, end of year .....	2,827	6,583	10,382
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	2,827	6,583	10,382
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year .....		23	115
2331	Disbursements for guaranteed loan claims .....	26	92	222
2351	Repayments of loans receivable .....	-3		
2390	Outstanding, end of year .....	23	115	337

Balance Sheet (In millions of dollars)

Identification code 91-4251-0-3-502	1994 actual	1995 actual	1996 est.	1997 est.	
<b>ASSETS:</b>					
1101	Federal assets: Fund balances with Treasury .....	6,308	7,559	7,813	6,968
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:					
1501	Defaulted guaranteed loans receivable, gross .....	694	1,676	3,198	5,185
1599	Net present value of assets related to defaulted guaranteed loans .....	694	1,676	3,198	5,185
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:					
1701	Defaulted guaranteed loans, gross ....	1,617	-3,507	-3,166	-2,797
1704	Defaulted guaranteed loans and interest receivable, net .....	1,617	-3,507	-3,166	-2,797
1999	Total assets .....	8,619	5,728	7,845	9,356
<b>LIABILITIES:</b>					
2103	Federal liabilities: Debt .....	2,058	1,605	1,134	680
2999	Total liabilities .....	2,058	1,605	1,134	680
<b>NET POSITION:</b>					
3100	Appropriated capital .....	6,561	4,123	6,710	8,676
3999	Total net position .....	6,561	4,123	6,710	8,676
4999	Total liabilities and net position .....	8,619	5,728	7,844	9,356

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

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

Program and Financing (In millions of dollars)		1995 actual	1996 est.	1997 est.
Identification code 91-4251-4-3-502				
<b>Obligations by program activity:</b>				
Stafford loans:				
01.03	Default claims .....			-2
01.91	Subtotal, Stafford loans .....			-2
Unsubsidized Stafford loans:				
02.02	Special allowance .....			-1
02.91	Subtotal, Unsubsidized Stafford loans .....			-1
03.03	Default claims .....		-21	-42
03.04	Death, disability, and bankruptcy claims .....		-7	-18
03.07	Contract collection costs .....		3	4
03.91	Subtotal, PLUS loans .....		-25	-56
10.00	Total obligations .....		-25	-59
<b>Budgetary resources available for obligation:</b>				
21.90	Unobligated balance available, start of year: Fund balance .....			-59
22.00	New financing authority (gross) .....		-85	-193
23.90	Total budgetary resources available for obligation .....		-85	-252
23.95	New obligations .....		25	59
24.90	Unobligated balance available, end of year: Fund balance .....		-59	-193
<b>New financing authority (gross), detail:</b>				
68.00	Spending authority from offsetting collections (gross):			
	Offsetting collections (cash) .....		-85	-193
			-85	-193
<b>Change in unpaid obligations:</b>				
72.40	Unpaid obligations, start of year: Obligated balance:			
	Obligated balance, start of year, unpaid obligations .....			-4
73.10	New obligations .....		-25	-59
73.20	Total financing disbursements (gross) .....		22	54
74.40	Unpaid obligations, end of year: Obligated balance:			
	Obligated balance, end of year, unpaid obligations .....		-4	-9
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new permanent authority .....			1
86.98	Outlays from permanent balances .....			1
87.00	Total financing disbursements (gross) .....		-22	-54
<b>Offsets:</b>				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
Federal sources:				
Payment from subsidy account:				
88.00	Stafford loans .....		-18	82
88.00	Unsubsidized Stafford .....		52	47
88.00	PLUS loans .....		8	17
88.00	Consolidated loans .....		20	46
88.25	Interest on uninvested funds: Stafford loans .....		2	7
Non-Federal sources:				
Stafford loans:				
88.40	New loan holders fee .....		-4	-9
88.40	Origination fees .....		-7	-19
88.40	Sallie Mae offset fees .....		40	39
88.40	New loan holders fee .....		-2	-6
88.40	Origination fees .....		-4	-7
88.40	New loan holders fees .....		-1	-1
88.40	Origination fees .....		-1	-3
88.90	Total, offsetting collections (cash) .....		85	193
<b>Net financing authority and financing disbursements:</b>				
89.00	Financing authority .....			
90.00	Financing disbursements .....		63	139

**Credit accounts—Continued**

**FEDERAL FAMILY EDUCATION LOAN PROGRAM, FINANCING  
ACCOUNT—Continued**

Status of Guaranteed Loans (In millions of dollars)

Identification code 91-4251-4-3-502	1995 actual	1996 est.	1997 est.
<b>STAFFORD</b>			
Position with respect to appropriations act limitation on commitments:			
2131			
Guaranteed loan commitments exempt from limitation			
Cumulative balance of guaranteed loans outstanding:			
2210			1
Outstanding, start of year			
2251		1	12
Repayments and prepayments			
2261			2
Adjustments: Terminations for default that result in loans receivable			
2290		1	15
Outstanding, end of year			
Memorandum:			
2299		1	15
Guaranteed amount of guaranteed loans outstanding, end of year			
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2331			-2
Disbursements for guaranteed loan claims			
2390			-2
Outstanding, end of year			
<b>UNSUBSIDIZED STAFFORD</b>			
Position with respect to appropriations act limitation on commitments:			
2131			
Guaranteed loan commitments exempt from limitation			
Cumulative balance of guaranteed loans outstanding:			
2210			3,761
Outstanding, start of year			
2231		569	1,011
Disbursements of new guaranteed loans			
2251		3,190	670
Repayments and prepayments			
2261			6
Adjustments: Terminations for default that result in loans receivable		2	
2290		3,761	5,448
Outstanding, end of year			
Memorandum:			
2299		3,761	5,448
Guaranteed amount of guaranteed loans outstanding, end of year			
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310			-2
Outstanding, start of year			
2331		-2	-6
Disbursements for guaranteed loan claims			
2390		-2	-8
Outstanding, end of year			
<b>PLUS</b>			
Position with respect to appropriations act limitation on commitments:			
2150			
Total guaranteed loan commitments			
Cumulative balance of guaranteed loans outstanding:			
2210			8
Outstanding, start of year			
2251		-19	-38
Repayments and prepayments			
2261			42
Adjustments: Terminations for default that result in loans receivable		20	
2263			18
Terminations for default that result in claim payments		7	
2290		8	30
Outstanding, end of year			
Memorandum:			
2299		8	29
Guaranteed amount of guaranteed loans outstanding, end of year			
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310			-20
Outstanding, start of year			
2331		-20	-42
Disbursements for guaranteed loan claims			

2390	Outstanding, end of year	-20	-62
<b>SLS</b>			
Position with respect to appropriations act limitation on commitments:			
2150	Total guaranteed loan commitments		
Cumulative balance of guaranteed loans outstanding:			
2251	Repayments and prepayments	-6	-3
2261	Adjustments: Terminations for default that result in loans receivable	6	3
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310	Outstanding, start of year		-8
2331	Disbursements for guaranteed loan claims	-6	-3
2361	Write-offs of loans receivable	-2	-2
2390	Outstanding, end of year	-8	-13
<b>CONSOLIDATED</b>			
Position with respect to appropriations act limitation on commitments:			
2150	Total guaranteed loan commitments		
Cumulative balance of guaranteed loans outstanding:			
2251	Repayments and prepayments	-8	-13
2263	Adjustments: Terminations for default that result in claim payments	8	13

Balance Sheet (In millions of dollars)

Identification code 91-4251-4-3-502	1994 actual	1995 actual	1996 est.	1997 est.
<b>ASSETS:</b>				
1101	Federal assets: Fund balances with Treasury		-59	-193
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:				
1501	Defaulted guaranteed loans receivable, gross		-29	-85
1599	Net present value of assets related to defaulted guaranteed loans		-29	-85
1999	Total assets		-88	-278
<b>NET POSITION:</b>				
3100	Appropriated capital		-88	-278
3999	Total net position		-88	-278
4999	Total liabilities and net position		-88	-278

*FEDERAL FAMILY EDUCATION LOAN LIQUIDATING ACCOUNT*

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

Program and Financing (In millions of dollars)

Identification code 91-0230-0-1-502	1995 actual	1996 est.	1997 est.	
<b>Obligations by program activity:</b>				
<b>Stafford loans:</b>				
01.01	Interest benefits, net of origination fees	689	170	110
01.02	Special allowance net of origination fees	458	243	151
01.03	Default claims	1,048	598	475
01.04	Death, disability, and bankruptcy claims	175	115	79
01.06	Supplemental preclaims assistance	28	16	10
01.07	Contract collection costs	115	113	79
01.91	Subtotal, Stafford loans	2,513	1,255	904
<b>PLUS/SLS loans:</b>				
02.01	Default claims	58	31	21
02.02	Death, disability, and bankruptcy claims	17	10	8
02.04	Supplemental preclaims assistance	2	1	
02.05	Contract collection costs	6	15	18
02.91	Subtotal, PLUS/SLS loans	83	57	47
<b>Miscellaneous costs:</b>				
03.01	Scheduled payments to finance account for non-contractual modifications	589	538	376

10.00	Total obligations .....	3,185	1,850	1,327
Budgetary resources available for obligation:				
22.00	New budget authority (gross) .....	2,717	1,850	1,327
22.10	Resources available from recoveries of prior year obligations .....	468		
23.90	Total budgetary resources available for obligation .....	3,185	1,850	1,327
23.95	New obligations .....	-3,185	-1,850	-1,327
New budget authority (gross), detail:				
60.05	Appropriation (indefinite) .....	1,081	303	
60.49	Portion applied to liquidate contract authority .....	-1		
62.00	Transferred from DoD pursuant to P.L. 102-27 .....	1		
63.00	Appropriation (total) .....	1,081	303	
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash) .....	1,636	1,547	1,507
68.27	Capital transfer to general fund .....			-180
68.90	Spending authority from offsetting collections (total) .....	1,636	1,547	1,327
70.00	Total new budget authority (gross) .....	2,717	1,850	1,327
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance:			
	Appropriation .....	556	48	277
73.10	New obligations .....	3,185	1,850	1,327
73.20	Total outlays (gross) .....	-3,225	-1,621	-1,225
73.45	Adjustments in unexpired accounts .....	-468		
74.40	Unpaid obligations, end of year: Obligated balance:			
	Appropriation .....	48	277	379
Outlays (gross), detail:				
86.97	Outlays from new permanent authority .....	2,668	1,572	948
86.98	Outlays from permanent balances .....	556	48	277
87.00	Total outlays (gross) .....	3,225	1,621	1,225
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Stafford loans:				
Non-Federal sources:				
88.40	Federal collections on defaulted loans .....	-209	-471	-555
88.40	Federal collections on bankruptcies .....	-89	-62	-43
88.40	Offsets against Federal tax refunds .....	-561	-585	-530
Other collections:				
88.40	Reimbursements from guaranty agencies .....	-553	-223	-184
88.40	Federal collections on defaulted loans .....	-18	-64	-75
88.40	Federal collections on bankruptcies .....	-4	-3	-2
88.40	Offsets against Federal tax refunds .....	-102	-99	-84
88.40	Reimbursements from guaranty agencies .....	-100	-40	-34
88.90	Total, offsetting collections (cash) .....	-1,636	-1,547	-1,507
Net budget authority and outlays:				
89.00	Budget authority .....	1,081	303	-180
90.00	Outlays .....	1,589	74	-282

Status of Guaranteed Loans (In millions of dollars)

Identification code 91-0230-0-1-502	1995 actual	1996 est.	1997 est.	
STAFFORD LOANS				
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year .....	32,728	26,846	20,964
2231	Disbursements of new guaranteed loans .....	19	19	5
2251	Repayments and prepayments .....	-4,612	-5,158	-3,859
Adjustments:				
2261	Terminations for default that result in loans receivable <sup>1</sup> .....	-1,115	-661	-490
2263	Terminations for default that result in claim payments .....	-174	-82	-65
2290	Outstanding, end of year .....	26,846	20,964	16,555
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	26,846	20,964	16,555
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year .....	10,995	10,013	8,698

2331	Disbursements for guaranteed loan claims .....	1,115	661	490
2351	Repayments of loans receivable <sup>1</sup> .....	-1,408	-1,339	-1,310
2361	Write-offs of loans receivable .....	-452	-542	-570
2364	Other adjustments, net .....	-237	-96	-79
2390	Outstanding, end of year .....	10,013	8,698	7,230
PLUS/SLS LOANS				
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year .....	3,646	2,727	1,808
2251	Repayments and prepayments .....	-824	-876	-750
Adjustments:				
2261	Terminations for default that result in loans receivable .....	-78	-34	-22
2263	Terminations for default that result in claim payments .....	-17	-9	-7
2290	Outstanding, end of year .....	2,727	1,808	1,029
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	2,727	1,808	1,029
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year .....	3,507	3,166	2,797
2331	Disbursements for guaranteed loan claims .....	78	34	22
2351	Repayments of loans receivable .....	-225	-206	-195
2361	Write-offs of loans receivable .....	-151	-181	-190
2364	Other adjustments, net .....	-43	-17	-14
2390	Outstanding, end of year .....	3,166	2,797	2,420

<sup>1</sup> Excludes interest and premium collections on insured loans.

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

Object Classification (In millions of dollars)

Identification code 91-0230-0-1-502	1995 actual	1996 est.	1997 est.	
25.2	Other services .....	121	129	97
41.0	Grants, subsidies, and contributions .....	1,178	430	92
42.0	Insurance claims and indemnities .....	1,886	1,291	1,138
99.9	Total obligations .....	3,185	1,850	1,327

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM

For administrative expenses to carry out the existing direct loan program of college housing and academic facilities loans entered into pursuant to title VII, part C, of the Higher Education Act, as amended, \$700,000.

HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING PROGRAM

The total amount of bonds insured pursuant to section 724 of title VII, part B of the Higher Education Act shall not exceed \$357,000,000, and the cost, as defined in section 502 of the Congressional Budget Act of 1974, of such bonds shall not exceed zero.

For administrative expenses to carry out the Historically Black College and University Capital Financing Program entered into pursuant to title VII, part B of the Higher Education Act, as amended, \$104,000.

Note.—Regular 1996 appropriations for these accounts have not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (In millions of dollars)

Identification code 91-0241-0-1-502	1995 actual	1996 est.	1997 est.	
Obligations by program activity:				
00.09	Federal administration .....	1	1	1
10.00	Total obligations .....	1	1	1

**Credit accounts—Continued**

*HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING PROGRAM—Continued*

Program and Financing (In millions of dollars)—Continued

Identification code 91-0241-0-1-502	1995 actual	1996 est.	1997 est.
Budgetary resources available for obligation:			
22.00 New budget authority (gross) .....	1	1	1
23.95 New obligations .....	-1	-1	-1
New budget authority (gross), detail:			
40.00 Appropriation (Federal administration) .....	1	1	1
Change in unpaid obligations:			
72.90 Unpaid obligations, start of year: Obligated balance:			
Fund balance .....	9	8	6
73.10 New obligations .....	1	1	1
73.20 Total outlays (gross) .....	-2	-3	-2
74.90 Unpaid obligations, end of year: Obligated balance:			
Fund balance: Uninvested balance .....	8	6	4
Outlays (gross), detail:			
86.90 Outlays from new current authority .....	1	1	1
86.93 Outlays from current balances .....	1	3	1
87.00 Total outlays (gross) .....	2	3	2
Net budget authority and outlays:			
89.00 Budget authority .....	1	1	1
90.00 Outlays .....	2	3	2

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

Identification code 91-0241-0-1-502	1995 actual	1996 est.	1997 est.
Direct loan subsidy outlays:			
1340 Subsidy outlays .....	1	2	1
1349 Total subsidy outlays .....	1	2	1
Administrative expense data:			
3510 Budget authority .....	1	1	1
3590 Outlays from new authority .....	1	1	1

The College Housing and Academic Facilities Loans Program account and the Historically Black College and University Capital Financing Program account are consolidated for presentation purposes. College Housing and Academic Facilities Loans (a direct loan program) and Historically Black College and University Capital Financing (a guaranteed loan program) will continue to be administered separately.

*College Housing and Academic Facilities Program.*—The Federal Credit Reform Act of 1990 separates the College Housing and Academic Facilities Loans (CHAFL) account into two distinct operating activities and budget accounts—CHAFL Program and CHAFL Liquidating. The federal administration and subsidy disbursement for loans awarded in fiscal year 1992 and beyond are recorded in the program account. The cash flows associated with loans originating before fiscal year 1992 are recorded in the liquidating account.

CHAFL supports financing for the reconstruction, renovation, and construction of academic facilities, housing and other postsecondary educational facilities for students and faculty. Institutions receive direct interest-subsidized loans of 5.5 percent. This financing is intended to help higher education institutions finance construction and renovation activities on more favorable financing terms than available in the private market. This account is only partially self-financing since the amount of interest paid by borrowers, 5.5 percent, is lower than the amount the Department must pay Treasury for capital borrowed to finance the loans. The subsidy covers the difference. To meet the required repayment of interest and principal each year to Treasury, the Federal Credit Re-

form Act of 1990 has provided permanent appropriation authority.

No loan limitation or corresponding loan subsidy funds are requested for the CHAFL program. The 1997 budget requests funds for continuing administrative activities only.

*Historically Black College and University Capital Financing Program.*—The Historically Black College and University (HBCU) Capital Financing Program was authorized by the Higher Education Act Amendments of 1992 to provide HBCUs with private capital for capital projects such as repairs, renovation and construction of classrooms, libraries, laboratories, dormitories, instructional equipment, and research instrumentation. The 1994 appropriation provided the authority to enter into insurance agreements with a private for-profit bonding authority to guarantee no more than \$357,000,000 loan principal plus accrued unpaid interest for taxable bonds. The bonding authority will issue the bonds and establish an escrow account in which 10 percent of each institution's principal is deposited. This amount is estimated to be sufficient to cover all potential delinquencies and defaults. The 1997 budget requests funds for continuing Federal administrative activities only.

Personnel Summary

Identification code 91-0241-0-1-502	1995 actual	1996 est.	1997 est.
1001 Total compensable workyears: Full-time equivalent employment .....	10	8	7

*COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS FINANCING ACCOUNT*

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

Program and Financing (In millions of dollars)

Identification code 91-4252-0-3-502	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.02 Interest paid to Treasury .....	1	1	2
10.00 Total obligations .....	1	1	2
Budgetary resources available for obligation:			
22.00 New financing authority (gross) .....	1	1	2
23.95 New obligations .....	-1	-1	-2
New financing authority (gross), detail:			
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	2	4	3
68.10 Change in orders on hand from Federal sources .....	-1	-2	-2
68.90 Spending authority from offsetting collections (total) .....	1	2	1
70.00 Total new financing authority (gross) .....	1	1	2
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.90 Obligated balance: Authority to Borrow .....	46	38	28
72.95 Obligate balance: Subsidy .....	9	8	6
72.99 Total unpaid obligations, start of year .....	55	46	34
73.10 New obligations .....	1	1	2
73.20 Total financing disbursements (gross) .....	-7	-14	-11
73.40 Adjustments in expired accounts .....	-3		
Unpaid obligations, end of year:			
74.90 Obligated balance: Fund balance: Uninvested balance .....	38	28	21
74.95 Orders on hand from Federal sources .....	8	6	4
74.99 Total unpaid obligations, end of year .....	46	34	25
Outlays (gross), detail:			
87.00 Total financing disbursements (gross) .....	7	14	11

Offsets:				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Federal sources .....	-1	-2	-1
88.25	Interest on uninvested funds .....	-1		
88.40	Interest repayments .....		-1	-2
88.90	Total, offsetting collections (cash) .....	-2	-3	-3
88.95	Change in receivables from program accounts .....	1	2	2
Net financing authority and financing disbursements:				
89.00	Financing authority .....			1
90.00	Financing disbursements .....	4	11	8

Status of Direct Loans (In millions of dollars)

Identification code 91-4252-0-3-502	1995 actual	1996 est.	1997 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	1	7	20
1231	Disbursements: Direct loan disbursements .....	6	13	9
1290	Outstanding, end of year .....	7	20	29

The reestimate of the subsidy from prior year obligations may require the Department to exercise its permanent indefinite authority to borrow funds to cover outstanding Treasury interest expenses due on September 30, 1997.

Balance Sheet (In millions of dollars)

Identification code 91-4252-0-3-502	1994 actual	1995 actual	1996 est.	1997 est.	
ASSETS:					
Investments in US securities:					
1106	Federal assets: Receivables, net .....	9	8	6	4
Net value of assets related to post-1991 direct loans receivable:					
1401	Direct loans receivable, gross .....	1	7	20	27
1402	Interest receivable .....			1	1
1405	Allowance for subsidy cost (-) .....		-1	-4	-5
1499	Net present value of assets related to direct loans .....	1	6	17	23
1999	Total assets .....	10	14	23	27
LIABILITIES:					
Federal liabilities:					
2102	Interest payable .....		1	1	1
2103	Debt .....	1	6	16	23
2999	Total liabilities .....	1	7	17	24
NET POSITION:					
3100	Appropriated capital .....	11	9	7	5
3999	Total net position .....	11	9	7	5
4999	Total liabilities and net position .....	12	16	24	29

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS LIQUIDATING ACCOUNT

Program and Financing (In millions of dollars)

Identification code 91-0242-0-1-502	1995 actual	1996 est.	1997 est.	
Obligations by program activity:				
10.00	Total obligations (object class 43.0) .....	13	10	11
Budgetary resources available for obligation:				
21.40	Unobligated balance available, start of year:			
	Uninvested balance .....	2	10	20
22.00	New budget authority (gross) .....	15	20	22
22.10	Resources available from recoveries of prior year obligations .....	8		
22.30	Unobligated balance expiring .....	-2		
23.90	Total budgetary resources available for obligation .....	23	30	42
23.95	New obligations .....	-13	-10	-11
24.40	Unobligated balance available, end of year:			
	Uninvested balance .....	10	20	31

New budget authority (gross), detail:				
60.05	Appropriation (indefinite) .....	5	10	11
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	10	10	10
70.00	Total new budget authority (gross) .....	15	20	22

Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance:			
	Appropriation .....	40	32	24
73.10	New obligations .....	13	10	11
73.20	Total outlays (gross) .....	-13	-18	-17
73.45	Adjustments in unexpired accounts .....	-8		
74.40	Unpaid obligations, end of year: Obligated balance:			
	Appropriation .....	32	24	20

Outlays (gross), detail:				
86.97	Outlays from new permanent authority .....	10	10	10
86.98	Outlays from permanent balances .....	3	8	7
87.00	Total outlays (gross) .....	13	18	17

Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Non-Federal sources:				
88.40	Repayments of principal .....	-8	-8	-7
88.40	Interest received on loans .....	-2	-2	-3
88.90	Total, offsetting collections (cash) .....	-10	-10	-10

Net budget authority and outlays:				
89.00	Budget authority .....	5	10	12
90.00	Outlays .....	3	8	7

Status of Direct Loans (In millions of dollars)

Identification code 91-0242-0-1-502	1995 actual	1996 est.	1997 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	136	138	140
1231	Disbursements: Direct loan disbursements .....	4	4	4
1251	Repayments: Repayments and prepayments .....	-2	-2	-3
1290	Outstanding, end of year .....	138	140	141

The College Housing and Academic Facilities Loans Liquidating Account records all cash flows to and from the Government resulting from direct loans made to schools and colleges for the reconstruction, renovation, and construction of academic facilities, housing and other postsecondary education facilities from loans obligated prior to fiscal year 1992. The Secretary pays, on average, 8.68 percent interest on funds borrowed for liquidating account loans. To meet the required repayment of interest and principal each year to Treasury, the Federal Credit Reform Act of 1990 has provided permanent authority.

At the end of 1995, total delinquencies for this account were \$987 thousand.

HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING, FINANCING ACCOUNT

Status of Guaranteed Loans (In millions of dollars)

Identification code 91-4254-0-3-502	1995 actual	1996 est.	1997 est.	
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders .....	357		
2150	Total guaranteed loan commitments .....	357		
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year .....			64
2231	Disbursements of new guaranteed loans .....		65	75
2251	Repayments and prepayments .....		-1	-1
2290	Outstanding, end of year .....		64	138

**Credit accounts—Continued**

*HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING, FINANCING ACCOUNT—Continued*

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

Identification code 91-4254-0-3-502	1995 actual	1996 est.	1997 est.
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....		64	138

*HIGHER EDUCATION FACILITIES LOANS*

The Secretary is hereby authorized to make such expenditures, within the limits of funds available under this heading and in accord with law, and to make such contracts and commitments without regard to fiscal year limitation, as provided by section 104 of the Government Corporation Control Act (31 U.S.C. 9104), as may be necessary in carrying out the program for the current fiscal year.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (In millions of dollars)

Identification code 91-0240-0-1-502	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
10.00 Total obligations (object class 43.0) .....	3	4	3
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance .....	11	11	11
22.00 New budget authority (gross) .....	9	8	8
22.40 Capital transfer to general fund .....	-7	-4	-3
23.90 Total budgetary resources available for obligation	13	15	16
23.95 New obligations .....	-3	-4	-3
24.40 Unobligated balance available, end of year:			
Uninvested balance .....	11	11	12
New budget authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Spending authority from offsetting collections .....	9	8	8
Change in unpaid obligations:			
73.10 New obligations .....	3	4	3
73.20 Total outlays (gross) .....	-3	-4	-4
Outlays (gross), detail:			
86.97 Outlays from new permanent authority .....	3	4	5
87.00 Total outlays (gross) .....	3	4	4
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40 Repayments of principal .....	-7	-6	-6
88.40 Interest received on loans .....	-2	-2	-2
88.90 Total, offsetting collections (cash) .....	-9	-8	-8
Net budget authority and outlays:			
89.00 Budget authority .....			
90.00 Outlays .....	-6	-4	-4

Status of Direct Loans (In millions of dollars)

Identification code 91-0240-0-1-502	1995 actual	1996 est.	1997 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	62	55	49
1251 Repayments: Repayments and prepayments .....	-7	-6	-6
1290 Outstanding, end of year .....	55	49	43

Program operations.—Title VII, Section 702, of the Higher Education Act of 1965, as amended, authorizes such sums

as may be necessary to pay obligations incurred prior to 1987 under the Higher Education Facilities Loan Program previously authorized under Title VII, Part C. Prior to 1987, this program provided direct loans at 5.5 percent interest, repayable within 50 years, to colleges, universities, and higher education building agencies for the construction, reconstruction, or renovation of academic facilities. No new loan commitments have been made since 1981. The Higher Education Act Amendments of 1992 do not authorize new loan activity in this account.

Financing.—Loan capital for this program has been provided both through appropriations and the sale of participation certificates which were backed by pools of existing higher education facilities loans held by the Federal Government. All participation certificates held by this account were redeemed as of September 30, 1988.

Interest is payable to Treasury on the amount of appropriations paid out for loan capital and remaining outstanding, less the average undisbursed cash balance in the fund during the year. The interest rate certified by Treasury for payment from the account is 6.75 percent in 1996.

Repayments on outstanding loans, interest revenue, and investment income are used to pay operating expenses and to repay interest costs to Treasury. For 1997, operating income is expected to be sufficient to finance all expenses. No appropriation is needed.

At the end of 1995, total delinquencies for this account were \$543 thousand.

*COLLEGE HOUSING LOANS*

For necessary expenses of the college housing loans program, pursuant to title VII, part C of the Higher Education Acts, as amended, the Secretary shall make expenditures and enter into contracts without regard to fiscal year limitation using loan repayments and other resources available to this account. Any unobligated balances becoming available from fixed fees paid into this account pursuant to 12 U.S.C. 1749d, relating to payment of costs for inspections and site visits, shall be available for the operating expenses of this account.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (In millions of dollars)

Identification code 91-4250-0-3-502	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Interest on Treasury borrowings .....	10	13	12
10.00 Total obligations (object class 43.0) .....	10	13	12
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund			
balance .....	31	20	13
22.00 New budget authority (gross) .....	50	49	46
22.60 Redemption of debt .....	-51	-42	-35
23.90 Total budgetary resources available for obligation	30	27	24
23.95 New obligations .....	-10	-13	-12
24.90 Unobligated balance available, end of year: Fund			
balance .....	20	13	12
New budget authority (gross), detail:			
Spending authority from offsetting collections:			
Offsetting collections (cash):			
68.00 Repayments of principal .....	35	35	32
68.00 Interest received on loans .....	15	14	14
68.90 Spending authority from offsetting collections			
(total) .....	50	49	46
70.00 Total new budget authority (gross) .....	50	49	46
Change in unpaid obligations:			
72.90 Unpaid obligations, start of year: Obligated balance:			
Fund balance .....	11	11	14



73.10	New obligations .....	10	13	12
73.20	Total outlays (gross) .....	-9	-10	-10
74.90	Unpaid obligations, end of year: Obligated balance:			
	Fund balance: Uninvested balance .....	11	14	16
Outlays (gross), detail:				
86.98	Outlays from permanent balances .....	9	10	10
87.00	Total outlays (gross) .....	9	10	10
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Non-Federal sources:				
88.40	Repayments of principal .....	-35	-35	-32
88.40	Interest received on loans .....	-15	-14	-14
88.90	Total, offsetting collections (cash) .....	-50	-49	-46
Net budget authority and outlays:				
89.00	Budget authority .....			
90.00	Outlays .....	-42	-39	-36

Status of Direct Loans (In millions of dollars)

Identification code 91-4250-0-3-502		1995 actual	1996 est.	1997 est.
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	519	484	449
1251	Repayments: Repayments and prepayments .....	-35	-35	-32
1290	Outstanding, end of year .....	484	449	417

**Program operations.**—Loans in this account were made for construction and renovation of college housing facilities prior to 1987 under title IV of the Housing Act of 1950. The Higher Education Amendments of 1992 gave the Secretary authority to manage outstanding college housing loans under title VII, Part C of the Higher Education Act as amended. New loans made after 1986 were financed in the College Housing and Academic Facilities Loans Account. No new loan activity is authorized in this account.

**Financing.**—Loan capital for this program was provided primarily through Treasury borrowings and the sale of participation certificates which were backed by pools of college housing loans held by the Federal Government. The participation certificates sold by the Government National Mortgage Association (GNMA) and held by this account were redeemed as of September 30, 1988. As of September 30, 1995, \$484 million in loan capital is still due the Treasury at an annual interest rate of 2.75 percent.

Available resources (loan repayments, interest revenue, and other income in excess of operating expenses) will be used to redeem a portion of the agency's debt in outstanding Treasury borrowings, as is being done in 1996 and as was done in preceding years. Approximately \$51 million will be repaid to Treasury in 1995 and \$42 million will be repaid in 1996; \$35 million was repaid in 1994.

At the end of 1995, total delinquencies for this account were \$2.9 billion.

**OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT**

**Federal Funds**

**General and special funds:**

*EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT*

For carrying out activities authorized by the Educational Research, Development, Dissemination, and Improvement Act of 1994, including part E; the National Education Statistics Act of 1994; section 2102, parts A, B, and C of title III, parts A and B, and section 10601 of title X, part C of title XIII of the Elementary and Secondary Education Act of 1965, as amended; and title VI of the Goals 2000: Educate America Act: \$634,750,000: Provided, That \$15,000,000 shall be for section 2102, \$5,000,000 shall be for section 3122, \$250,000,000

shall be for section 3132, \$60,000,000 shall be for section 3136, \$10,000,000 shall be for section 3141, and \$4,000,000 shall be for section 10601 of the Elementary and Secondary Education Act: Provided further, That, notwithstanding section 3131(b) of the Elementary and Secondary Education Act, if any state educational agency does not apply for a grant under section 3132, that State's allotment under section 3131 shall be reserved by the Secretary for grants to local educational agencies in the State that apply directly to the Secretary according to the terms and conditions announced by the Secretary in the Federal Register.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (In millions of dollars)

Identification code 91-1100-0-1-503		1995 actual	1996 est.	1997 est.
Obligations by program activity:				
Direct program:				
00.01	Research .....	86		108
00.02	Statistics .....	48		50
00.03	Assessment .....	33		33
00.04	Eisenhower professional development national activities .....	21		15
Educational technology:				
Technology for education:				
00.05	Technology literacy challenge fund .....			250
00.06	National activities and local innovation fund .....	23	19	75
00.07	Star schools .....	25	19	25
00.08	Ready to learn television .....	7		7
00.09	Telecommunications demonstration project for mathematics .....	1		
00.10	Fund for the improvement of education .....	37		40
00.11	Javits gifted and talented education .....	5		10
00.12	National diffusion network .....	12		
00.13	Eisenhower regional mathematics and science education consortia .....	15		15
00.14	21st century community learning centers .....	1		
00.15	National writing project .....	3		
00.16	Civic education .....	4		4
00.17	International education exchange .....	3		3
00.18	Unallocated amount under P.L. 104-99 .....		212	
00.91	Subtotal, direct program .....	324	250	635
01.01	Reimbursable program .....	3		
10.00	Total obligations .....	327	250	635
Budgetary resources available for obligation:				
22.00	New budget authority (gross) .....	327	250	635
23.95	New obligations .....	-327	-250	-635
New budget authority (gross), detail:				
Current:				
40.00	Appropriation .....	324	250	635
Permanent:				
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	3		
70.00	Total new budget authority (gross) .....	327	250	635
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance:			
	Appropriation .....	288	322	256
73.10	New obligations .....	327	250	635
73.20	Total outlays (gross) .....	-283	-316	-329
73.40	Adjustments in expired accounts .....	-10		
74.40	Unpaid obligations, end of year: Obligated balance:			
	Appropriation .....	322	256	562
Outlays (gross), detail:				
86.90	Outlays from new current authority .....	82	67	130
86.93	Outlays from current balances .....	199	249	198
86.97	Outlays from new permanent authority .....	1		
86.98	Outlays from permanent balances .....		1	1
87.00	Total outlays (gross) .....	283	316	329
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	-3		
Net budget authority and outlays:				
89.00	Budget authority .....	324	250	635

**General and special funds—Continued**

*EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT—Continued*

Program and Financing (In millions of dollars)—Continued

Identification code 91-1100-0-1-503	1995 actual	1996 est.	1997 est.
90.00 Outlays .....	279	316	329

Summary of Budget Authority and Outlays

(In millions of dollars)

	1995 actual	1996 est.	1997 est.
Enacted/requested:			
Budget Authority .....	324	250	635
Outlays .....	279	317	329
Adjustment to 1996 continuing resolution levels:			
Budget Authority .....		92	
Outlays .....		19	54
Total:			
Budget Authority .....	324	342	635
Outlays .....	279	336	383

**Research.**—Funds support the activities of five research institutes organized to address topics of national concern in education. The institutes carry out comprehensive programs of research and development by funding research centers, field-initiated research studies, and other research projects. A national dissemination system provides information and technical assistance through regional laboratories and clear-houses. A national library of education serves as a central location within the Federal government for information on education.

**Statistics.**—Funds support the collection of statistics on educational institutions and on individuals to monitor trends in education, and a coordinated program of statistical services to assist States in developing comparable data bases and analyses of the implications of data.

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

**Eisenhower professional development national activities.**—Funds support activities to promote excellence in teaching. Such activities include strengthening professional standards for teachers, demonstrating ways to engage teachers and other educators in the use of effective teaching and learning strategies, providing support services for both Eisenhower State and Federal program activities, and evaluating these activities.

**Technology for education.**—

**Technology literacy challenge fund.**—Funds for this Presidential initiative are awarded to States on the basis of a formula and are used for grants to local school districts to support teacher training and the purchase of hardware and software to create 21st century classrooms.

**National activities and local innovation fund.**—Funds support national leadership and technical assistance in the development and implementation of educational technology. Competitive grants are made to consortia of school districts and other partners to improve teaching and learning through the effective use of technologies.

**Star schools.**—Funds support the acquisition of telecommunications equipment and development of instructional programming for distance learning.

**Ready to learn television.**—Funds support the development of educational programming for preschool and elementary school children and their parents.

**Telecommunications demonstration project for mathematics.**—Funds support a national telecommunications-based demonstration project to improve the teaching of mathematics

so that all students are prepared to achieve State content standards.

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

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

**Eisenhower regional mathematics and science education consortia.**—Funds support regional consortia to disseminate exemplary mathematics and science education materials and provide technical assistance to help teachers and administrators implement new teaching methods and assessment tools.

**Civic education.**—Funds are used to provide an award to the Center for Civic Education to help educate students about the history and principles of the Constitution, including the Bill of Rights.

**International education exchange.**—Funds are used for international exchange programs to help improve civics and economics education in central and eastern European countries, countries that were part of the former Soviet Union, and the United States.

Object Classification (In millions of dollars)

Identification code 91-1100-0-1-503	1995 actual	1996 est.	1997 est.
Direct obligations:			
11.3 Personnel compensation: Other than full-time permanent .....	1		1
24.0 Printing and reproduction .....	1		1
25.1 Advisory and assistance services .....	7		7
25.2 Other services .....	51		51
25.3 Purchases of goods and services from Government accounts .....	15		15
25.5 Research and development contracts .....	44		41
31.0 Equipment .....	1		1
41.0 Grants, subsidies, and contributions .....	204	38	518
92.0 Undistributed .....		212	
99.0 Subtotal, direct obligations .....	324	250	635
99.0 Reimbursable obligations .....	3		
99.9 Total obligations .....	327	250	635

Personnel Summary

Identification code 91-1100-0-1-503	1995 actual	1996 est.	1997 est.
1001 Total compensable workyears: Full-time equivalent employment .....	10	13	13

LIBRARIES

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (In millions of dollars)

Identification code 91-0104-0-1-503	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
Direct program:			
00.01 Public library services .....	83		
00.02 Public library construction .....	24	7	
00.03 Interlibrary cooperation .....	24		
00.05 Library literacy programs .....	8		
00.07 Library education and training .....	5		
00.08 Research and demonstrations .....	6		
00.09 Unallocated amount under P.L. 104-99 .....		118	
10.00 Total obligations (object class 41.0) .....	150	125	

Budgetary resources available for obligation:			
21.40	Unobligated balance available, start of year:		
	Uninvested balance	13	7
22.00	New budget authority (gross)	144	118
23.90	Total budgetary resources available for obligation	157	125
23.95	New obligations	-150	-125
24.40	Unobligated balance available, end of year:		
	Uninvested balance	7	
New budget authority (gross), detail:			
40.00	Appropriation	144	118
Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance:		
	Appropriation	161	192
73.10	New obligations	150	125
73.20	Total outlays (gross)	-118	-169
73.40	Adjustments in expired accounts	-1	
74.40	Unpaid obligations, end of year: Obligated balance:		
	Appropriation	192	148
Outlays (gross), detail:			
86.90	Outlays from new current authority	11	43
86.93	Outlays from current balances	106	126
87.00	Total outlays (gross)	118	169
Net budget authority and outlays:			
89.00	Budget authority	144	118
90.00	Outlays	118	169

Summary of Budget Authority and Outlays

[In millions of dollars]

	1995 actual	1996 est.	1997 est.
Enacted/requested:			
Budget Authority	144	118	
Outlays	117	169	80
Legislative proposal, not subject to PAYGO:			
Budget Authority			110
Outlays			44
Total:			
Budget Authority	144	118	110
Outlays	117	169	124

**Library services.**—State formula grants are made to assist public libraries in improving library services, library construction and technology enhancement, and resource sharing; and discretionary awards are made for library literacy services, education in library and information science, and library research and demonstration projects.

LIBRARIES

(Legislative proposal, not subject to PAYGO)

Program and Financing (In millions of dollars)

Identification code 91-0104-2-1-503			
Obligations by program activity:			
Direct program:			
00.01	Library Services		110
10.00	Total obligations (object class 41.0)		110
Budgetary resources available for obligation:			
22.00	New budget authority (gross)		110
23.95	New obligations		-110
New budget authority (gross), detail:			
40.00	Appropriation		110
Change in unpaid obligations:			
73.10	New obligations		110
73.20	Total outlays (gross)		-44
74.40	Unpaid obligations, end of year: Obligated balance:		
	Appropriation		66
Outlays (gross), detail:			
86.90	Outlays from new current authority		44
87.00	Total outlays (gross)		44

Net budget authority and outlays:			
89.00	Budget authority		110
90.00	Outlays		44

Authority to provide support for library services, including wider access to information through technology, is pending in the Congress. Funds will be requested when authorizing legislation is enacted.

DEPARTMENTAL MANAGEMENT

Federal Funds

General and special funds:

PROGRAM ADMINISTRATION

For carrying out, to the extent not otherwise provided, the Department of Education Organization Act, including rental of conference rooms in the District of Columbia and hire of two passenger motor vehicles, \$355,476,000.

Note—Regular 1996 appropriations for these accounts have not been enacted at the time this budget was prepared. The 1996 amounts in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (In millions of dollars)

Identification code 91-0800-0-1-503			
Obligations by program activity:			
00.01	Direct program	355	327
01.01	Reimbursable programs	136	8
10.00	Total obligations	491	335
Budgetary resources available for obligation:			
21.40	Unobligated balance available, start of year:		
	Uninvested balance	1	
22.00	New budget authority (gross)	491	335
22.30	Unobligated balance expiring	-1	
23.90	Total budgetary resources available for obligation	491	335
23.95	New obligations	-491	-335
New budget authority (gross), detail:			
Current:			
40.00	Appropriation	355	327
Permanent:			
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	136	8
70.00	Total new budget authority (gross)	491	335
Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance:		
	Appropriation	142	183
73.10	New obligations	491	335
73.20	Total outlays (gross)	-455	-383
73.40	Adjustments in expired accounts	6	
74.40	Unpaid obligations, end of year: Obligated balance:		
	Appropriation	183	135
Outlays (gross), detail:			
86.90	Outlays from new current authority	228	245
86.93	Outlays from current balances	112	122
86.97	Outlays from new permanent authority	115	4
86.98	Outlays from permanent balances		12
87.00	Total outlays (gross)	455	383
Offsets:			
Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources	-136	-8
Net budget authority and outlays:			
89.00	Budget authority	355	327
90.00	Outlays	320	349

The Program Administration account includes the direct Federal costs of administering elementary and secondary education, bilingual education, higher education, vocational and adult education, and special education programs, programs

**General and special funds—Continued**

*PROGRAM ADMINISTRATION—Continued*

for persons with disabilities and a portion of the direct Federal costs for administering student financial aid programs. It also supports assessment, statistics, research and improvement activities.

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; telecommunciations; program grants and contractual services; financial management and accounting, including payments to schools, education agencies and other grant recipients, and preparation of auditable financial statements; ADP services; personnel management; budget formulation and execution; program evaluation; legal services; congressional and public relations; and intergovernmental affairs.

*Reimbursable program.*—Reimbursements to this account include the costs of collecting defaulted Perkins student loans and of providing administrative services to other agencies.

This presentation includes contributions, which had previously been presented separately.

Spending derives from contributions from the public. Activities supported include the Goals 2000 Teachers' Forum, and the Gifts and Bequests Miscellaneous Fund. No new contributions are currently anticipated for 1997.

Object Classification (In millions of dollars)

Identification code 91-0800-0-1-503	1995 actual	1996 est.	1997 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	135	141	140
11.3 Other than full-time permanent .....	14	7	6
11.5 Other personnel compensation .....	3	2	2
11.9 Total personnel compensation .....	152	150	148
12.1 Civilian personnel benefits .....	29	34	35
13.0 Benefits for former personnel .....	7		
21.0 Travel and transportation of persons .....	7	5	5
23.1 Rental payments to GSA .....	22	23	22
23.3 Communications, utilities, and miscellaneous charges .....	20	16	16
24.0 Printing and reproduction .....	7	7	7
25.1 Advisory and assistance services .....	7	4	6
25.2 Other services .....	70	10	10
25.3 Purchases of goods and services from Government accounts .....	14	10	10
25.4 Operation and maintenance of facilities .....	1	1	1
25.7 Operation and maintenance of equipment .....		55	69
26.0 Supplies and materials .....	5	2	3
31.0 Equipment .....	12	8	21
32.0 Land and structures .....		2	2
99.0 Subtotal, direct obligations .....	353	327	355
99.0 Reimbursable obligations .....	136	7	7
99.5 Below reporting threshold .....	2	1	1
99.9 Total obligations .....	491	335	363

**Personnel Summary**

Identification code 91-0800-0-1-503	1995 actual	1996 est.	1997 est.
<b>Direct:</b>			
<b>Total compensable workyears:</b>			
1001 Full-time equivalent employment .....	2,853	2,771	2,651
1005 Full-time equivalent of overtime and holiday hours .....	11	6	6
<b>Reimbursable:</b>			
2001 Total compensable workyears: Full-time equivalent employment .....	1		

*OFFICE FOR CIVIL RIGHTS*

For necessary expenses of the Office for Civil Rights, as authorized by section 203 of the Department of Education Organization Act, \$60,000,000.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (In millions of dollars)

Identification code 91-0700-0-1-751	1995 actual	1996 est.	1997 est.
<b>Obligations by program activity:</b>			
00.01 Direct program: Civil Rights .....	58	54	60
10.00 Total obligations .....	58	54	60
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	58	54	60
23.95 New obligations .....	-58	-54	-60
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	58	54	60
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation .....	26	28	25
73.10 New obligations .....	58	54	60
73.20 Total outlays (gross) .....	-56	-57	-56
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation .....	28	25	29
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	52	48	51
86.93 Outlays from current balances .....	4	9	6
87.00 Total outlays (gross) .....	56	57	56
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	58	54	60
90.00 Outlays .....	56	57	56

The Office for Civil Rights is responsible for ensuring that no person is unlawfully discriminated against on the basis of race, color, national origin, sex, disability, or age in the delivery of services or the provision of benefits in programs or activities of schools and institutions receiving financial assistance from the Department of Education. The authorities under which the Office for Civil Rights operates are title VI of the Civil Rights Act of 1964 (racial and ethnic discrimination), title IX of the Education Amendments of 1972 (sex discrimination), section 504 of the Rehabilitation Act of 1973 (discrimination against individuals with a disability), the Age Discrimination Act of 1975, and the Americans with Disabilities Act of 1990.

Object Classification (In millions of dollars)

Identification code 91-0700-0-1-751	1995 actual	1996 est.	1997 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	37	36	37
11.3 Other than full-time permanent .....	1	1	1
11.9 Total personnel compensation .....	38	37	38
12.1 Civilian personnel benefits .....	7	8	9
13.0 Benefits for former personnel .....	2		
21.0 Travel and transportation of persons .....	1		1
23.1 Rental payments to GSA .....	4	4	4
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.2 Other services .....	1		
25.3 Purchases of goods and services from Government accounts .....	2	2	2
25.7 Operation and maintenance of equipment .....		1	2
26.0 Supplies and materials .....	1		
31.0 Equipment .....	1		2
99.5 Below reporting threshold .....		1	1
99.9 Total obligations .....	58	54	60

**Personnel Summary**

Identification code 91-0700-0-1-751	1995 actual	1996 est.	1997 est.
1001 Total compensable workyears: Full-time equivalent employment .....	788	763	745

OFFICE OF THE INSPECTOR GENERAL

For expenses necessary for the Office of the Inspector General, as authorized by Section 212 of the Department of Education Organization Act, \$30,500,000.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (In millions of dollars)

Identification code 91-1400-0-1-751	1995 actual	1996 est.	1997 est.
<b>Obligations by program activity:</b>			
00.01 Inspector General	30	28	30
10.00 Total obligations	30	28	30
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)	30	28	30
23.95 New obligations	-30	-28	-30
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation	30	28	30
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	6	8	4
73.10 New obligations	30	28	30
73.20 Total outlays (gross)	-29	-32	-29
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	8	4	5
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority	26	24	25
86.93 Outlays from current balances	3	8	4
87.00 Total outlays (gross)	29	32	29
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	30	28	30
90.00 Outlays	29	32	29

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

Object Classification (In millions of dollars)

Identification code 91-1400-0-1-751	1995 actual	1996 est.	1997 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent	18	19	19
11.9 Total personnel compensation	18	19	19
12.1 Civilian personnel benefits	4	4	4
13.0 Benefits for former personnel	1		
21.0 Travel and transportation of persons	1	1	2
23.1 Rental payments to GSA	2	2	2
25.2 Other services	1	1	1
25.3 Purchases of goods and services from Government accounts	1	1	1
25.7 Operation and maintenance of equipment			1
31.0 Equipment	1		
99.5 Below reporting threshold	1		
99.9 Total obligations	30	28	30

Personnel Summary

Identification code 91-1400-0-1-751	1995 actual	1996 est.	1997 est.
<b>Direct:</b>			
1001 Total compensable workyears: Full-time equivalent employment	337	328	322
<b>Reimbursable:</b>			
2001 Total compensable workyears: Full-time equivalent employment	1		

GENERAL FUND RECEIPT ACCOUNTS

[In millions of dollars]

	1995 actual	1996 est.	1997 est.
<b>Offsetting receipts from the public:</b>			
91-022100 FFEL Guarantee agency reserve recoveries:			
Legislative proposal, subject to PAYGO			100
91-291500 Repayment of loans, capital contributions, higher education activities, Education	90	68	68
General Fund Offsetting receipts from the public	90	68	168

GENERAL PROVISIONS

SEC. 301. No part of the funds contained in this title may be used to force any school or school district which is desegregated as that term is defined in title IV of the Civil Rights Act of 1964, Public Law 88-352, to take any action to force the busing of students; to force on account of race, creed or color the abolishment of any school so desegregated; or to force the transfer or assignment of any student attending any elementary or secondary school so desegregated to or from a particular school over the protest of his or her parents or parent.

SEC. 302. (a) No part of the funds contained in this title shall be used to force any school or school district which is desegregated as that term is defined in title IV of the Civil Rights Act of 1964, Public Law 88-352, to take any action to force the busing of students; to require the abolishment of any school so desegregated; or to force on account of race, creed or color the transfer of students to or from a particular school so desegregated as a condition precedent to obtaining Federal funds otherwise available to any State, school district or school.

(b) 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. 303. 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. 304. No funds appropriated under this Act may be used to prevent the implementation of programs of voluntary prayer and meditation in the public schools.