

DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

Federal Funds

General and special funds

EDUCATION FOR THE DISADVANTAGED

For carrying out title I of the Elementary and Secondary Education Act of 1965 ("ESEA") and section 418A of the Higher Education Act of 1965, **[\$12,346,900,000]** *\$13,388,330,000*, of which **[\$4,777,199,000]** *\$5,830,129,000* shall become available on July 1, **[2002]** *2003*, and shall remain available through September 30, **[2003]** *2004*, and of which **\$7,383,301,000** shall become available on October 1, **[2002]** *2003*, and shall remain available through September 30, **[2003]** *2004*, for academic year **[2002–2003]** *2003–2004*: *Provided*, That **\$235,000,000** shall be available for comprehensive school reform grants under part F of the ESEA: *Provided further*, That **\$15,000,000** of the amount appropriated for title I, part B, subpart 1 shall become available October 1, **[2001]** *2002*, and shall remain available through September 30, **[2003]** *2004*, for evaluation and technical assistance: *Provided further*, That the funds provided for title I, part B, subpart 2 shall become available October 1, 2001, and shall remain available through September 30, 2003: *Provided further*, That **[\$7,172,971,000]** *\$7,175,901,000* shall be available for basic grants under section 1124: *Provided further*, That up to **\$3,500,000** of these funds shall be available to the Secretary of Education on October 1, **[2001]** *2002*, to obtain updated educational-agency-level census poverty data from the Bureau of the Census: *Provided further*, That **\$1,365,031,000** shall be available for concentration grants under section 1124A: *Provided further*, That **[\$1,018,499,000]** *\$2,018,499,000* shall be available for targeted grants under section 1125: *Provided further*, That **\$793,499,000** shall be available for education finance incentive grants under section 1125A. (*Department of Education Appropriations Act, 2002; additional authorizing language is required.*)

Program and Financing (in millions of dollars)

Identification code 91–0900–0–1–501	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
Direct program:			
Grants to local educational agencies:			
Local educational agency formulas:			
00.01	6,957	6,892	7,187
00.02	1,148	1,350	1,351
00.03	1,018	2,018	2,018
00.04	794	794	794
Reading first:			
00.05	705	1,000	1,000
00.06	75	75	75
00.07	234	271	200
00.08	12	12	12
00.09	425	450	444
00.10	209	237	235
00.11	9	9	9
00.12	2	2	2
00.13	22	22	22
00.14	10	10	10
00.15	7	7	7
00.16	30	38	38
10.00	9,022	11,888	13,388
Budgetary resources available for obligation:			
21.40	41	163	163
22.00	9,143	11,725	13,388
22.10	1	1	1
23.90	9,185	11,888	13,388
23.95	–9,022	–11,888	–13,388
24.40	163	163	163

New budget authority (gross), detail:

Discretionary:			
40.00	Appropriation	2,938	4,967
55.00	Advance appropriation	6,205	6,758
70.00	Total new budget authority (gross)	9,143	11,725

Change in obligated balances:

72.40	Obligated balance, start of year	3,616	3,972
73.10	Total new obligations	9,022	11,888
73.20	Total outlays (gross)	–8,650	–9,401
73.40	Adjustments in expired accounts (net)	–15	–15
73.45	Recoveries of prior year obligations	–1	–1
74.40	Obligated balance, end of year	3,972	6,459

Outlays (gross), detail:

86.90	Outlays from new discretionary authority	5,545	6,027
86.93	Outlays from discretionary balances	3,106	3,374
87.00	Total outlays (gross)	8,650	9,401

Net budget authority and outlays:

89.00	Budget authority	9,143	11,725
90.00	Outlays	8,650	9,401

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

	2001 actual	2002 est.	2003 est.
Net budget authority and outlays:			
89.00	Budget authority	9,140	11,722
90.00	Outlays	8,647	9,398

SUMMARY OF PROGRAM LEVEL

(in millions of dollars)

	2001–2002 academic year	2002–2003 academic year	2003–2004 academic year
New Budget Authority	2,938	4,967	6,005
Advance appropriation	6,758	7,383	7,383
Total program level	9,696	12,350	13,388
Change in advance appropriation from the previous year	+533	+625	0

Grants to local educational agencies.—Funds are allocated through four formulas—Basic Grants, Concentration Grants, Targeted Grants and Education Finance Incentive Grants—for local programs that provide extra academic support to help raise the achievement of eligible students, in high-poverty communities, or, in the case of schoolwide programs, help all students in high-poverty schools to meet challenging State academic standards. States must annually assess participating students in at least reading and mathematics, and school districts must identify for improvement, and provide assistance to, schools that for two consecutive years fail to make adequate yearly progress toward helping all groups of students reach the proficient level on the State assessments. Districts must provide students attending such schools the choice of attending another public school that is not identified for improvement. After three years of failure, students who remain in the school would be permitted to use Title I funds to obtain supplemental educational services from a public- or private-sector provider. Schools that continue to fail to meet State standards would be subject to progressively stonger corrective actions and, after six years of failure, reconstitution under a restructuring plan.

Reading first State grants.—Funds provide assistance to State and local educational agencies in establishing reading

General and special funds—Continued

EDUCATION FOR THE DISADVANTAGED—Continued

programs for students in grades K–3 that are grounded in scientifically based reading research, in order to ensure that every student can read at grade level or above by the end of third grade.

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

Even start.—Funds support formula grants to States, which award grants for local projects to partnerships of local educational agencies and other organizations to operate projects integrating early childhood education, adult literacy, parenting education, and interactive literacy activities between parents and their children into “family literacy” programs for low-income families with children under age seven.

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

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

State agency neglected and delinquent program.—Funds support formula grants to States for educational services to children and youth under age 21 in State neglected, delinquent, or adult correction facilities.

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

Evaluation.—Funds support national activities to evaluate Title I programs and a national assessment of the program’s effectiveness in helping States, school districts, and schools raise the overall achievement of disadvantaged students and narrow the achievement gap.

Advanced placement.—Funds support formula grants to States to pay test fees for low-income students if they are enrolled in an Advanced Placement course and competitive grants to State educational agencies, local educational agencies, or national nonprofit educational entities for activities, such as teacher training and pre-advanced placement course development, designed to expand access for low-income individuals to Advanced Placement classes.

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

Object Classification (in millions of dollars)

Identification code 91–0900–0–1–501	2001 actual	2002 est.	2003 est.
24.0 Printing and reproduction		1	2
25.1 Advisory and assistance services	11	26	30
25.2 Other services	8	16	18
25.3 Other purchases of goods and services from Government accounts	6	13	15
41.0 Grants, subsidies, and contributions	8,997	11,832	13,323
99.9 Total new obligations	9,022	11,888	13,388

IMPACT AID

For carrying out programs of financial assistance to federally affected schools authorized by title VIII of the Elementary and Secondary Education Act of 1965, **[\$1,143,500,000]** *\$1,140,500,000*, of which \$982,500,000 shall be for basic support payments under section 8003(b), \$50,000,000 shall be for payments for children with disabilities under section 8003(d), **[\$48,000,000]** *\$45,000,000* shall be for construction under section 8007 and shall remain available through September 30, **[2003]** *2004*, \$55,000,000 shall be for Federal property payments under section 8002, and \$8,000,000, to remain available until expended, shall be for facilities maintenance under section 8008: *Provided*, That \$3,000,000 of the funds for section 8007 shall be available for the local educational agencies and in the amounts specified in the statement of the managers on the conference report accompanying this Act. (*Department of Education Appropriations Act, 2002.*)

Program and Financing (in millions of dollars)

Identification code 91–0102–0–1–501	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
Payments for federally connected children:			
00.01 Basic support payments	882	983	983
00.02 Supplemental payments for children with disabilities	50	50	50
00.03 Payments for heavily impacted districts	1	5	
00.91 Subtotal, payments for federally connected children	933	1,038	1,033
01.01 Facilities maintenance	8	8	8
02.01 Construction	13	22	46
03.01 Payments for Federal property	41	55	55
10.00 Total new obligations (object class 41.0)	995	1,123	1,142
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	14	14	35
22.00 New budget authority (gross)	993	1,144	1,141
22.10 Resources available from recoveries of prior year obligations	2		
23.90 Total budgetary resources available for obligation	1,009	1,158	1,176
23.95 Total new obligations	–995	–1,123	–1,142
24.40 Unobligated balance carried forward, end of year	14	35	35
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	993	1,144	1,141
Change in obligated balances:			
72.40 Obligated balance, start of year	266	215	186
73.10 Total new obligations	995	1,123	1,142
73.20 Total outlays (gross)	–1,040	–1,152	–1,126
73.40 Adjustments in expired accounts (net)	–4		
73.45 Recoveries of prior year obligations	–2		
74.40 Obligated balance, end of year	215	186	202
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	918	999	999
86.93 Outlays from discretionary balances	122	153	127
87.00 Total outlays (gross)	1,040	1,152	1,126
Net budget authority and outlays:			
89.00 Budget authority	993	1,144	1,141
90.00 Outlays	1,040	1,152	1,126

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

Basic support payments.—Payments will be made on behalf of approximately 1.1 million federally connected students enrolled in about 1,330 local educational agencies to assist them

in meeting their operation and maintenance costs. Average per-student payments will be approximately \$870.

Payments for Children with Disabilities.—Payments in addition to those provided under the Individuals with Disabilities Education Act will be provided on behalf of approximately 54,000 federally connected students with disabilities in about 830 local educational agencies. Average per-student payments will be approximately \$920.

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

Construction.—Formula payments will be provided to approximately 170 local educational agencies with large proportions of federally connected students. Payments will be made on behalf of about 140,000 students who are military dependents or who reside on Indian lands. In addition, approximately 25 construction grants will be awarded competitively to local educational agencies.

Payments for Federal Property.—Payments are made to approximately 250 local educational agencies in which real property owned by the Federal Government represents 10 percent or more of the assessed value of real property in the local educational agency.

SCHOOL IMPROVEMENT PROGRAMS

For carrying out school improvement activities authorized by titles II, IV, V, *subpart 1 of part A of title VI*, and parts B and C of title VII of the Elementary and Secondary Education Act of 1965 (“ESEA”); [part B of title II of the Higher Education Act;] the McKinney-Vento Homeless Assistance Act; and the Civil Rights Act of 1964, [\$7,827,473,000] \$6,784,484,000, of which [\$1,717,609,000] \$500,000,000 shall become available October 1, [2001] 2002, and shall remain available through September 30, [2003] 2004, of which [\$2,801,597,000] \$3,579,517,000 shall become available on July 1, [2002] 2003, and remain available through September 30, [2003] 2004, and of which \$1,765,000,000 shall become available on October 1, [2002] 2003, and shall remain available through September 30, [2003] 2004, for academic year [2002–2003: *Provided*, That \$75,000,000 for continuing and new grants to demonstrate effective approaches to comprehensive school reform shall be allocated and expended in the same manner as the funds provided under the Fund for the Improvement of Education for this purpose were allocated and expended in fiscal year 2001: *Provided further*, That \$142,189,000 shall be available to support the activities authorized under subpart 4 of part D of title V of the ESEA, of which up to 5 percent shall become available on October 1, 2001, for evaluation, technical assistance, school networking, peer review of applications, and program outreach activities and of which not less than 95 percent shall become available on July 1, 2002, and remain available through September 30, 2003, for grants to local educational agencies: *Provided further*, That funds made available to local educational agencies under this subpart shall be used only for activities related to establishing smaller learning communities in high schools: *Provided further*, That of the amount made available for subpart 3, part C, of title II of the ESEA, \$2,000,000 shall be used by the Center for Civic Education to implement a comprehensive program to improve public knowledge, understanding, and support of the Congress and the state legislatures: *Provided further*, That \$269,906,000 of the funds for subpart 1, part D of title V of the ESEA shall be available for the projects and in the amounts specified in the statement of the managers on the conference report accompanying this Act] 2003–2004: *Provided*, That of the funds made available for subpart 2 of part A of title IV of the ESEA, \$10,000,000, to remain available until expended, shall be for the Project School Emergency Response to Violence program to provide education-related services to local educational agencies in which the learning environment has been disrupted due to a violent or traumatic crisis: *Provided further*, That \$387,000,000 shall be for subpart 1 of part A of title VI of the ESEA. (*Department of Education Appropriations Act, 2002.*)

[For emergency expenses to provide education-related services to local educational agencies in which the learning environment has been disrupted due to a violent or traumatic crisis, for the Project

School Emergency Response to Violence program, \$10,000,000, to remain available until expended, and to be obligated from amounts made available in Public Law 107–38.] (*Emergency Supplemental Act, 2002.*)

Program and Financing (in millions of dollars)

Identification code 91–1000–0–1–501	2001 actual	2002 est.	2003 est.
Direct program:			
Obligations by program activity:			
Improving teacher quality:			
00.01	Improving teacher quality State grants	1,700	2,850
00.02	National activities	10	35
00.03	Mathematics and science partnerships	13	13
00.04	Troops-to-teachers	18	20
00.05	Transition to teaching	31	35
00.06	National writing project	14	.....
00.07	Civic education	27	.....
00.08	Teaching of traditional American history	100	50
Educational technology:			
00.09	Educational technology State grants	700	700
00.10	Ready-to-learn television	22	22
00.11	Preparing tomorrow's teachers to use technology	62	.....
00.12	21st Century community learning centers	1,000	1,000
School choice and innovation:			
00.13	State grants for innovative programs	381	388
00.14	Charter schools grants	190	200
00.15	Credit enhancement for charter school facilities .....	.....	100
00.16	Voluntary public school choice	25	25
00.17	Magnet schools assistance	110	110
00.18	Choice demonstration fund .....	.....	50
00.19	Fund for the Improvement of Education	54	833
Safe and drug-free schools and communities:			
00.20	State grants	437	477
00.21	National programs	205	275
00.22	State assessments and enhanced assessment instruments .....	.....	387
00.23	Education for homeless children and youth	35	50
00.24	Education for Native Hawaiians	28	30
00.26	Alaska Native education equity	15	24
00.27	Training and advisory services	7	7
00.28	Rural education .....	.....	163
00.29	Class size reduction	1,369	1,154
00.30	School renovation grants	800	400
00.31	Eisenhower professional development State grants	439	2
00.32	Eisenhower professional development national activities	45	.....
00.33	Close up fellowships	2	.....
00.34	Comprehensive regional assistance centers	28	.....
00.35	Advanced placement	22	.....
01.00	Total direct program	4,208	8,251
09.01	Reimbursable program	60	.....
10.00	Total new obligations	4,268	8,251
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	6	414
22.00	New budget authority (gross)	4,679	7,837
22.10	Resources available from recoveries of prior year obligations	1	.....
23.90	Total budgetary resources available for obligation	4,686	8,251
23.95	Total new obligations	–4,268	–8,251
23.98	Unobligated balance expiring or withdrawn	–3	.....
24.40	Unobligated balance carried forward, end of year	414	.....
New budget authority (gross), detail:			
Discretionary:			
40.00	Appropriation	3,107	6,062
40.15	Appropriation (emergency) .....	.....	10
41.00	Transferred to other accounts	–3	.....
43.00	Appropriation (total discretionary)	3,104	6,072
55.00	Advance appropriation	1,515	1,765
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	60	.....
70.00	Total new budget authority (gross)	4,679	7,837
Change in obligated balances:			
72.40	Obligated balance, start of year	2,380	3,771
73.10	Total new obligations	4,268	8,251
73.20	Total outlays (gross)	–2,856	–4,449
73.40	Adjustments in expired accounts (net)	–20	.....
73.45	Recoveries of prior year obligations	–1	.....

General and special funds—Continued

SCHOOL IMPROVEMENT PROGRAMS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 91-1000-0-1-501	2001 actual	2002 est.	2003 est.
74.40 Obligated balance, end of year	3,771	7,574	7,644
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1,214	1,628	1,575
86.93 Outlays from discretionary balances	1,642	2,821	5,138
87.00 Total outlays (gross)	2,856	4,449	6,713
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	- 60		
Net budget authority and outlays:			
89.00 Budget authority	4,619	7,837	6,784
90.00 Outlays	2,796	4,449	6,713

SUMMARY OF PROGRAM LEVEL

(in millions of dollars)

	2001-2002 Academic Year	2002-2003 Academic Year	2003-2004 Academic Year
New Budget Authority	3,104	6,072	5,019
Advance Appropriation	1,765	1,765	1,765
Total program level	4,869	7,837	6,784
Change in advance appropriation over previous year	+250		

Improving teacher quality.—

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

National activities.—Funds support competitive grants to improve the knowledge and skills of early childhood educators who work in communities that have high concentrations of children living in poverty.

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

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

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

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

Educational technology.—

Educational technology State grants.—Funds support formula grants to States, which target funds to high-poverty school districts, to acquire computers, connections, software, and teacher training to enable schools to integrate technology effectively into curricula.

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

21st Century community learning centers.—

Funds support formula grants to States, which award subgrants to communities to provide academic enrichment opportunities and related services to students, primarily students who attend high-poverty schools, and their families during before-school, after-school, weekend, and summer hours.

School choice and innovation.—

State grants for innovative programs.—Funds support formula grants to States and local educational agencies to help implement innovative strategies for improving student achievement.

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

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

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

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

Choice demonstration fund.—Funds support grants to State educational agencies, local educational agencies, institutions of higher education, governmental agencies, or other public or private entities for research projects to measure the effects on student, school, and district achievement of providing parents—particularly low-income parents—with school choice options.

Fund for the Improvement of Education (FIE).—Funds support nationally significant projects to improve the quality of elementary and secondary education to help all children meet challenging State content and student achievement standards, including initiatives to improve teacher quality. In addition, funds support the distribution of books to promote childhood literacy and projects to design and implement character education programs.

Safe and drug-free schools and communities.—

State Grants.—Funds provide formula grants to States to support research-based drug and violence-prevention programs and to implement strategies to improve school safety.

National Programs.—Funds support national activities to prevent violence and the illegal use of drugs among, and to promote safety and discipline for, students.

State assessments and enhanced assessments instruments.—Funds support formula grants to States to develop and implement the new assessments, and related accountability efforts, that States would use to test all children annually in grades 3-8 in reading and mathematics.

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

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

Alaska Native education equity.—Funds provide supplemental education services to Alaska Natives in areas such

as educational planning, curriculum development, teacher training, teacher recruitment, student enrichment, and home-based instruction for pre-school children. Grants also go to organizations specified in the law.

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

Object Classification (in millions of dollars)			
Identification code 91-1000-0-1-501	2001 actual	2002 est.	2003 est.
Direct obligations:			
24.0 Printing and reproduction	1	1	2
25.1 Advisory and assistance services	1	13	16
25.2 Other services	37	56	50
25.3 Other purchases of goods and services from Government accounts	1	1	1
25.5 Research and development contracts	1	2	
41.0 Grants, subsidies, and contributions	4,167	8,178	6,714
99.0 Direct obligations	4,208	8,251	6,783
99.0 Reimbursable obligations	60		
99.9 Total new obligations	4,268	8,251	6,783

READING EXCELLENCE			
Program and Financing (in millions of dollars)			
Identification code 91-0011-0-1-501	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Reading Excellence	296	201	
10.00 Total new obligations	296	201	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	16	6	
22.00 New budget authority (gross)	286	195	
23.90 Total budgetary resources available for obligation	302	201	
23.95 Total new obligations	-296	-201	
24.40 Unobligated balance carried forward, end of year	6		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	91		
55.00 Advance appropriation	195	195	
70.00 Total new budget authority (gross)	286	195	
Change in obligated balances:			
72.40 Obligated balance, start of year	282	449	377
73.10 Total new obligations	296	201	
73.20 Total outlays (gross)	-128	-273	-266
73.40 Adjustments in expired accounts (net)	-1		
74.40 Obligated balance, end of year	449	377	111
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	9	21	
86.93 Outlays from discretionary balances	118	251	266
87.00 Total outlays (gross)	128	273	266
Net budget authority and outlays:			
89.00 Budget authority	286	195	
90.00 Outlays	128	273	266

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

Object Classification (in millions of dollars)			
Identification code 91-0011-0-1-501	2001 actual	2002 est.	2003 est.
24.0 Printing and reproduction	1		
25.1 Advisory and assistance services	2		
25.2 Other services	3		
25.3 Other purchases of goods and services from Government accounts	3		

41.0	Grants, subsidies, and contributions	287	201	
99.9	Total new obligations	296	201	

EDUCATION REFORM

Program and Financing (in millions of dollars)

Identification code 91-0500-0-1-501	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 21st Century community learning centers	846		
01.01 Small learning communities	22	103	
Educational technology:			
02.01 Technology literacy challenge fund	450		
02.02 Technology innovation challenge grants	136		
02.03 Regional technology in education consortia	10		
National activities:			
02.04 Teacher training in technology	125		
02.05 Community-based technology	65		
02.06 Technology leadership activities	2		
02.07 Star schools	59		
02.08 Ready to learn television	16		
02.09 Telecommunications demonstration project for mathematics	9		
02.91 Total, Education technology	872		
Goals 2000:			
03.01 State and local education systemic improvement	8		
03.02 Parental assistance	38		
03.91 Total, Goals 2000	46		
04.01 School-to-work opportunities	30		
10.00 Total new obligations	1,816	103	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	63	103	
22.00 New budget authority (gross)	1,881		
22.21 Unobligated balance transferred to other accounts	-26		
22.22 Unobligated balance transferred from other accounts	2		
23.90 Total budgetary resources available for obligation	1,920	103	
23.95 Total new obligations	-1,816	-103	
23.98 Unobligated balance expiring or withdrawn	-1		
24.40 Unobligated balance carried forward, end of year	103		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,881		
Change in obligated balances:			
72.40 Obligated balance, start of year	2,392	2,464	774
73.10 Total new obligations	1,816	103	
73.20 Total outlays (gross)	-1,738	-1,793	-651
73.40 Adjustments in expired accounts (net)	-6		
74.40 Obligated balance, end of year	2,464	774	123
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1,577		
86.93 Outlays from discretionary balances	161	1,793	651
87.00 Total outlays (gross)	1,738	1,793	651
Net budget authority and outlays:			
89.00 Budget authority	1,881		
90.00 Outlays	1,738	1,793	651

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

Object Classification (in millions of dollars)			
Identification code 91-0500-0-1-501	2001 actual	2002 est.	2003 est.
25.1 Advisory and assistance services	7		
25.2 Other services	8		
25.3 Other purchases of goods and services from Government accounts	1		
25.5 Research and development contracts	8		
41.0 Grants, subsidies, and contributions	1,792	103	

General and special funds—Continued

EDUCATION REFORM—Continued

Object Classification (in millions of dollars)—Continued

Identification code 91-0500-0-1-501	2001 actual	2002 est.	2003 est.
99.9 Total new obligations	1,816	103	

CHICAGO LITIGATION SETTLEMENT

Program and Financing (in millions of dollars)

Identification code 91-0220-0-1-501	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
10.00 Total new obligations (object class 41.0)	1	1	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	
23.95 Total new obligations	-1	-1	
24.40 Unobligated balance carried forward, end of year	1		
Change in obligated balances:			
72.40 Obligated balance, start of year	2	2	1
73.10 Total new obligations	1	1	
73.20 Total outlays (gross)	-1	-2	-1
74.40 Obligated balance, end of year	2	1	
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	1	2	1
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	1	2	1

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.

INDIAN EDUCATION

For expenses necessary to carry out, to the extent not otherwise provided, title VII, part A of the Elementary and Secondary Education Act of 1965, **[\$120,368,000]** \$122,368,000. (*Department of Education Appropriations Act, 2002.*)

Program and Financing (in millions of dollars)

Identification code 91-0101-0-1-501	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Grants to local educational agencies	93	97	97
00.02 Special programs for Indian children	20	20	20
00.03 National activities	3	3	5
10.00 Total new obligations	116	120	122
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	116	120	122
23.95 Total new obligations	-116	-120	-122
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	116	120	122
Change in obligated balances:			
72.40 Obligated balance, start of year	95	132	139
73.10 Total new obligations	116	120	122
73.20 Total outlays (gross)	-78	-113	-119
73.40 Adjustments in expired accounts (net)	-2		

74.40 Obligated balance, end of year	132	139	143
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	2	6	6
86.93 Outlays from discretionary balances	76	107	112
87.00 Total outlays (gross)	78	113	119
Net budget authority and outlays:			
89.00 Budget authority	116	120	122
90.00 Outlays	78	113	119

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

Grants to local educational agencies.—Formula grants support local educational agencies in their efforts to reform elementary and secondary school programs that serve Indian students, with the goal of ensuring that such programs assist participating students in meeting the same academic standards as all other students. In 2001, the Department made 1,212 formula grants to local educational agencies and tribal schools serving more than 462,000 students.

Special programs for Indian Children.—The Department makes competitive awards for demonstration projects in early childhood education, professional development grants, American Indian Teacher Corps grants, and grants for the American Indian Administrator Corps. The professional development awards in this activity are designed to improve the quality of teachers and administrators in school districts with concentrations of Indian students.

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

Object Classification (in millions of dollars)

Identification code 91-0101-0-1-501	2001 actual	2002 est.	2003 est.
25.2 Other services	2	3	5
41.0 Grants, subsidies, and contributions	114	117	117
99.9 Total new obligations	116	120	122

OFFICE OF ENGLISH LANGUAGE ACQUISITION

Federal Funds

General and special funds:

[BILINGUAL AND IMMIGRANT EDUCATION]

ENGLISH LANGUAGE ACQUISITION

For carrying out title III, part A of the ESEA, \$665,000,000, of which **[\$415,000,000]** \$469,000,000 shall become available on July 1, **[2002]** 2003, and shall remain available through September 30, **[2003]** 2004. (*Department of Education Appropriations Act, 2002.*)

Program and Financing (in millions of dollars)

Identification code 91-1300-0-1-501	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Language acquisition State grants		456	510
00.02 Bilingual education instructional services	179	121	91
00.03 Bilingual education support services	16		
00.04 Bilingual education professional development	99	88	64
00.05 Immigrant education	150		
00.06 Foreign language assistance	14		
10.00 Total new obligations	458	665	665
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	460	665	665
23.95 Total new obligations	-458	-665	-665
23.98 Unobligated balance expiring or withdrawn	-2		

New budget authority (gross), detail:			
Discretionary:			
40.00	Appropriation	460	665 665
Change in obligated balances:			
72.40	Obligated balance, start of year	566	603 789
73.10	Total new obligations	458	665 665
73.20	Total outlays (gross)	-410	-479 -600
73.40	Adjustments in expired accounts (net)	-11	
74.40	Obligated balance, end of year	603	789 854
Outlays (gross), detail:			
86.90	Outlays from new discretionary authority	17	33 33
86.93	Outlays from discretionary balances	393	446 567
87.00	Total outlays (gross)	410	479 600
Net budget authority and outlays:			
89.00	Budget authority	460	665 665
90.00	Outlays	410	479 600

Language acquisition State grants.—Funds provide formula grants to States and discretionary National Activities grants to improve services for limited English proficient and immigrant students. States are accountable for demonstrating that limited English proficient students are learning English and meeting the same high State standards as all other students. Under National Activities, the statute authorizes competitive professional development grants and a clearinghouse.

Object Classification (in millions of dollars)

Identification code 91-1300-0-1-501	2001 actual	2002 est.	2003 est.
25.2 Other services	3	3	3
25.5 Research and development contracts	4		
41.0 Grants, subsidies, and contributions	451	662	662
99.9 Total new obligations	458	665	665

OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

Federal Funds

General and special funds:

SPECIAL EDUCATION

For carrying out the Individuals with Disabilities Education Act, **[\$8,672,804,000]** *\$9,687,804,000*, of which **[\$3,315,233,000]** *\$4,335,233,000* shall become available for obligation on July 1, **[2002]** *2003*, and shall remain available through September 30, **[2003]** *2004*, and of which \$5,072,000,000 shall become available on October 1, **[2002]** *2003*, and shall remain available through September 30, **[2003]** *2004*, for academic year **[2002-2003]** *2003-2004*: *Provided*, That **[\$9,500,000]** shall be for Recording for the Blind and Dyslexic to support the development, production, and circulation of recorded educational materials: *Provided further*, That \$1,500,000 shall be for the recipient of funds provided by Public Law 105-78 under section 687(b)(2)(G) of the Act to provide information on diagnosis, intervention, and teaching strategies for children with disabilities: *Provided further*, That the amount for section 611(c) of the Act shall be equal to the amount available for that section [under Public Law 106-554] in the *Department of Education Appropriations Act, 2002*, increased by the amount of inflation as specified in section 611(f)(1)(B)(ii) of the Act: *Provided further*, That \$8,380,000 of the funds for section 672 of the Act shall be available for the projects and in the amounts specified in the statement of the managers on the conference report accompanying this Act. (*Department of Education Appropriations Act, 2002.*)

Program and Financing (in millions of dollars)

Identification code 91-0300-0-1-501	2001 actual	2002 est.	2003 est.
Direct program:			
Obligations by program activity:			
State grants:			
00.01	Grants to States	5,101	7,547 8,529

00.02	Preschool grants	414	390 390
00.03	Grants for infants and families	425	472 437
00.91	Subtotal, State grants	5,940	8,409 9,356
National activities:			
01.01	State improvement	35	95 52
01.02	Research and innovation	78	78 78
01.03	Technical assistance and dissemination	53	53 53
01.04	Personnel preparation	82	90 90
01.05	Parent information centers	26	26 26
01.06	Technology and media services	39	38 33
01.91	Subtotal, National activities	313	380 332
02.00	Total Direct Program	6,253	8,789 9,688
10.00	Total new obligations	6,253	8,789 9,688
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	259	116
22.00	New budget authority (gross)	6,110	8,673 9,688
23.90	Total budgetary resources available for obligation	6,369	8,789 9,688
23.95	Total new obligations	-6,253	-8,789 -9,688
24.40	Unobligated balance carried forward, end of year	116	

New budget authority (gross), detail:			
Discretionary:			
40.00	Appropriation	2,368	3,601 4,616
55.00	Advance appropriation	3,742	5,072 5,072
70.00	Total new budget authority (gross)	6,110	8,673 9,688

Change in obligated balances:			
72.40	Obligated balance, start of year	4,044	4,469 6,334
73.10	Total new obligations	6,253	8,789 9,688
73.20	Total outlays (gross)	-5,809	-6,924 -8,192
73.40	Adjustments in expired accounts (net)	-20	
74.40	Obligated balance, end of year	4,469	6,334 7,830

Outlays (gross), detail:			
86.90	Outlays from new discretionary authority	2,314	3,470 3,491
86.93	Outlays from discretionary balances	3,495	3,454 4,701
87.00	Total outlays (gross)	5,809	6,924 8,192

Net budget authority and outlays:			
89.00	Budget authority	6,110	8,673 9,688
90.00	Outlays	5,809	6,924 8,192

SUMMARY OF PROGRAM LEVEL

(In millions of dollars)

	2001-2002 academic year	2002-2003 academic year	2003-2004 academic year
Current Budget Authority	2,368	3,601	4,616
Advance appropriation	5,072	5,072	5,072
Total program level	7,440	8,673	9,688
Change in advance appropriation from the previous year	+1,330	0	0

State Grants:

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

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

The goal of both of these programs is to improve results for children with disabilities by assisting State and local educational agencies to provide children with disabilities with access to high quality education that will help them meet challenging standards and prepare them for employment and independent living.

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

General and special funds—Continued

SPECIAL EDUCATION—Continued

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

National activities.—These activities include research, demonstration, personnel preparation, technical assistance, grants to States to promote systems change, and other activities to support State efforts to improve results for children with disabilities under the State grants programs.

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

Performance data related to these goals include:

Number of children served in first quarter of fiscal year:	2001 actual	2002 est.	2003 est.
Ages 3 through 21	6,381	6,470	6,548
Ages 3 through 5	599	611	623
Birth through 2	231	242	255

Educational Environment

Percent of children ages 6 through 21 provided special education in:	1997–1998 actual	1998–1999 actual	1999–2000 actual
Regular classrooms	46.5	47.4	47.3
Resource rooms	29.1	28.4	28.3
Separate classes	20.4	20.1	20.3
Separate schools	2.8	2.9	2.9
Residential facilities .....	.7	.7	.7
Home or hospital .....	.5	.5	.5

Status of Exiting Students

Percent of students with disabilities aged 14–21 leaving school:	2001 actual	2002 est.	2003 est.
Graduated with a diploma	55.4	57.4	56.2
Graduated through certification	11.2	11.2	11.4
Dropped out of school	31.0	28.9	29.4
Reached maximum age and other	2.4	2.5	3.0

Object Classification (in millions of dollars)

Identification code 91–0300–0–1–501	2001 actual	2002 est.	2003 est.
25.2 Other services	21	21	21
41.0 Grants, subsidies, and contributions	6,232	8,768	9,667
99.9 Total new obligations	6,253	8,789	9,688

REHABILITATION SERVICES AND DISABILITY RESEARCH

For carrying out, to the extent not otherwise provided, the Rehabilitation Act of 1973, the Assistive Technology Act of 1998, and the Helen Keller National Center Act, **[\$2,945,813,000] \$3,001,840,000**, of which **[\$56,552,000] \$45,218,000** shall remain available through September 30, **[2003: Provided] 2004**, of which **\$30,000,000** shall be used to make awards to State Vocational Rehabilitation agencies based on their performance under the Vocational Rehabilitation State Grants program as determined by the Secretary: *Provided*, That funds available under the Vocational Rehabilitation State Grants program may be used by State Vocational Rehabilitation agencies to pay for the fiscal year 2003 continuation costs of projects funded in fiscal year 2002 under title VI, Part A of the Rehabilitation Act: *Provided further*, That the funds provided for title I of the Assistive Technology Act of 1998 (“the AT Act”) shall be allocated notwithstanding section 105(b)(1) of the AT Act: *Provided further*, That in the case of a State that was in the third year of a 3-year extension grant made pursuant to section 101(f) of the Assistive Technology Act of 1998 for fiscal year 2001, the Secretary of Education shall award under such section an additional 1-year extension of the grant to such State for fiscal year 2002 in an amount equal to the amount the State received under such section for fiscal year 2001: *Provided further*, That each State shall be provided \$50,000 for activities under section 102 of the AT Act: *Provided further*, That **[\$36,552,000] \$15,218,000** shall be used to support grants for up to 3 years to States under title III of the AT Act, of which the Federal share shall not exceed 75 percent in the first year, 50 percent in the second year, and 25 percent in the third year, and that the requirements in section 301(c)(2) and section 302 of that Act shall not apply to such grants: *Provided further*, That **\$3,746,000** of the funds for sec-

tion 303 of the Rehabilitation Act of 1973 shall be available for the projects and in the amounts specified in the statement of the managers on the conference report accompanying this Act]. (*Department of Education Appropriations Act, 2002.*)

Program and Financing (in millions of dollars)

Identification code 91–0301–0–1–506	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
Direct program:			
00.01 Vocational rehabilitation State grants	2,400	2,481	2,616
00.02 Vocational rehabilitation incentive grants			30
00.03 Client assistance State grants	12	12	12
00.04 Training	40	40	43
00.05 Demonstration and training programs	21	21	17
00.06 Migrant and seasonal farmworkers	2	2	
00.07 Recreational programs	2	3	
00.08 Protection and advocacy of individual rights	14	15	15
00.09 Projects with industry	22	22	
00.10 Supported employment State grants	38	38	
00.11 Independent living	100	110	117
00.12 Program improvement	2	1	1
00.13 Evaluation	2	1	1
00.14 Helen Keller National Center	9	9	9
00.15 National Institute on Disability and Rehabilitation Research	100	110	110
00.16 Assistive technology	40	61	31
00.17 Access to Telework Fund		10	10
01.00 Total direct program	2,804	2,936	3,012
09.01 Reimbursable program	7	7	7
10.00 Total new obligations	2,811	2,943	3,019
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year			10
22.00 New budget authority (gross)	2,812	2,953	3,009
23.90 Total budgetary resources available for obligation	2,812	2,953	3,019
23.95 Total new obligations	–2,811	–2,943	–3,019
23.98 Unobligated balance expiring or withdrawn	–2		
24.40 Unobligated balance carried forward, end of year		10	
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	405	464	469
Mandatory:			
60.00 Appropriation	2,400	2,482	2,533
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	7	7	7
70.00 Total new budget authority (gross)	2,812	2,953	3,009
Change in obligated balances:			
72.40 Obligated balance, start of year	977	1,043	951
73.10 Total new obligations	2,811	2,943	3,019
73.20 Total outlays (gross)	–2,736	–3,035	–2,989
73.40 Adjustments in expired accounts (net)	–9		
74.40 Obligated balance, end of year	1,043	951	981
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	70	330	333
86.93 Outlays from discretionary balances	277	447	140
86.97 Outlays from new mandatory authority	1,892	1,737	1,773
86.98 Outlays from mandatory balances	497	521	742
87.00 Total outlays (gross)	2,736	3,035	2,989
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	–3	–3	–3
88.40 Non-Federal sources	–4	–4	–4
88.90 Total, offsetting collections (cash)	–7	–7	–7
Net budget authority and outlays:			
89.00 Budget authority	2,805	2,946	3,002
90.00 Outlays	2,730	3,028	2,982

Vocational rehabilitation State grants.—The basic State grants program provides Federal matching funds to State vocational rehabilitation (VR) agencies to assist individuals with

physical or mental impairments to become gainfully employed. Services are tailored to the specific needs of the individual. Priority is given to serving those with the most significant disabilities. Current law requires that between 1.0 percent and 1.5 percent of the funds appropriated for the VR State grants program be set aside for Grants for Indians in 2003.

The table below presents national data on selected performance measures for the VR State grants program. The data are based on the number of individuals whose service records were closed in fiscal years 1999 (370,742) and 2000 (376,510).

CONSUMER OUTCOMES (CASES CLOSED)

	1999 actual	2000 actual
Individuals achieving employment outcomes	231,714	236,210
Percent with significant disabilities	84.9%	87.1%
Employment outcomes as a percent all of individuals receiving services	62.5%	62.7%

The 2003 budget request reflects a multi-year Administration effort to reform job training programs, target resources to programs with documented effectiveness, and eliminate funding for duplicative and overlapping programs. Consistent with this crosscutting reform, the budget consolidates funding for three programs in this account (Supported Employment State Grants, Projects with Industry, and the Migrant and Seasonal Farmworkers program) within the Vocational Rehabilitation State Grants program.

Vocational rehabilitation incentive grants.—Under this new program, incentive grants would be used to encourage State VR agencies to improve their performance in helping individuals with disabilities obtain competitive employment. Grants would be awarded to State VR agencies based on program performance.

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

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

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

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

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

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

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

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

to professional and allied personnel at its national headquarters center and through its regional representatives and affiliate agencies.

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

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

Access to telework fund.—Federal matching funds are awarded to States to provide loans for individuals with disabilities to purchase computers and other equipment so that they can telework from home.

Object Classification (in millions of dollars)

Identification code 91-0301-0-1-506	2001 actual	2002 est.	2003 est.
Direct obligations:			
25.1 Advisory and assistance services	5	5	5
25.2 Other services	2	2	2
25.5 Research and development contracts	2	5	5
41.0 Grants, subsidies, and contributions	2,795	2,924	3,000
99.0 Direct obligations	2,804	2,936	3,012
99.0 Reimbursable obligations	7	7	7
99.9 Total new obligations	2,811	2,943	3,019

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.), \$14,000,000. (*Department of Education Appropriations Act, 2002.*)

Program and Financing (in millions of dollars)

Identification code 91-0600-0-1-501	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
10.00 Total new obligations (object class 41.0)	12	14	14
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	12	14	14
23.95 Total new obligations	-12	-14	-14
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	12	14	14
Change in obligated balances:			
72.40 Obligated balance, start of year	4	5	1
73.10 Total new obligations	12	14	14
73.20 Total outlays (gross)	-11	-19	-14
74.40 Obligated balance, end of year	5	1	1
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	7	13	13
86.93 Outlays from discretionary balances	3	5	1
87.00 Total outlays (gross)	11	19	14
Net budget authority and outlays:			
89.00 Budget authority	12	14	14
90.00 Outlays	11	19	14

General and special funds—Continued

SPECIAL INSTITUTIONS FOR PERSONS WITH DISABILITIES—Continued
AMERICAN PRINTING HOUSE FOR THE BLIND—Continued

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 2001, the portion of the Federal appropriation allocated to educational materials represented approximately 50.6 percent of the Printing House's total sales. The full appropriation represented approximately 43.2 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.), **[\$55,376,000] \$52,014,000**, of which **[\$5,376,000] \$1,600,000** shall be for construction and shall remain available until expended: *Provided*, That from the total amount available, the Institute may at its discretion use funds, and of which not less than \$1,000,000 shall be used for the endowment program as authorized under section 207: *Provided*, That such \$1,000,000 is available until expended. (Department of Education Appropriations Act, 2002.)

Program and Financing (in millions of dollars)

Identification code 91-0601-0-1-502	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Operations	48	50	49
00.02 Construction	5	5	2
00.03 Endowment			1
10.00 Total new obligations (object class 41.0)	53	55	52
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	53	55	52
23.95 Total new obligations	-53	-55	-52
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	53	55	52
Change in obligated balances:			
72.40 Obligated balance, start of year	5		8
73.10 Total new obligations	53	55	52
73.20 Total outlays (gross)	-58	-48	-51
74.40 Obligated balance, end of year		8	9
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	53	48	46
86.93 Outlays from discretionary balances	5		4
87.00 Total outlays (gross)	58	48	51
Net budget authority and outlays:			
89.00 Budget authority	53	55	52
90.00 Outlays	58	48	51

This residential program provides postsecondary technical and professional education for people who are deaf to prepare them for employment, provides training, and conducts applied research into employment related aspects of deafness. In 2001, Federal appropriations represented 81 percent of the Institute's operating budget. The request includes funds for the Endowment Grant program. The request also includes funds for a construction project to improve roadways, walkways, and parking lots associated with NTID buildings.

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.), **[\$96,938,000: Provided**, That from the total amount available, the University may at its discretion use funds] **\$94,446,000**, of which not less than \$1,000,000 shall be used for the endowment program as authorized under section 207: *Provided*, That such \$1,000,000 is available until expended. (Department of Education Appropriations Act, 2002.)

Program and Financing (in millions of dollars)

Identification code 91-0602-0-1-502	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Operations	89	97	93
00.02 Endowment			1
10.00 Total new obligations (object class 41.0)	89	97	94
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	89	97	94
23.95 Total new obligations	-89	-97	-94
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	89	97	94
Change in obligated balances:			
72.40 Obligated balance, start of year	8		6
73.10 Total new obligations	89	97	94
73.20 Total outlays (gross)	-97	-91	-95
74.40 Obligated balance, end of year		6	6
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	89	91	88
86.93 Outlays from discretionary balances	8		6
87.00 Total outlays (gross)	97	91	95
Net budget authority and outlays:			
89.00 Budget authority	89	97	94
90.00 Outlays	97	91	95

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

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

In 2001, the Federal appropriation represented 62.4 percent of the University's total operating budget, which also includes Federal financial aid, vocational rehabilitation, Endowment Grant income, and competitive grants and contracts, and 98.1 percent of the operating budgets of the related elementary and secondary schools. The request also includes funds for the Endowment Grant program.

OFFICE OF VOCATIONAL AND ADULT EDUCATION

Federal Funds

General and special funds:

VOCATIONAL AND ADULT EDUCATION

For carrying out, to the extent not otherwise provided, the Carl D. Perkins Vocational and Applied Technology Education Act, and the Adult Education and Family Literacy Act, [and title VIII-D of the Higher Education Act of 1965, as amended, and Public Law 102-73, \$1,934,060,000,] **\$1,897,617,000** of which **[\$1,136,560,000]**

\$1,100,117,000 shall become available on July 1, [2002] 2003 and shall remain available through September 30, [2003] 2004 and of which \$791,000,000 shall become available on October 1, [2002] 2003 and shall remain available through September 30, [2003] 2004: *Provided*, [That of the amounts made available for the Carl D. Perkins Vocational and Applied Technology Education Act, \$6,500,000 shall be for tribally controlled postsecondary vocational and technical institutions under section 117: *Provided further*, That notwithstanding any other provision of law or any regulation, the Secretary of Education shall not require the use of a restricted indirect cost rate for grants issued pursuant to section 117 of the Carl D. Perkins Vocational and Applied Technology Education Act: *Provided further*, That \$9,500,000 shall be for carrying out section 118 of such Act: *Provided further*, That of the amounts made available for the Carl D. Perkins Vocational and Applied Technology Education Act, \$5,000,000 shall be for demonstration activities authorized by section 207: *Provided further*,] That of the amount provided for Adult Education State Grants, \$70,000,000 shall be made available for integrated English literacy and civics education services to immigrants and other limited English proficient populations: *Provided further*, That of the amount reserved for integrated English literacy and civics education, notwithstanding section 211 of the Adult Education and Family Literacy Act, 65 percent shall be allocated to States based on a State's absolute need as determined by calculating each State's share of a 10-year average of the Immigration and Naturalization Service data for immigrants admitted for legal permanent residence for the 10 most recent years, and 35 percent allocated to States that experienced growth as measured by the average of the 3 most recent years for which Immigration and Naturalization Service data for immigrants admitted for legal permanent residence are available, except that no State shall be allocated an amount less than \$60,000: *Provided further*, That of the amounts made available for the Adult Education and Family Literacy Act, \$9,500,000 shall be for national leadership activities under section 243 and [\$6,560,000] \$6,617,000 shall be for the National Institute for Literacy under section 242: *Provided further*, That [\$22,000,000 shall be for Youth Offender Grants, of which \$5,000,000 shall be used in accordance with section 601 of Public Law 102-73 as that section was in effect prior to the enactment of Public Law 105-220] of the amounts made available for title I of the Perkins Act, the Secretary may reserve up to 0.54 percent for incentive grants under section 503 of the Workforce Investment Act, without regard to section 111(a)(1)(C) of the Perkins Act: *Provided further*, That of the amounts made available for the Adult Education and Family Literacy Act, the Secretary may reserve up to 1.72 percent for incentive grants under section 503 of the Workforce Investment Act, without regard to section 211(a)(3) of the Adult Education and Family Literacy Act. (Department of Education Appropriations Act, 2002; additional authorizing language required.)

Program and Financing (in millions of dollars)

Identification code	91-0400-0-1-501	2001 actual	2002 est.	2003 est.
Obligations by program activity:				
Vocational education:				
Annual appropriations:				
Vocational education:				
00.01	State grants	1,128	1,178	1,180
00.02	National programs	15	19	12
00.03	Occupational and employment information	9	2	9
00.04	Tribally controlled postsecondary vocational institutions	6	7	7
00.05	Tech-prep education	110	108	108
00.06	Tech-prep demonstration		5	
00.91	Total, Vocational education	1,268	1,319	1,316
Adult education:				
01.01	State grants	538	573	575
01.02	National Institute for Literacy	7	7	7
01.03	National leadership activities	14	14	10
01.91	Total, adult education	559	594	592
02.01	State grants for incarcerated youth offenders	14	17	3
03.01	Literacy programs for prisoners	5	5	5
10.00	Total new obligations	1,846	1,935	1,915
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	86	65	64
22.00	New budget authority (gross)	1,826	1,934	1,898
23.90	Total budgetary resources available for obligation	1,912	1,999	1,962

23.95	Total new obligations	-1,846	-1,935	-1,915
23.98	Unobligated balance expiring or withdrawn	-2		
24.40	Unobligated balance carried forward, end of year	65	64	47
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	1,035	1,143	1,107
55.00	Advance appropriation	791	791	791
70.00	Total new budget authority (gross)	1,826	1,934	1,898
Change in obligated balances:				
72.40	Obligated balance, start of year	1,334	1,496	1,604
73.10	Total new obligations	1,846	1,935	1,915
73.20	Total outlays (gross)	-1,679	-1,827	-1,883
73.40	Adjustments in expired accounts (net)	-6		
74.40	Obligated balance, end of year	1,496	1,604	1,635
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	622	651	649
86.93	Outlays from discretionary balances	1,057	1,175	1,234
87.00	Total outlays (gross)	1,679	1,827	1,883
Net budget authority and outlays:				
89.00	Budget authority	1,826	1,934	1,898
90.00	Outlays	1,679	1,827	1,883

Program levels for activities in this account are as follows:

	(in millions of dollars)		
	2001-2002 academic year	2002-2003 academic year	2003-2004 academic year
1. Vocational education:			
a. Basic grants:			
Annual appropriation	309	389	389
Advance appropriation	791	791	791
Subtotal, basic grants	1,100	1,180	1,180
b. National programs	18	12	12
c. Occupational & employment information	9	10	0
d. Tribally controlled postsecondary vocational institutions	6	6	6
e. Tech-prep education	106	108	108
f. Tech-prep demonstration	5	5	0
Total, vocational education	1,243	1,321	1,306
2. Adult education:			
a. State grants	540	575	575
b. National Institute for Literacy	6	7	7
c. National leadership activities	14	10	10
Total, adult education	560	591	591
3. State grants for incarcerated youth offenders	17	17	0
4. Literacy programs for prisoners	5	5	0
Total	1,826	1,934	1,898

SUMMARY OF PROGRAM LEVEL

	(in millions of dollars)		
	2001-2002 academic year	2002-2003 academic year	2003-2004 academic year
New Budget Authority	1,035	1,143	1,107
Advance appropriation	791	791	791
Total program level			
Change in advance appropriation from the previous year	+791		

Vocational education.—

Basic grants.—Formula grants provide funds to States and localities to expand and improve their programs of vocational education and promote equal opportunity in vocational education programs for historically underserved populations.

National programs.—Funds support discretionary activities that contribute to knowledge of how to improve vocational education nationally. Activities include two national centers for research and dissemination in vocational education and a program of discretionary research and development projects.

Tribally controlled postsecondary vocational and technical institutions.—Grants support the operation and improve-

General and special funds—Continued

VOCATIONAL AND ADULT EDUCATION—Continued

ment of tribally controlled postsecondary vocational institutions, to ensure continued and expanded educational opportunities for Indian students.

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

Adult education.—

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

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

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

part 1 of title VII of said Act, under the terms and conditions of part A, subpart 1: *Provided further*, That \$1,000,000 is for data collection and evaluation activities for programs under the [Higher Education Act of 1965] *HEA*, including such activities needed to comply with the Government Performance and Results Act of 1993: *Provided further*, That \$17,500,000 shall be available for tribally controlled colleges and universities under section 316 of the Higher Education Act of 1965: *Provided further*, That notwithstanding any other provision of law, funds made available in this Act to carry out title VI of the [Higher Education Act of 1965, as amended,] *HEA* and section 102(b)(6) of the Mutual Educational and Cultural Exchange Act of 1961 may be used to support visits and study in foreign countries by individuals who are participating in advanced foreign language training and international studies in areas that are vital to United States national security and who plan to apply their language skills and knowledge of these countries in the fields of government, the professions, or international development: *Provided further*, That up to one percent of the funds referred to in the preceding proviso may be used for program evaluation, national outreach, and information dissemination activities: *Provided further*, That \$149,722,000 of the funds for part B of title VII of the Higher Education Act of 1965 shall be available for the projects and in the amounts specified in the statement of the managers on the conference report accompanying this Act] *Provided further*, That the funds provided for title II of the *HEA* shall be allocated notwithstanding section 210 of said Act: *Provided further*, That the funds provided for part B of title VII of the *HEA* may be used, at the discretion of the Secretary of Education, to fund continuation awards under title VII, part D of said Act. (Department of Education Appropriations Act, 2002.)

Object Classification (in millions of dollars)				
Identification code 91-0400-0-1-501	2001 actual	2002 est.	2003 est.	
Direct obligations:				
Personnel compensation:				
11.1 Full-time permanent		1		
11.3 Other than full-time permanent	1	1	1	
11.9 Total personnel compensation	1	2	1	
25.1 Advisory and assistance services	3	3	3	
25.2 Other services	2	2	2	
25.3 Other purchases of goods and services from Government accounts	10	9	9	
25.5 Research and development contracts	16	16	16	
41.0 Grants, subsidies, and contributions	1,812	1,902	1,881	
99.0 Direct obligations	1,844	1,934	1,912	
99.5 Below reporting threshold	2	1	3	
99.9 Total new obligations	1,846	1,935	1,915	

Personnel Summary				
Identification code 91-0400-0-1-501	2001 actual	2002 est.	2003 est.	
1001 Total compensable workyears: Full-time equivalent employment	18	19	16	

OFFICE OF POSTSECONDARY EDUCATION

Federal Funds

General and special funds:

HIGHER EDUCATION

For carrying out, to the extent not otherwise provided, section 121 and titles II, III, IV, V, VI, and VII of the Higher Education Act of 1965, as amended[, section 1543 of the Higher Education Amendments of 1992, title VIII of the Higher Education Amendments of 1998] ("*HEA*"), and the Mutual Educational and Cultural Exchange Act of 1961, [\$2,031,048,000] \$1,883,053,000, of which [\$5,000,000] \$3,000,000 for interest subsidies authorized by section 121 of the [Higher Education Act of 1965] *HEA*, shall remain available until expended: *Provided*, That \$10,000,000, to remain available through September 30, [2003] 2004, shall be available to fund fellowships for academic year [2003-2004] 2004-2005 under part A, sub-

Program and Financing (in millions of dollars)				
Identification code 91-0201-0-1-502	2001 actual	2002 est.	2003 est.	
Obligations by program activity:				
Aid for institutional development:				
00.01 Strengthening institutions	73	74	76	
00.02 Strengthening tribally controlled colleges and universities	15	18	18	
00.03 Strengthening Alaska Native and Native Hawaiian-serving institutions	6	6	7	
00.04 Strengthening historically black colleges and universities	185	206	213	
00.05 Strengthening historically black graduate institutions	45	49	51	
00.06 Minority science and engineering improvement	9	8	8	
00.91 Subtotal, aid for institutional development	333	361	373	
Other aid for institutions:				
01.01 Developing Hispanic-serving institutions	69	86	89	
01.02 International education and foreign language studies	78	98	103	
01.03 Fund for the Improvement of Postsecondary Education	151	181	39	
01.04 Demonstration projects to ensure quality higher education for students with disabilities	6	7		
01.05 Interest subsidy grants	13	9	3	
01.91 Subtotal, other aid for institutions	317	381	234	
Assistance for students:				
02.01 Federal TRIO programs	730	803	803	
02.02 Gaining early awareness and readiness for undergraduate programs (GEAR UP)	295	285	285	
02.03 Byrd honors scholarships	41	41	41	
02.04 Javits fellowships	10	10	10	
02.05 Graduate assistance in areas of national need	31	31	31	
02.06 Thurgood Marshall legal educational opportunity program	4	4		
02.07 B. J. Stupak Olympic scholarships	1	1		
02.08 Child care access means parents in school	16	25	15	
02.09 Learning anytime anywhere partnerships	30			
02.91 Subtotal, assistance for students	1,158	1,200	1,185	
Other Aid:				
03.01 Teacher quality enhancement	98	90	90	
03.02 GPRA data/HEA program evaluation	3	1	1	
03.03 Underground railroad program	2	2		
03.91 Subtotal, Other Aid	103	93	91	
10.00 Total new obligations	1,911	2,035	1,883	
Budgetary resources available for obligation:				
21.40 Unobligated balance carried forward, start of year	22	14	10	

22.00	New budget authority (gross)	1,912	2,031	1,883
23.90	Total budgetary resources available for obligation	1,934	2,045	1,893
23.95	Total new obligations	-1,911	-2,035	-1,883
23.98	Unobligated balance expiring or withdrawn	-9		
24.40	Unobligated balance carried forward, end of year	14	10	10
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	1,912	2,031	1,883
Change in obligated balances:				
72.40	Obligated balance, start of year	1,963	2,396	2,565
73.10	Total new obligations	1,911	2,035	1,883
73.20	Total outlays (gross)	-1,463	-1,866	-1,953
73.40	Adjustments in expired accounts (net)	-15		
74.40	Obligated balance, end of year	2,396	2,565	2,495
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	89	106	97
86.93	Outlays from discretionary balances	1,373	1,760	1,856
87.00	Total outlays (gross)	1,463	1,866	1,953
Net budget authority and outlays:				
89.00	Budget authority	1,912	2,031	1,883
90.00	Outlays	1,462	1,866	1,953

Aid for institutional development.—

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

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

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

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

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

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

Other aid for institutions.—

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

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

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

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

Assistance for students.—

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

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

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

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

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

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

Other aid.—

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

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

Object Classification (in millions of dollars)

Identification code 91-0201-0-1-502	2001 actual	2002 est.	2003 est.
Direct obligations:			
25.1 Advisory and assistance services	4	4	4
25.2 Other services	6	6	5
25.3 Other purchases of goods and services from Government accounts	2	2	2
41.0 Grants, subsidies, and contributions	1,898	2,023	1,872
99.0 Direct obligations	1,910	2,035	1,883
99.5 Below reporting threshold	1		
99.9 Total new obligations	1,911	2,035	1,883

Personnel Summary

Identification code 91-0201-0-1-502	2001 actual	2002 est.	2003 est.
1001 Total compensable workyears: Full-time equivalent employment	1		

HOWARD UNIVERSITY

For partial support of Howard University (20 U.S.C. 121 et seq.), \$237,474,000, of which not less than \$3,600,000 shall be for a matching endowment grant pursuant to the Howard University Endowment Act (Public Law 98-480) and shall remain available until expended. (*Department of Education Appropriations Act, 2002.*)

Program and Financing (in millions of dollars)

Identification code 91-0603-0-1-502	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 General support	199	211	207

General and special funds—Continued

HOWARD UNIVERSITY—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 91-0603-0-1-502	2001 actual	2002 est.	2003 est.
00.02 Howard University Hospital	30	30	30
10.00 Total new obligations (object class 41.0)	229	241	237
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		4	
22.00 New budget authority (gross)	232	237	237
23.90 Total budgetary resources available for obligation	232	241	237
23.95 Total new obligations	-229	-241	-237
24.40 Unobligated balance carried forward, end of year	4		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	232	237	237
Change in obligated balances:			
72.40 Obligated balance, start of year	14		14
73.10 Total new obligations	229	241	237
73.20 Total outlays (gross)	-243	-227	-237
74.40 Obligated balance, end of year		14	14
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	229	223	223
86.93 Outlays from discretionary balances	14	4	14
87.00 Total outlays (gross)	243	227	237
Net budget authority and outlays:			
89.00 Budget authority	232	237	237
90.00 Outlays	243	227	237

Howard University is a private, nonprofit educational institution consisting of 12 schools and colleges. Federal funds are used to provide partial support for university programs as well as for the teaching hospital facilities. In 2001, direct Federal appropriations for general support represented approximately 58 percent of the university's revenue.

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM

For Federal administrative expenses authorized under section 121 of the Higher Education Act of 1965, **[\$762,000]** \$787,000 to carry out activities related to existing facility loans entered into under the Higher Education Act of 1965. (*Department of Education Appropriations Act, 2002; additional authorizing legislation required.*)

HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING PROGRAM ACCOUNT

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

For administrative expenses to carry out the Historically Black College and University Capital Financing Program entered into pursuant to title III, part D of the Higher Education Act of 1965, as amended, **[\$208,000]** \$211,000. (*Department of Education Appropriations Act, 2002; additional authorizing legislation required.*)

Program and Financing (in millions of dollars)

Identification code 91-0241-0-1-502	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.09 Federal administration		1	1
10.00 Total new obligations (object class 99.5)	1	1	1
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	1	1	1
23.95 Total new obligations	-1	-1	-1

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation (Federal administration)	1	1	1

Change in obligated balances:

72.40 Obligated balance, start of year	1		
73.10 Total new obligations	1	1	1
73.20 Total outlays (gross)	-1	-1	-1

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	1	1	1
86.93 Outlays from discretionary balances		1	
87.00 Total outlays (gross)	1	1	1

Net budget authority and outlays:

89.00 Budget authority	1	1	1
90.00 Outlays	1	1	1

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

Identification code 91-0241-0-1-502	2001 actual	2002 est.	2003 est.
Direct loan downward reestimate subsidy budget authority:			
137001 Downward reestimates subsidy budget authority	-2		
137901 Total downward reestimate budget authority	-2		
Direct loan downward reestimate subsidy outlays:			
138001 Downward reestimates subsidy outlays	-2		
138901 Total downward reestimate subsidy outlays	-2		
Administrative expense data:			
351001 Budget authority	1	1	1
358001 Outlays from balances	1		
359001 Outlays from new authority			

The College Housing and Academic Facilities Loans Program and the Historically Black College and University Capital Financing Program are administered separately, but are consolidated for presentation purposes.

College Housing and Academic Facilities Loans Program.—Funds for this activity pay the Federal costs for administering the College Housing and Academic Facilities Loans (CHAFL), College Housing Loans (CHL), and Higher Education Facilities Loans (HEFL) programs. Prior to 1994, these programs provided financing for the construction, reconstruction, and renovation of housing, academic, and other educational facilities. Although no new loans have been awarded since fiscal year 1993, costs for administering the outstanding loans will remain for at least 30 more years. Agreements exist with the Department of Health and Human Services to provide architectural and engineering services and with the Federal Reserve Bank to provide loan servicing. The 2003 budget request provides funding for personnel compensation and other administrative costs. In accordance with the Federal Credit Reform Act, loan servicing costs for CHL and HEFL are paid from their respective collections.

Historically Black College and University Capital Financing Program.—The Historically Black College and University (HBCU) Capital Financing Program provides HBCUs with access to capital financing for the repair, renovation, and construction of classrooms, libraries, laboratories, dormitories, instructional equipment, and research instrumentation. The Higher Education Amendments of 1992 granted the Department authority to enter into insurance agreements with a private for-profit Designated Bonding Authority to guarantee no more than \$375,000,000 in outstanding principal and unpaid accrued interest combined. The bonding authority issues the loans and maintains an escrow account in which 5 percent of each institution's principal is deposited. This amount is estimated to be sufficient to cover all potential delinquencies and defaults. No subsidy appropriations are required. The 2003 budget provides funds for continuing Federal administrative activities only.

Personnel Summary

Identification code 91-0241-0-1-502	2001 actual	2002 est.	2003 est.
1001 Total compensable workyears: Full-time equivalent employment	7	7	7

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 91-4252-0-3-502	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.02 Interest paid to Treasury	1	1	1
08.02 Payment of downward reestimate to receipt account	1		
08.04 Payment of interest on downward reestimates to receipt account	1		
08.91 Subtotal, Downward reestimate payments	2		
10.00 Total new obligations	3	1	1
Budgetary resources available for obligation:			
22.00 New financing authority (gross)	4	2	2
22.60 Portion applied to repay debt	-1	-1	-1
23.90 Total budgetary resources available for obligation	3	1	1
23.95 Total new obligations	-3	-1	-1
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	2		
69.00 Offsetting collections (cash)	2	2	2
70.00 Total new financing authority (gross)	4	2	2
Change in obligated balances:			
73.10 Total new obligations	3	1	1
73.20 Total financing disbursements (gross)	-3	-1	-1
87.00 Total financing disbursements (gross)	3	1	1

Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40 Interest repayments	-1	-1	-1
88.40 Principal repayments	-1	-1	-1
88.90 Total, offsetting collections (cash)	-2	-2	-2

Net financing authority and financing disbursements:			
89.00 Financing authority	2		
90.00 Financing disbursements	1	-1	-1

The College Housing and Academic Facilities Loans Financing Account records all cash flows to and from the Government resulting from direct loans made in fiscal years 1992 and 1993.

Status of Direct Loans (in millions of dollars)

Identification code 91-4252-0-3-502	2001 actual	2002 est.	2003 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	26	25	25
1251 Repayments: Repayments and prepayments	-1		-1
1290 Outstanding, end of year	25	25	24

Balance Sheet (in millions of dollars)

Identification code 91-4252-0-3-502	2000 actual	2001 actual	2002 est.	2003 est.
ASSETS:				
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	26	25	25	24
1405 Allowance for subsidy cost (-)	-2	-2	-2	-2

1499 Net present value of assets related to direct loans	24	23	23	22
1999 Total assets	24	23	23	22
LIABILITIES:				
2103 Federal liabilities: Debt	24	23	23	22
2999 Total liabilities	24	23	23	22
4999 Total liabilities and net position	24	23	23	22

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 91-0242-0-1-502	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Interest paid to Treasury	16	15	14
00.02 Loan Servicing	1		
10.00 Total new obligations	17	15	14
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	73	2	
22.00 New budget authority (gross)	57	53	46
22.60 Portion applied to repay debt	-111	-40	-32
23.90 Total budgetary resources available for obligation	19	15	14
23.95 Total new obligations	-17	-15	-14
24.40 Unobligated balance carried forward, end of year	2		
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	7	5	4
69.00 Offsetting collections (cash)	52	49	43
69.27 Capital transfer to general fund	-2	-1	-1
69.90 Spending authority from offsetting collections (total mandatory)	50	48	42
70.00 Total new budget authority (gross)	57	53	46
Change in obligated balances:			
72.40 Obligated balance, start of year	21	21	28
73.10 Total new obligations	17	15	14
73.20 Total outlays (gross)	-17	-8	-15
74.40 Obligated balance, end of year	21	28	27

Outlays (gross), detail:			
86.98 Outlays from mandatory balances	17	8	15

Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40 Repayments of principal	-34	-34	-29
88.40 Interest received on loans	-18	-15	-14
88.90 Total, offsetting collections (cash)	-52	-49	-43

Net budget authority and outlays:			
89.00 Budget authority	5	4	3
90.00 Outlays	-35	-41	-28

The College Housing and Academic Facilities Loans Liquidating Account records all cash flows to and from the Government resulting from direct loans made prior to 1992. This account includes loans made under the College Housing and Academic Facilities Loans, College Housing Loans, and Higher Education Facilities Loans programs, which continue to be administered separately.

Status of Direct Loans (in millions of dollars)

Identification code 91-0242-0-1-502	2001 actual	2002 est.	2003 est.
CHAFL LIQUIDATING			
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	118	116	111
1231 Disbursements: Direct loan disbursements	1		

General and special funds—Continued

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS LIQUIDATING ACCOUNT—Continued

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

Identification code 91-0242-0-1-502	2001 actual	2002 est.	2003 est.
1251 Repayments: Repayments and prepayments	-3	-5	-3
1290 Outstanding, end of year	116	111	108
HIGHER EDUCATION FACILITIES LOANS			
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	27	24	22
1251 Repayments: Repayments and prepayments	-3	-2	-1
1290 Outstanding, end of year	24	22	21
COLLEGE HOUSING LOANS			
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	313	284	257
1251 Repayments: Repayments and prepayments	-29	-27	-25
1290 Outstanding, end of year	284	257	232

Statement of Operations (in millions of dollars)

Identification code 91-0242-0-1-502	2000 actual	2001 actual	2002 est.	2003 est.
CHAFL LIQUIDATING:				
0111 Revenue		9	12	9
0112 Expense		-35	-16	-13
0115 Net income or loss (-)		-26	-4	-4
HIGHER EDUCATION FACILITIES LOANS:				
0121 Revenue		3	2	2
0122 Expense		-2	-1	-1
0125 Net income or loss (-)		1	1	1
COLLEGE HOUSING LOANS:				
0131 Revenue		40	35	31
0132 Expense		-91	-35	-31
0135 Net income or loss (-)		-51		
0191 Total revenues		52	49	42
0192 Total expenses		-128	-52	-45
0195 Total income or loss (-)		-76	-3	-3
0199 Total comprehensive income		-76	-3	-3

Balance Sheet (in millions of dollars)

Identification code 91-0242-0-1-502	2000 actual	2001 actual	2002 est.	2003 est.
ASSETS:				
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross		425	390	362
1602 Interest receivable		6	6	5
1699 Value of assets related to direct loans		431	396	367
1999 Total assets		431	396	367
LIABILITIES:				
Federal liabilities:				
2103 Debt		236	196	164
2104 Resources payable to Treasury		195	200	203
2999 Total liabilities		431	396	367
4999 Total liabilities and net position		431	396	367

Object Classification (in millions of dollars)

Identification code 91-0242-0-1-502	2001 actual	2002 est.	2003 est.
25.3 Other purchases of goods and services from Government accounts	1		
43.0 Interest and dividends	16	15	14

99.9 Total new obligations	17	15	14
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HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 91-4255-0-3-502	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Direct Loan Awards	16	42	40
00.02 Interest paid to Treasury	1	2	2
10.00 Total new obligations	17	44	42
Budgetary resources available for obligation:			
22.00 New financing authority (gross)	38	44	43
22.60 Portion applied to repay debt			-1
22.70 Balance of authority to borrow withdrawn	-21		
23.90 Total budgetary resources available for obligation	17	44	42
23.95 Total new obligations	-17	-44	-42

New financing authority (gross), detail:

Mandatory:			
67.10 Authority to borrow	37	42	40
69.00 Offsetting collections (cash)	1	2	3
70.00 Total new financing authority (gross)	38	44	43

Change in obligated balances:

72.40 Obligated balance, start of year	25	30	34
73.10 Total new obligations	17	44	42
73.20 Total financing disbursements (gross)	-12	-40	-37
74.40 Obligated balance, end of year	30	34	39
87.00 Total financing disbursements (gross)	12	40	37

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40 Interest repayments	-1	-1	-2
88.40 Principal repayments		-1	-1
88.90 Total, offsetting collections (cash)	-1	-2	-3

Net financing authority and financing disbursements:

89.00 Financing authority	37	42	40
90.00 Financing disbursements	11	38	34

The Federal Financing Bank (FFB) purchases bonds issued by the HBCU Designated Bonding Authority. Under the policies governing Federal credit programs, bonds purchased by the FFB and supported by the Department of Education with a letter of credit create the equivalent of a Federal direct loan. HBCU bonds are also available for purchase by the private sector, and these will be treated as loan guarantees. However, the Department anticipates that all HBCU loans will be financed by the FFB.

Status of Direct Loans (in millions of dollars)

Identification code 91-4255-0-3-502	2001 actual	2002 est.	2003 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	311	295	254
1142 Unobligated direct loan limitation (-)	-295	-253	-214
1150 Total direct loan obligations	16	42	40
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	21	31	70
1231 Disbursements: Direct loan disbursements	11	39	35
1251 Repayments: Repayments and prepayments	-1		-1
1290 Outstanding, end of year	31	70	104

Balance Sheet (in millions of dollars)

Identification code 91-4255-0-3-502	2000 actual	2001 actual	2002 est.	2003 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	25	30	33	38
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	21	31	70	104
1499 Net present value of assets related to direct loans	21	31	70	104
1999 Total assets	46	61	103	143
LIABILITIES:				
2103 Federal liabilities: Debt	46	61	103	143
2999 Total liabilities	46	61	103	143
4999 Total liabilities and net position	46	61	103	143

OFFICE OF STUDENT FINANCIAL ASSISTANCE

Federal Funds

General and special funds:

STUDENT FINANCIAL ASSISTANCE

For carrying out subparts 1[,], and 3 [and 4] of part A, section 428K, part C and part E of title IV of the Higher Education Act of 1965, as amended, [12,285,500,000] \$12,767,500,000, which shall remain available through September 30, [2003.]

[The maximum Pell Grant for which a student shall be eligible during award year 2002-2003 shall be \$4,000.] 2004: Provided, That notwithstanding section 401(b)(2)(A) and 401(g) of the Act, the Secretary shall, prior to the publication of the Pell Grant payment schedule, establish the maximum Pell Grant award using the latest data satisfactory to the Secretary to determine the maximum award supportable by amounts available under this heading in this and prior appropriations Acts. (Department of Education Appropriations Act, 2002.)

Program and Financing (in millions of dollars)

Identification code 91-0200-0-1-502	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
Federal Pell grants:			
01.01 Federal Pell grants	8,978	9,648	10,134
Campus-based aid:			
02.01 Federal supplemental educational opportunity grants (SEOG)	692	727	725
02.02 Federal work-study	1,017	1,017	1,011
02.03 Federal Perkins loans: Federal capital contributions	101	100	100
02.05 Federal Perkins loans: Loan cancellations	60	68	68
02.91 Subtotal, Campus-based activities	1,870	1,912	1,904
03.01 Leveraging educational assistance partnership	55	67	.....
04.01 Loan forgiveness for child care providers .....	.....	2	1
10.00 Total new obligations (object class 41.0)	10,903	11,629	12,039
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1,492	1,288	1,945
22.00 New budget authority (gross)	10,674	12,286	12,768
22.10 Resources available from recoveries of prior year obligations	25	.....	.....
23.90 Total budgetary resources available for obligation	12,191	13,574	14,713
23.95 Total new obligations	-10,903	-11,629	-12,039
24.40 Unobligated balance carried forward, end of year	1,288	1,945	2,674
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	10,674	12,286	12,768
Change in obligated balances:			
72.40 Obligated balance, start of year	6,476	7,153	6,789
73.10 Total new obligations	10,903	11,629	12,039
73.20 Total outlays (gross)	-10,161	-11,993	-11,420
73.40 Adjustments in expired accounts (net)	-40	.....	.....
73.45 Recoveries of prior year obligations	-25	.....	.....

74.40 Obligated balance, end of year	7,153	6,789	7,408
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	2,650	3,805	2,958
86.93 Outlays from discretionary balances	7,511	8,188	8,463
87.00 Total outlays (gross)	10,161	11,993	11,420
Net budget authority and outlays:			
89.00 Budget authority	10,674	12,286	12,768
90.00 Outlays	10,161	11,993	11,420

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	2001 actual	2002 est.	2003 est.
Budget Authority	10,674	12,286	12,768
Outlays	10,161	11,993	11,421
Supplemental proposal:			
Budget Authority .....	.....	1,276	.....
Outlays .....	.....	.....	1,276
Total:			
Budget Authority	10,674	13,562	12,768
Outlays	10,161	11,993	12,697

Status of Direct Loans (in millions of dollars)

Identification code 91-0200-0-1-502	2001 actual	2002 est.	2003 est.
Cumulative balance of direct loans outstanding:¹			
1210 Outstanding, start of year	615	606	596
1251 Repayments: Repayments and prepayments	-28	-27	-27
Write-offs for default:			
1263 Direct loans	-9	-9	-9
1264 Other adjustments, net	27	27	18
1290 Outstanding, end of year	606	596	578

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

The Administration's 2003 budget for the SFA account is \$12.768 billion, an increase of \$482 million, or 4 percent, over the 2002 appropriation, which together with matching funds (less allowable administrative costs) would provide nearly 7.5 million awards totalling more than \$14.2 billion in available aid.

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

The Administration proposes \$10.863 billion, an increase of \$549 million over the 2002 appropriation level. The budget also proposes a 2002 supplemental appropriation of \$1.276 billion to fully fund the \$4,000 maximum award in academic year 2002-2003. (For more information, please see the Supplemental Proposals chapter of this document.)

Pell Grant costs are highly dependent on volatile and economic trends, making it difficult to project the required funding level for a given maximum award at the time of the appropriation, which may be nine or more months prior to the affected academic year. Accordingly, the Administration is proposing that the Secretary of Education use the most recent program cost projections to set the maximum award for each upcoming academic year immediately prior to the publication of the Pell Grant payment schedule, which must occur by February 1 each year. Under current estimates, the Administration's request for 2003 would maintain the Pell Grant maximum award at \$4,000 for academic year 2003-2004, the highest level ever and a full \$700, or 21 percent, above the level only three years earlier. Nearly 4.5 million students would receive awards under this request, an increase of 55,000 over 2002.

Campus-based programs.—The Federal Supplemental Educational Opportunity Grants, Federal Work-Study, and Federal Perkins Loan programs are called the "campus-based"

General and special funds—Continued

STUDENT FINANCIAL ASSISTANCE—Continued

programs because participating institutions are responsible for administering the programs on their own campuses. These programs provide aid administrators with considerable flexibility in the packaging of financial aid awards to best meet the needs of students.

Federal Supplemental Educational Opportunity Grants (SEOG).—Federal funds are awarded by formula to qualifying institutions, which use these funds to award grants to undergraduate students. While institutions have discretion in awarding these funds, they are required to give priority to Pell Grant recipients and other students with exceptional need. The Federal share of such grants may not exceed 75 percent of the total grant. The Administration proposes \$725 million for the SEOG program in 2003, the same as the 2002 level. This level of funding would provide approximately \$918 million in available aid to an estimated 1.2 million needy students.

Federal Work-Study.—Federal funds are awarded by formula to qualifying institutions, which develop and provide part-time jobs for eligible undergraduate and graduate students with demonstrated need. Hourly earnings under the program must be at least equal to the Federal minimum wage. Federal funding in most cases pays 75 percent of a student's hourly wages, with the remaining 25 percent paid by the employer. The Administration proposes \$1.011 billion, the same as the 2002 appropriation, for the Work-Study program, which will provide \$1.2 billion in aid to nearly 1 million students.

Perkins Loan Program.—Institutions award low-interest loans from institutional revolving funds, which are comprised of Federal Capital Contributions, institutional matching funds, and student repayments on outstanding loans. The Administration proposes \$100 million in new budget authority for the Perkins loan program, the same as the 2002 level. This level of funding would provide \$1.2 billion in available aid to some 715,000 needy undergraduate and graduate students in the 2003–2004 award year.

Perkins Loan Program—Cancellations.—Under the Perkins Loan cancellation program, institutional revolving funds are reimbursed for indebtedness canceled as a result of a borrower engaging in certain public service activities, as specified in the Higher Education Act. Amendments to the Higher Education Act in 1992 and 1998 greatly expanded the number of borrowers with loans eligible for cancellation. The Administration's budget proposal for Perkins Loan cancellations is \$67.5 million, the same as the 2002 level.

Loan Forgiveness for Child Care Providers.—Under this demonstration program, student loan borrowers who have earned degrees in early childhood education and worked for two full years as child care providers in low-income communities may have a portion of their loan obligation forgiven. Additional forgiveness is awarded for each additional consecutive year of service, up to a total of 100 percent of the borrower's outstanding balance after five full years. Awards are made on a first-come, first-served basis. The Administration proposes \$1 million for Loan Forgiveness for Child Care Providers in 2003, the same as the 2002 level. Fewer than 100 recipients are expected in either 2002 or 2003.

Funding Tables.—The following tables display student aid funds available, the number of aid awards, average awards, and the unduplicated count of recipients from any Federal student aid program. The tables include the aid from programs in the Student Financial Assistance account, as well as aid from the Federal Family Education Loan (FFEL) program, and the William D. Ford Federal Direct Loan program. Loan amounts reflect the capital actually loaned, not the Fed-

eral cost of those loans. The data in these tables include the effects of matching funds wherever applicable.

AID FUNDS AVAILABLE FOR POSTSECONDARY EDUCATION AND TRAINING

	(in thousands)		
	2001 actual	2002 est.	2003 est.
Pell grants	9,850,580	10,707,780	10,840,290
Student loans:			
Guaranteed student loans:			
Stafford loans	11,882,308	12,703,968	13,585,032
Unsubsidized Stafford loans	10,144,360	10,893,200	11,697,856
PLUS	2,667,148	2,934,287	3,230,084
Direct student loans:			
Stafford loans	5,388,042	5,748,126	6,133,202
Unsubsidized Stafford loans	3,985,785	4,277,414	4,590,536
PLUS	1,260,807	1,378,308	1,507,071
Consolidation:			
FFEL	9,255,251	8,334,685	6,877,114
Direct Loans	7,760,000	8,643,078	5,307,205
Student loans, subtotal	52,343,700	54,913,066	52,928,100
Work-study	1,214,643	1,214,643	1,214,643
Supplemental educational opportunity grants	874,684	917,722	917,722
Perkins loans	1,194,989	1,202,200	1,202,200
Leveraging educational assistance partnership	135,000	171,000	0
Loan forgiveness for child care providers	1,000	1,000	1,000
Total aid available	65,614,595	69,127,410	67,103,955

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

NUMBER OF AID AWARDS

	(In thousands)		
	2001 actual	2002 est.	2003 est.
Pell grants	4,284	4,444	4,499
Guaranteed student loans:			
Stafford loans	2,890	3,084	3,269
Unsubsidized Stafford loans	2,041	2,199	2,330
PLUS	310	334	353
Consolidation	309	308	222
Direct student loans:			
Stafford loans	1,273	1,324	1,399
Unsubsidized Stafford loans	866	878	929
PLUS	152	153	161
Consolidation	367	357	256
Work-study	970	970	970
Supplemental educational opportunity grants	1,169	1,227	1,227
Perkins loans	711	715	715
Leveraging Educational Assistance Partnership	135	171	0
Loan forgiveness for child care providers	*	*	*
Total awards	15,477	16,164	16,329

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

*Fewer than 500 recipients

AVERAGE AID AWARDS

	(In whole dollars)		
	2001 actual	2002 est.	2003 est.
Pell grants	2,299	2,409	2,409
Guaranteed student loans:			
Stafford loans	3,390	3,397	3,427
Unsubsidized Stafford loans	4,077	4,065	4,120
PLUS	7,359	7,504	7,817
SLS	0	0	0
Consolidation	29,378	26,504	30,420
Direct student loans:			
Stafford loans	3,491	3,582	3,615
Unsubsidized Stafford loans	3,824	4,043	4,103
PLUS	7,097	7,708	8,010
Consolidation	20,976	24,033	20,634
Work-study	1,252	1,252	1,252
Supplemental educational opportunity grants	748	748	748
Perkins loans	1,681	1,681	1,681
Leveraging Educational Assistance Partnership	1,000	1,000	0
Loan forgiveness for child care providers	13,333	13,333	13,333
Unduplicated student count	7,611	8,064	8,403

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

ADMINISTRATIVE PAYMENTS TO INSTITUTIONS

	(In millions of dollars)		
	2001 actual	2002 est.	2003 est.
Pell grants	21,420	22,220	22,495

Work-study	75,897	75,897	75,897
Supplemental educational opportunity grants	34,987	36,709	36,709
Perkins loans	47,800	48,088	48,088

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

DEFAULTED PERKINS LOANS

(In millions of dollars)

Outstanding defaulted loans, beginning of year:	2001 actual	2002 est.	2003 est.
Assigned defaulted loans ¹	615	606	596
Unassigned defaulted loans ²	952	956	960
New defaulted loans	155	164	167
Collections on assigned loans	-28	-27	-27
Collections on unassigned loans	-114	-125	-136
Write-offs for assigned loans	-9	-9	-9
Write-offs for unassigned loans	-9	-9	-9
Outstanding defaulted loans, end of year	1,562	1,556	1,542

¹ Permanently assigned to the Federal Government for collection.

² Unassigned loans at institutions.

STUDENT AID ADMINISTRATION

For Federal administrative expenses to carry out part D of title I; subparts 1, 3, and 4 of part A; and parts B, C, D, and E of title IV of the Higher Education Act of 1965, as amended, \$936,386,000, which shall remain available through September 30, 2004, of which not more than \$195,000,000 shall be for account maintenance fees for fiscal year 2003 that are payable to guaranty agencies under part B and are calculated in accordance with section 458 of the Act.

Program and Financing (in millions of dollars)

Identification code 91-0202-0-1-502	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Student aid administration	3	2	936
10.00 Total new obligations	3	2	936
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	3	2	936
23.95 Total new obligations	-3	-2	-936
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	3	2	936
Change in obligated balances:			
73.10 Total new obligations	3	2	936
73.20 Total outlays (gross)	-3	-2	-603
74.40 Obligated balance, end of year			333
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	3	2	603
Net budget authority and outlays:			
89.00 Budget authority	3	2	936
90.00 Outlays	3	2	603

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

	2001 actual	2002 est.	2003 est.
Net budget authority and outlays:			
89.00 Budget authority			934
90.00 Outlays			601

The Department of Education manages Federal student aid programs that will provide over \$67 billion in Federal student aid grants and loans to over 8 million students and parents in 2003. Primary responsibility for administering these programs lies with the Office of Postsecondary Education and the performance-based Office of Student Financial Assistance (SFA). SFA was created by Congress in 1998 with a mandate to improve service to students and other student aid program

participants, reduce the cost of student aid administration, and improve accountability and program integrity.

The Department's student aid administrative activities are funded from four main sources: (1) funds appropriated on a permanent basis under section 458 of the Higher Education Act; (2) a portion of the Department's general Program Administration funds; (3) a discretionary appropriation partially supporting administrative activities associated with the Federal Family Education Loan (FFEL) program; and (4) permanent funds from the Direct Loan program subsidy account supporting the origination of Direct Consolidation Loans. Student aid administrative funds totaled \$887 million in 2002, \$180 million of which supported the payment of account maintenance fees to FFEL guaranty agencies.

The budget for 2003 includes \$936 million for student aid administration. In order to improve accountability and simplify program oversight and operations, the Administration is proposing to consolidate funding for student aid administrative activities into a single discretionary account. Funding levels for this account will be based on a workload-based methodology consistent with the goals of the performance-based organization.

Object Classification (in millions of dollars)

Identification code 91-0202-0-1-502	2001 actual	2002 est.	2003 est.
Personnel compensation:			
11.1 Full-time permanent			81
11.5 Other personnel compensation			5
11.9 Total personnel compensation			86
12.1 Civilian personnel benefits	3	2	23
21.0 Travel and transportation of persons			6
23.1 Rental payments to GSA			12
23.3 Communications, utilities, and miscellaneous charges			53
24.0 Printing and reproduction			9
25.1 Advisory and assistance services			4
25.2 Other services			45
25.3 Other purchases of goods and services from Government accounts			8
25.7 Operation and maintenance of equipment			491
26.0 Supplies and materials			1
31.0 Equipment			3
41.0 Grants, subsidies, and contributions			195
99.9 Total new obligations	3	2	936

Personnel Summary

Identification code 91-0202-0-1-502	2001 actual	2002 est.	2003 est.
1001 Total compensable workyears: Full-time equivalent employment			1,118

FEDERAL STUDENT LOAN RESERVE FUND

Program and Financing (in millions of dollars)

Identification code 91-4257-0-3-502	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
01.02 Obligations, non-federal	3,595	4,060	4,613
10.00 Total new obligations	3,595	4,060	4,613
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2,232	2,463	1,409
22.00 New budget authority (gross)	3,826	4,091	4,590
22.40 Capital transfer to general fund		-1,085	
23.90 Total budgetary resources available for obligation	6,058	5,469	5,999
23.95 Total new obligations	-3,595	-4,060	-4,613
24.40 Unobligated balance carried forward, end of year	2,463	1,409	1,386
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	3,826	4,091	4,590

General and special funds—Continued

FEDERAL STUDENT LOAN RESERVE FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 91-4257-0-3-502	2001 actual	2002 est.	2003 est.
Change in obligated balances:			
73.10 Total new obligations	3,595	4,060	4,613
73.20 Total outlays (gross)	-3,595	-4,060	-4,613
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	3,595	4,060	4,590
86.98 Outlays from mandatory balances			23
87.00 Total outlays (gross)	3,595	4,060	4,613
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-3,417	-3,687	-4,207
88.40 Non-Federal sources	-409	-404	-383
88.90 Total, offsetting collections (cash)	-3,826	-4,091	-4,590
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-231	-31	23

The Higher Education Amendments of 1998 clarified that reserve funds held by public and non-profit guaranty agencies participating in the Federal Family Education Loan (FFEL) program are Federal property. These reserves are used to pay default claims from FFEL lenders and fees to support agency efforts to successfully avert defaults. The Federal Government reimburses these reserves for default claim payments. In addition, optional borrower guarantee fees are deposited into the reserves (agencies may charge borrowers up to 1 percent of loan principal as a guarantee fee). The following schedules reflect the balances in these guaranty agency funds.

Statement of Operations (in millions of dollars)

Identification code 91-4257-0-3-502	2000 actual	2001 actual	2002 est.	2003 est.
0101 Revenue	2,092	3,826	4,091	4,590
0102 Expense	-1,953	-3,595	-4,060	-4,613
0105 Net income or loss (-)	139	231	31	-23

Balance Sheet (in millions of dollars)

Identification code 91-4257-0-3-502	2000 actual	2001 actual	2002 est.	2003 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	2,232	2,462	1,408	1,386
1999 Total assets	2,232	2,462	1,408	1,386
NET POSITION:				
3300 Cumulative results of operations	2,232	2,462	1,408	1,386
3999 Total net position	2,232	2,462	1,408	1,386
4999 Total liabilities and net position	2,232	2,462	1,408	1,386

Object Classification (in millions of dollars)

Identification code 91-4257-0-3-502	2001 actual	2002 est.	2003 est.
41.0 Grants, subsidies, and contributions	246	264	258
42.0 Insurance claims and indemnities	3,349	3,796	4,355
99.9 Total new obligations	3,595	4,060	4,613

For Budget Enforcement Act purposes, the Administration will use the Congressional Budget Office's estimates of the costs of legislative proposals rather than calculating costs against baselines contained in the Appendix. The Administra-

tion is developing, and will implement, a new method of calculating student loan credit cost estimates for the 2003 Mid-Session Review.

Credit accounts:

FEDERAL DIRECT STUDENT LOAN PROGRAM, PROGRAM ACCOUNT

Program and Financing (in millions of dollars)

Identification code 91-0243-0-1-502	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.05 Upward Subsidy Reestimate	1,085		
00.06 Interest on Subsidy Reestimate	74		
00.09 Student Loan Administrative Expenses	787	783	2
10.00 Total new obligations	1,946	783	2
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	10	15	
22.00 New budget authority (gross)	1,931	783	
22.10 Resources available from recoveries of prior year obligations	20		
22.40 Capital transfer to general fund		-15	
23.90 Total budgetary resources available for obligation	1,961	783	
23.95 Total new obligations	-1,946	-783	-2
24.40 Unobligated balance carried forward, end of year	15		-2

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation			-797
Mandatory:			
60.00 Appropriation	1,931	783	797
Offsetting collections (cash):			
69.00 Offsetting collections (cash)	1,039	731	617
69.00 Offsetting collections (cash)—Downward Reestimate	531		
69.00 Offsetting collections (cash)—Interest on downward reestimate	147		
69.27 Capital transfer to general fund	-1,717	-731	-617
69.90 Spending authority from offsetting collections (total mandatory)			
70.00 Total new budget authority (gross)	1,931	783	

Change in obligated balances:

72.40 Obligated balance, start of year	347	299	373
73.10 Total new obligations	1,946	783	2
73.20 Total outlays (gross)	-1,974	-708	-319
73.45 Recoveries of prior year obligations	-20		
74.40 Obligated balance, end of year	299	373	56

Outlays (gross), detail:

86.90 Outlays from new discretionary authority			-512
86.97 Outlays from new mandatory authority	1,775	498	512
86.98 Outlays from mandatory balances	199	210	319
87.00 Total outlays (gross)	1,974	708	319

Offsets:

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-1,717	-731	-617

Net budget authority and outlays:

89.00 Budget authority	214	52	-617
90.00 Outlays	257	-23	-298

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

	2001 actual	2002 est.	2003 est.
Net budget authority and outlays:			
89.00 Budget authority	212	49	-619
90.00 Outlays	255	-26	-300

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	2001 actual	2002 est.	2003 est.
Budget Authority	214	52	-617
Outlays	257	-23	-298

Legislative proposal, subject to PAYGO:			
Budget Authority			3
Outlays			15
Total:			
Budget Authority	214	52	-614
Outlays	257	-23	-283

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

Identification code 91-0243-0-1-502	2001 actual	2002 est.	2003 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Stafford	5,522	6,234	6,651
115002 Unsubsidized Stafford	4,314	4,793	5,145
115003 PLUS	1,396	1,535	1,679
115004 Consolidated	8,682	8,704	5,368
115901 Total direct loan levels	19,914	21,266	18,843
Direct loan subsidy (in percent):			
132001 Stafford	7.16	3.63	4.97
132002 Unsubsidized Stafford	-12.61	-12.40	-12.25
132003 PLUS	-9.49	-8.95	-9.80
132004 Consolidated	-7.03	-4.02	-3.75
132901 Weighted average subsidy rate	-4.47	-4.02	-3.52
Direct loan subsidy budget authority:			
133001 Stafford	396	226	331
133002 Unsubsidized Stafford	-544	-594	-630
133003 PLUS	-133	-137	-165
133004 Consolidated	-610	-350	-201
133901 Total subsidy budget authority	-891	-855	-665
Direct loan subsidy outlays:			
134001 Stafford	295	257	275
134002 Unsubsidized Stafford	-584	-519	-553
134003 PLUS	-140	-122	-140
134004 Consolidated	-610	-347	-199
134901 Total subsidy outlays	-1,039	-731	-617
Direct loan upward reestimate subsidy budget authority:			
135005 Upward reestimate subsidy budget authority	1,159		
135901 Total upward reestimate budget authority	1,159		
Direct loan upward reestimate subsidy outlays:			
136005 Upward reestimates subsidy outlays	1,159		
136901 Total upward reestimate outlays	1,159		
Direct loan downward reestimate subsidy budget authority:			
137005 Downward reestimates offsetting collection	-678		
137901 Total downward reestimate budget authority	-678		
Direct loan downward reestimate subsidy outlays:			
138005 Downward reestimates offsetting collection	-678		
138901 Total downward reestimate subsidy outlays	-678		
Student loan administrative expense data:			
351001 Budget authority	772	783	
359001 Outlays	815	708	319

The Federal Government operates two major student loan programs: the Federal Family Education Loan (FFEL) program—formerly the Guaranteed Student Loan (GSL) program—and the William D. Ford Federal Direct Loan (Direct Loan) program. For 2003, the President is committed to improving the efficiency of both programs and allowing individual institutions to choose which of these two programs best meets their needs and the needs of their students.

This summary section outlines the structure of these two programs, highlights their differences and similarities, and provides text tables displaying program cost data; loan volume, subsidy, default, and interest rates; and other descriptive information. As part of his 2003 budget, the President is proposing a change to the loan forgiveness provisions of the Direct Loan and FFEL programs. This proposal is discussed as part of this program description.

From its inception in 1965 through 2000, the FFEL program has provided over \$347 billion in loans to postsecondary students and their parents. Since July 1, 1994, the Direct

Loan program has provided \$92 billion in new and consolidation loans to students and parents. Taken together, the FFEL and Direct Loan programs will make almost \$38 billion in new loans available in 2002. Because funding for these two programs is provided on a permanent indefinite basis, for budget purposes they are considered separately from other Federal student financial assistance programs. The FFEL and Direct Loan programs should be viewed in combination with these other programs, however, and with Perkins Loans in particular, as part of the overall Federal effort to ensure access to higher education.

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

The Direct Loan program was created by the Student Loan Reform Act of 1993. Under this program, the Federal Government provides loan funds to postsecondary institutions directly or through an alternative originator. The Direct Loan program began operation in academic year 1994–1995 with 7 percent of overall loan volume and is expected to account for 30 percent in academic year 2001–2002. All eligible institutions are free to participate in either the Direct Loan or FFEL program.

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

The borrower interest rate for new Stafford Loans equals the 91-day Treasury bill rate plus 1.7 percent during in-school, grace, and deferment periods, and the 91-day Treasury bill plus 2.3 percent at all other times, with a cap of 8.25 percent, adjusted annually. Interest payments for these loans are fully subsidized by the Government while a student is in school and during grace and deferment periods. Unsubsidized Stafford loans carry the same borrower interest rate as Stafford loans, but have no interest subsidy. For new PLUS loans, the borrower interest rate equals the 91-day Treasury bill rate plus 3.1 percent, with a cap of 9 percent and no interest subsidy.

In the FFEL program, lenders may receive an interest subsidy, called a special allowance, from the Government to ensure a guaranteed rate of return on their loans. Special allowance payments vary by loan type, are determined quarterly, and are based on current borrower interest rates and market-yield formulas. For new Stafford and Unsubsidized Stafford loans, for example, the Federal Government must pay lenders a special allowance if the average 3-month commercial paper rate for a given quarter plus 2.34 percent—or 1.74 percent during in-school, grace, or deferment periods—is higher than the current interest rate charged borrowers.

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

FFEL borrowers pay an origination fee to the Government equal to 3 percent of principal, and are also liable for a

Credit accounts—Continued

FEDERAL DIRECT STUDENT LOAN PROGRAM, PROGRAM ACCOUNT—
Continued

guaranty agency insurance premium of up to 1 percent of principal. Guaranty agencies have the option of waiving this premium and FFEL lenders have the option of paying some or all of a borrower's origination fee for Stafford Loan borrowers. Direct Loan borrowers are charged an origination fee equal to 3 percent of principal, which partially offsets Federal program operation costs. Borrowers in both programs may be offered financial incentives to encourage prompt repayment.

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

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

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

FFEL borrowers may choose from among four repayment plans. Repayment periods under standard, graduated, and income-sensitive repayment may not exceed 10 years. An extended repayment plan of up to 25 years is available for new borrowers with outstanding loans totalling more than \$30,000. FFEL borrowers may change repayment plans annually.

Student loan program administration activities are supported from a variety of sources, including a permanent appropriation authorized under Section 458 of the Higher Education Act, a small discretionary appropriation partially supporting FFEL program administration, a portion of funds appropriated under the Department's discretionary Program Administration account, and subsidy funds associated with the origination of Direct Consolidation Loans. In order to improve accountability and simplify the funding process for these administrative activities, the President is proposing to create a unified, discretionary Student Aid Administration account.

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

Funding Levels (In thousands of dollars)

	2001 actual	2002 est.	2003 est.
Program Cost:			
FFEL:			
Liquidating ¹	(1,063,810)	(744,810)	(625,162)
Program:			
Regular	2,930,652	3,302,001	3,397,928
Consolidation	137,638	479,229	702,793
Reestimate of Prior Year Costs	(4,727,793)	0	0
Non-Contractual Modifications ²	0	0	23,540
Subtotal, Program	(1,659,503)	3,781,230	4,124,260
Total FFEL:	(2,723,314)	3,036,420	3,499,098
Direct Loans:			
Program:			
Regular	(428,683)	(383,848)	(414,192)

Consolidation	(610,326)	(347,452)	(199,020)
Reestimate of Prior Year Costs	481,223	0	0
Non-Contractual Modification ²	0	0	12,127
Total, Direct Loans	(557,786)	(731,300)	(601,085)
Administration:³			
FFEL: ⁴	48,000	48,836	0
Student Aid ⁵	784,755	780,000	0
Subtotal, Administration	832,955	828,836	0
Total, FFEL and Direct Loans	(2,448,344)	3,133,956	2,898,013
Program Cost Outlays:			
FFEL:			
Liquidating ¹	(852,539)	(680,208)	(625,162)
Program:			
Regular	2,982,980	2,787,487	2,953,599
Consolidation	136,876	477,577	700,778
Reestimate of Prior Year Costs	(4,727,793)	0	0
Non-Contractual Modification ²	0	0	23,540
Subtotal, Program	(1,607,937)	3,265,064	3,677,917
Total, FFEL	(2,460,476)	2,584,856	3,052,754
Direct Loans:			
Program:			
Regular	(428,683)	(383,848)	(414,192)
Consolidation	(610,326)	(347,452)	(199,020)
Reestimate of Prior Year Costs	481,223	0	0
Non-Contractual Modifications ²	0	0	12,127
Total, Direct Loans	(557,786)	(731,300)	(601,085)
Administration:³			
FFEL: ⁴	55,652	66,761	11,328
Student Aid ⁵	812,948	705,229	318,743
Subtotal, Administration	868,600	771,990	330,071
Total, FFEL and Direct Loans	(2,149,662)	2,625,546	2,781,740

¹ Liquidating account reflects loans made prior to 1992.

² Reflects the costs or savings associated with policy changes that would affect the terms of existing loans.
³ For 2003, no funds are requested for loan administration, as these costs would be part of the proposed discretionary Student Aid Administration account. Outlays in 2003 reflect outlays from prior year balances.

⁴ Reflects annual discretionary appropriation.

⁵ Supports account maintenance fee payments to FFEL guaranty agencies, Direct Loan origination and servicing, and 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)¹

	2001 actual	2002 est.	2003 est.
FFEL:			
Stafford	11,882	12,704	13,585
Unsubsidized Stafford	10,144	10,893	11,698
PLUS	2,667	2,934	3,230
Subtotal	24,694	26,531	28,513
Consolidation	9,255	8,335	6,877
Total, FFEL	33,949	34,866	35,390
Direct Loans:			
Stafford	5,388	5,748	6,133
Unsubsidized Stafford	3,986	4,277	4,591
PLUS	1,261	1,378	1,507
Subtotal	10,635	11,404	12,231
Consolidation	7,760	8,643	5,307
Total, Direct Loans	18,395	20,047	17,538
Total, All Loans	52,344	54,913	52,928

¹ Net commitments equal gross commitments minus loan cancellations.

Number of Loans (In thousands)

	2001 actual	2002 est.	2003 est.
FFEL:			
Stafford	3,505	3,740	3,964
Unsubsidized Stafford	2,488	2,680	2,839
PLUS	362	391	413
Subtotal	6,355	6,811	7,216
Consolidation	315	314	226
Total, FFEL	6,670	7,125	7,442
Direct Loans:			
Stafford	1,543	1,605	1,696
Unsubsidized Stafford	1,042	1,058	1,119
PLUS	178	179	188
Subtotal	2,763	2,842	3,003
Consolidation	370	360	257
Total, Direct Loans	3,133	3,201	3,261

Total, All Loans	9,803	10,326	10,703
Average Loan Size (in whole dollars)			
	2001 actual	2002 est.	2003 est.
FFEL:			
Stafford	3,390	3,397	3,427
Unsubsidized Stafford	4,077	4,065	4,120
PLUS	7,359	7,504	7,817
Weighted Average, without Consolidations	3,886	3,896	3,951
Consolidation	29,378	26,505	30,420
Weighted Average, FFEL	5,090	4,893	4,755
Direct Loans:			
Stafford	3,491	3,582	3,615
Unsubsidized Stafford	3,824	4,043	4,103
PLUS	7,097	7,708	8,010
Weighted Average, Without Consolidations	3,849	4,013	4,073
Consolidation	20,976	24,033	20,614
Weighted Average, Direct Loans	5,871	6,262	5,379
Weighted Average, All Loans	5,339	5,318	4,945

Summary of Subsidy Rates, Default and Interest Rates

	2001 actual	2002 est.	2003 est.
Subsidy Rates (in percent) ¹			
FFEL:			
Stafford	18.15%	16.40%	16.85%
Unsubsidized Stafford	4.98%	6.18%	4.64%
PLUS	2.98%	4.74%	4.67%
Consolidation	1.72%	5.73%	10.19%
Weighted Average, FFEL	8.84%	9.76%	10.37%
Direct Loans:			
Stafford	7.16%	3.63%	5.02%
Unsubsidized Stafford	-12.61%	-12.40%	-12.21%
PLUS	-9.49%	-8.95%	-9.80%
Consolidation	-7.03%	-4.02%	-3.75%
Weighted Average, Direct Loans	-4.47%	-4.02%	-3.50%
Default Rates (in percent) ²			
FFEL:			
Stafford	16.22	16.24	16.27
Unsubsidized Stafford	14.29	14.31	14.34
PLUS	9.61	9.66	9.70
Consolidated	20.53	20.53	20.52
Weighted Average, FFEL	16.30	16.11	15.86
Direct Loans:			
Stafford	14.65	14.64	14.64
Unsubsidized Stafford	13.31	13.32	13.34
PLUS	9.04	9.06	9.07
Consolidation	14.27	14.11	14.29
Weighted Average, Direct Loans	13.81	13.75	13.72
Borrower Interest Rates (in percent) ³			
FFEL:			
Stafford	6.66	6.69	6.53
Unsubsidized Stafford	6.66	6.69	6.54
PLUS	7.16	6.87	7.25
Consolidation (reflects Sub and Unsub Stafford Only)	8.00	5.88	5.34
Direct Loans:			
Stafford	6.66	6.69	6.50
Unsubsidized Stafford	6.66	6.69	6.50
PLUS	7.16	6.87	7.27
Consolidation (reflects Sub and Unsub Stafford only)	7.88	5.75	5.63

¹ 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.

² 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 to determine institutional eligibility to participate in Federal loan programs. These three-year rates tend to be lower than those included in this table.

³ These represent average borrower interest rates during repayment for a typical borrower under standard repayment over the life of the loan.

Composition of Loan Collections (In thousands of dollars)

	2001 actual	2002 est.	2003 est.
FFEL:			
Collections by Guaranty Agencies ¹	2,699,372	1,487,641	1,609,925
Collections by Department of Education ²	683,106	509,439	524,292
Internal Revenue Service Tax Refund Offsets	950,627	713,183	737,462
Total, FFEL	4,333,104	2,710,262	2,871,678

Direct Loans:			
Collections by Department of Education ²	277,985	479,274	649,803
Internal Revenue Service Tax Refund Offsets	92,297	89,232	124,539
Total, Direct Loans	370,282	568,506	774,343
Total, FFEL and Direct Loan	4,703,387	3,278,768	3,646,020

¹ These figures show collections net of the amount agencies are allowed to retain under the provisions of the Higher Education Act of 1965. Agencies may retain 24 percent of most collections, and 18.5 percent of amounts collected through the consolidation of existing defaulted loans.

² These figures include amounts subsequently paid to Department contract collections agencies; contract collection costs total \$157 million for 2001 (\$87 million for FFEL and \$71 million for Direct Loans); \$174 million for 2002 (\$90 million for FFEL and \$84 million for Direct Loans); and \$206 million for 2003 (\$92 million for FFEL and \$114 million for Direct Loans).

Projected Participation in Repayment Plans ¹ (in percent)

	2001 actual	2002 est.	2003 est.
Direct Loans ¹			
Standard			
Percent of Loan Volume: ²			
Stafford	72.84	72.84	72.84
Unsubsidized Stafford	68.66	68.66	68.66
PLUS	75.43	75.43	75.43
Consolidation	21.96	24.04	21.39
Subsidy Rate (in percent):			
Stafford	8.98	4.21	5.45
Unsubsidized Stafford	-10.44	-11.89	-11.92
PLUS	-7.13	-7.31	-8.19
Consolidation	-0.09	0.25	1.83
Graduated: ³			
Percent of Loan Volume ²			
Stafford	18.77	18.77	18.77
Unsubsidized Stafford	20.72	20.72	20.72
PLUS	18.11	18.11	18.11
Consolidation	18.18	20.39	17.56
Subsidy Rate (in percent):			
Stafford	2.82	2.08	3.94
Unsubsidized Stafford	-17.90	-14.40	-13.73
PLUS	-18.22	-14.37	-15.12
Consolidation	-12.96	1.83	4.25
Extended: ³			
Percent of Loan Volume: ²			
Stafford	6.77	6.77	6.77
Unsubsidized Stafford	8.80	8.80	8.80
PLUS	6.46	6.46	6.46
Consolidation	15.55	18.12	14.84
Subsidy Rate (in percent):			
Stafford	3.45	2.53	4.29
Unsubsidized Stafford	-17.17	-13.87	-13.30
PLUS	-16.61	-12.84	-13.68
Consolidation	-11.65	1.65	3.71
Income-Contingent:			
Percent of Loan Volume: ²			
Stafford	1.63	1.63	1.63
Unsubsidized Stafford	1.83	1.83	1.83
Consolidation	44.31	37.44	46.21
Subsidy Rate (in percent):			
Stafford	0.60	0.19	1.12
Unsubsidized Stafford	0.49	-1.59	-0.64
Consolidation	-9.32	-12.09	-11.13

¹ For modeling purposes, all FFEL borrowers are assumed to have chosen Standard repayment. For Direct Loans, no data is included for the Alternative repayment plan, since borrowers are not expected to participate in this plan due to the flexibility available under the other options. Income-contingent repayment is not available for Direct PLUS borrowers.

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

³ 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 Direct Extended and Graduated Plans (Stafford) FY 02
Below \$10,000	12	12.59
\$10,000-\$20,000	15	35.21
\$20,000-\$40,000	20	36.41
\$40,000-\$60,000	25	11.07
Above \$60,000	30	4.72

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

Consistent with the Federal Credit Reform Act of 1990, the Office of Management and Budget establishes procedures for the estimation of subsidy rates for the Federal student loan programs. Subsidy costs for each loan type are estimated separately and, because costs can vary widely within a pro-

Credit accounts—Continued

FEDERAL DIRECT STUDENT LOAN PROGRAM, PROGRAM ACCOUNT—Continued

gram depending on the characteristics of the individual borrower, cost estimates are aggregated from data for homogeneous groups within risk categories.

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

Default rates are a major cause of differences in subsidy between risk categories. The default rates in the following tables reflect estimates of the percent of borrowers who will default over the lifetime of the loans. These estimates are revised annually based on an analysis of default trends. 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.

FFEL RISK CATEGORIES: STAFFORD LOANS

Subsidy Rate (as a percentage of loan commitments)			
Risk Categories:	2001 actual	2002 est.	2003 est.
Category 1: 4 year college, 1st and 2nd year students	22.19	20.07	20.59
Category 2: 4 year college, 3rd and 4th year students	16.38	14.86	15.33
Category 3: 2 year college, all students	20.26	17.80	18.13
Category 4: Proprietary school, all students	14.30	12.78	13.00
Category 5: Graduate students	17.48	15.90	16.39

Gross Default Rates (in percent)

Risk Categories:	2001 actual	2002 est.	2003 est.
Category 1: 4 year college, 1st and 2nd year students	20.40	20.40	20.40
Category 2: 4 year college, 3rd and 4th year students	12.69	12.66	12.65
Category 3: 2 year college, all students	31.52	31.48	31.45
Category 4: Proprietary school, all students	45.67	45.52	45.38
Category 5: Graduate students	8.15	8.13	8.13

UNSUBSIDIZED STAFFORD LOANS

Subsidy Rate (as a percentage of loan commitments)			
Risk Categories:	2001 actual	2002 est.	2003 est.
Category 1: 4 year college, 1st and 2nd year students	5.55	7.65	5.97
Category 2: 4 year college, 3rd and 4th year students	4.54	5.58	4.10
Category 3: 2 year college, all students	8.93	10.78	9.22
Category 4: Proprietary school, all students	7.31	10.48	9.12
Category 5: Graduate students	4.13	4.63	3.06

Gross Default Rates (in percent)

Risk Categories:	2001 actual	2002 est.	2003 est.
Category 1: 4 year college, 1st and 2nd year students	20.31	20.31	20.31
Category 2: 4 year college, 3rd and 4th year students	11.70	11.71	11.70
Category 3: 2 year college, all students	27.74	27.71	27.68
Category 4: Proprietary school, all students	35.67	35.55	35.44
Category 5: Graduate students	8.23	8.21	8.21

PLUS LOANS

Subsidy Rate (as a percentage of loan commitments)			
All PLUS Loans	2001 actual	2002 est.	2003 est.
All PLUS Loans	2.98	4.74	4.67

Gross Default Rates (in percent)

All PLUS Loans	2001 actual	2002 est.	2003 est.
All PLUS Loans	9.61	9.66	9.70

DIRECT LOAN RISK CATEGORIES: STAFFORD LOANS

Subsidy Rate (as a percentage of loan commitments)			
Risk Categories:	2001 actual	2002 est.	2003 est.
Category 1: 4 year college, 1st and 2nd year students	11.19	6.91	8.36
Category 2: 4 year college, 3rd and 4th year students	5.45	2.08	3.53
Category 3: 2 year college, all students	11.28	5.65	6.69

Category 4: Proprietary school, all students	7.93	2.97	3.54
Category 5: Graduate students	5.78	3.15	4.57

Gross Default Rates (in percent)

Risk Categories:	2001 actual	2002 est.	2003 est.
Category 1: 4 year college, 1st and 2nd year students	19.97	19.96	19.96
Category 2: 4 year college, 3rd and 4th year students	12.41	12.39	12.38
Category 3: 2 year college, all students	31.34	31.29	31.26
Category 4: Proprietary school, all students	45.07	44.92	44.77
Category 5: Graduate students	8.00	7.98	7.98

UNSUBSIDIZED STAFFORD LOANS

Subsidy Rate (as a percentage of loan commitments)

Risk Categories:	2001 actual	2002 est.	2003 est.
Category 1: 4 year college, 1st and 2nd year students	-12.18	-11.00	-10.48
Category 2: 4 year college, 3rd and 4th year students	-12.84	-12.87	-12.81
Category 3: 2 year college, all students	-6.75	-5.85	-6.31
Category 4: Proprietary school, all students	-5.98	-3.52	-4.80
Category 5: Graduate students	-13.88	-14.28	-13.95

Gross Default Rates (in percent)

Risk Categories:	2001 actual	2002 est.	2003 est.
Category 1: 4 year college, 1st and 2nd year students	19.64	19.63	19.63
Category 2: 4 year college, 3rd and 4th year students	11.47	11.44	11.44
Category 3: 2 year college, all students	27.35	27.32	27.28
Category 4: Proprietary school, all students	34.98	34.86	34.75
Category 5: Graduate students	8.07	8.05	8.05

PLUS LOANS

Subsidy Rate (as a percentage of loan commitments)

All PLUS Loans	2001 actual	2002 est.	2003 est.
All PLUS Loans	-9.49	-8.95	-9.80

Gross Default Rates (in percent)

All PLUS Loans	2001 actual	2002 est.	2003 est.
All PLUS Loans	9.04	9.06	-9.07

Selected Program Costs and Offsets¹ (in thousands of dollars)

	2001 actual	2002 est.	2003 est.
FFEL:			
Interest costs:			
Interest benefits:			
FFEL Liquidating	19,583	15,176	13,656
FFEL Program	1,926,586	2,177,225	2,121,050
Total	1,946,169	2,192,401	2,134,705
Special allowance:			
FFEL Liquidating	44,675	5,414	12,268
FFEL Program	900,126	782,745	908,788
Total	944,801	788,159	921,056
Default costs and offsets:			
Default claims:			
FFEL Liquidating	185,476	32,326	13,772
FFEL Program	1,560,662	3,224,912	3,580,502
Total	1,746,138	3,257,238	3,594,274
Net default collections:			
FFEL Liquidating	1,018,996	888,787	740,109
FFEL Program	2,149,336	2,203,638	2,485,062
Total	3,168,332	3,092,425	3,225,172
Contract collection costs:			
FFEL Liquidating	45,454	57,493	50,217
FFEL Program	(2,753)	0	(640)
Total	42,700	57,493	49,577
Death, disability, and bankruptcy costs:			
FFEL Liquidating	48,570	36,531	27,729
FFEL Program	274,703	371,638	421,800
Total	323,273	408,169	449,529
Fees:			
Borrower origination fees:	750,082	706,622	739,777
Lender origination fee	125,014	117,770	123,296
Sallie Mae offset fee:	44,723	51,368	47,374
Consolidation loan holder fees:	209,817	278,037	318,984
Direct Loans:			
Borrower repayments:	5,820,065	6,636,713	8,335,706
Borrower origination fees:	358,336	286,635	183,226
Net default Collections:	168,652	601,172	828,396
Contact Collection Costs	86,606	89,663	91,637

Administrative Costs:

Federal administration:

FFEL	48,000	48,000	.....
Student Aid Management (SAM) ²	635,000	770,000	.....
Guaranty agency administrative payments:			
Account Maintenance Fee (included in SAM)	180,000	170,000	180,000
Loan Issuance and Processing Fee	149,799	176,814	185,782

Details may not sum to totals due to rounding.

¹ This table represents explicit cash flows in the FFEL and Direct Loan financing accounts. Examples of these flows would include payments of FFEL interest benefits, default claims, and discharge claims, or collections on FFEL or Direct Loan defaults all of which involve explicit events that are reflected in the Department's financial systems as they occur. Non-events, such as Direct Loan interest benefits, defaults, or discharges, involve payments that are not received, and hence not recorded in the Department's financial systems in the same way. For that reason, these non-events are not included in this table.

² For 2003, no funds are requested for loan administration, as these costs would be part of the proposed discretionary Student Aid Administration account.

³ A number of expenses related to the administration of the student assistance programs are paid out of Student Aid Management funds. One of these expenses, account maintenance fee payments to guaranty agencies, is shown as a separate line.

Object Classification (in millions of dollars)

Identification code 91-0243-0-1-502	2001 actual	2002 est.	2003 est.
Personnel compensation:			
11.1 Full-time permanent	40	44	.....
11.3 Other than full-time permanent	2	.....	.....
11.5 Other personnel compensation	2	2	.....
11.9 Total personnel compensation	44	46	.....
12.1 Civilian personnel benefits	11	13	2
21.0 Travel and transportation of persons	5	4	.....
23.1 Rental payments to GSA	5	7	.....
23.3 Communications, utilities, and miscellaneous charges	51	48	.....
24.0 Printing and reproduction	12	9	.....
25.1 Advisory and assistance services	2	4	.....
25.2 Other services	50	41	.....
25.3 Other purchases of goods and services from Government accounts	4	7	.....
25.7 Operation and maintenance of equipment	421	419	.....
26.0 Supplies and materials	1	.....	.....
31.0 Equipment	6	2	.....
32.0 Land and structures	5	3	.....
41.0 Grants, subsidies, and contributions	1,329	180	.....
99.9 Total new obligations	1,946	783	2

Personnel Summary

Identification code 91-0243-0-1-502	2001 actual	2002 est.	2003 est.
1001 Total compensable workyears: Full-time equivalent employment	630	631	.....

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

Program and Financing (in millions of dollars)

Identification code 91-0243-4-1-502	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.03 Non-Contractual Modifications	12
10.00 Total new obligations (object class 41.0)	12
Budgetary resources available for obligation:			
23.95 Total new obligations	- 12
24.40 Unobligated balance carried forward, end of year	- 12
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	- 3
69.27 Capital transfer to general fund	3
69.90 Spending authority from offsetting collections (total mandatory)
Change in obligated balances:			
73.10 Total new obligations	12

73.20 Total outlays (gross) .....	.....	.....	- 12
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority .....	.....	.....	12
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 .....	.....	.....	3
90.00 Outlays .....	.....	.....	15

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

Identification code 91-0243-4-1-502	2001 actual	2002 est.	2003 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Stafford
115002 Unsubsidized Stafford
115003 PLUS
115004 Consolidated
115901 Total direct loan levels
Direct loan subsidy (in percent):			
132001 Stafford	0.05
132002 Unsubsidized Stafford	0.04
132003 PLUS	0.00
132004 Consolidated	0.00
132901 Weighted average subsidy rate	0.03
Direct loan subsidy budget authority:			
133001 Stafford	3
133002 Unsubsidized Stafford	2
133003 PLUS
133004 Consolidated
133006 Non-contractual modifications	12
133901 Total subsidy budget authority	17
Direct loan subsidy outlays:			
134001 Stafford	2
134002 Unsubsidized Stafford	1
134003 PLUS
134004 Consolidated
134006 Non-contractual modifications	12
134901 Total subsidy outlays	15
Direct loan upward reestimate subsidy budget authority:			
135005 Upward reestimate subsidy budget authority
135901 Total upward reestimate budget authority
Direct loan upward reestimate subsidy outlays:			
136005 Upward reestimates subsidy outlays
136901 Total upward reestimate outlays
Direct loan downward reestimate subsidy budget authority:			
137005 Downward reestimates offsetting collection
137901 Total downward reestimate budget authority
Direct loan downward reestimate subsidy outlays:			
138005 Downward reestimates offsetting collection
138901 Total downward reestimate subsidy outlays
Student loan administrative expense data:			
351001 Budget authority
359001 Outlays

These schedules represent the Administration's proposal to expand teacher loan forgiveness. This proposal is described above in the main account narrative.

Credit accounts—Continued

FEDERAL DIRECT STUDENT LOAN PROGRAM, FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 91-4253-0-3-502	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
Direct loans:			
01.01 Stafford	5,523	6,234	6,652
01.02 Unsubsidized Stafford	4,314	4,793	5,145
01.03 PLUS	1,396	1,535	1,679
01.04 Consolidated	7,987	8,704	5,368
01.05 Upward adjustment in prior obligations	350		
01.91 Subtotal, direct loans obligations	19,570	21,266	18,844
Payment for consolidations:			
02.04 Consolidated—Payment of Orig. Services	43	40	29
03.01 Payment of contract collections	71	84	114
04.01 Interest payment to Treasury	5,101	4,800	5,623
Other obligations:			
08.01 Payment of negative subsidy to program account	852	793	604
08.02 Payment of downward reestimate to program account	531		
08.04 Payment of interest on downward reestimate to program account	147		
08.91 Subtotal, other obligations	1,530	793	604
10.00 Total new obligations	26,315	26,983	25,214
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		4	
22.00 New financing authority (gross)	26,319	26,980	25,213
22.10 Resources available from recoveries of prior year obligations	4,555		
22.60 Portion applied to repay debt	-2,236		
22.70 Balance of authority to borrow withdrawn	-2,319		
23.90 Total budgetary resources available for obligation	26,319	26,984	25,213
23.95 Total new obligations	-26,315	-26,983	-25,214
24.40 Unobligated balance carried forward, end of year	4		
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	21,795	22,055	19,447
69.00 Offsetting collections (cash)	11,220	10,129	12,350
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-71		
69.47 Portion applied to repay debt	-6,625	-5,204	-6,584
69.90 Spending authority from offsetting collections (total mandatory)	4,524	4,925	5,766
70.00 Total new financing authority (gross)	26,319	26,980	25,213
Change in obligated balances:			
72.40 Obligated balance, start of year	7,052	4,239	3,945
73.10 Total new obligations	26,315	26,983	25,214
73.20 Total financing disbursements (gross)	-24,644	-27,278	-24,930
73.45 Recoveries of prior year obligations	-4,555		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	71		
74.40 Obligated balance, end of year	4,239	3,945	4,229
87.00 Total financing disbursements (gross)	24,644	27,278	24,930
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Federal sources:			
Payments from program account:			
88.00 Upward reestimate	-1,085		
88.00 Interest on upward reestimate	-74		
88.25 Interest on uninvested funds	-1,058		
Non-Federal sources:			
Stafford loans:			
88.40 Repayment of principal, Stafford	-2,466	-2,113	-2,743
88.40 Interest received on loans, Stafford	-762	-1,287	-1,339
88.40 Origination Fees, Stafford	-139	-169	-180
88.40 Other Fees, Stafford	-28		
88.40 Repayment of principal, Unsubsidized Stafford	-1,697	-1,353	-1,808
88.40 Interest received on loans, Unsubsidized Stafford	-516	-887	-948
88.40 Origination Fees, Unsubsidized Stafford	-109	-126	-135

88.40	Repayment of principal, PLUS	-863	-510	-649
88.40	Interest received on loans, PLUS	-256	-352	-385
88.40	Origination Fees, PLUS	-35	-54	-59
88.40	Payment of principal, Consolidated	-1,638	-1,377	-1,859
88.40	Interest received on loans, Consolidated	-494	-1,901	-2,245
88.90	Total, offsetting collections (cash)	-11,220	-10,129	-12,350
Against gross financing authority only:				
88.95	Change in receivables from program accounts	71		

Net financing authority and financing disbursements:

89.00	Financing authority	15,170	16,851	12,863
90.00	Financing disbursements	13,408	17,149	12,580

Status of Direct Loans (in millions of dollars)

Identification code 91-4253-0-3-502	2001 actual	2002 est.	2003 est.	
STAFFORD				
Position with respect to appropriations act limitation on obligations:				
1131	Direct loan obligations exempt from limitation	5,522	6,234	6,652
1150	Total direct loan obligations	5,522	6,234	6,652
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	23,362	26,564	30,041
1231	Disbursements: Direct loan disbursements	5,467	5,636	6,014
1251	Repayments: Repayments and prepayments	-2,466	-2,113	-2,743
1261	Adjustments: Capitalized interest	248		
1264	Write-offs for default: Other adjustments, net	-47	-46	-52
1290	Outstanding, end of year	26,564	30,041	33,260
UNSUBSIDIZED STAFFORD				
Position with respect to appropriations act limitation on obligations:				
1131	Direct loan obligations exempt from limitation	4,314	4,793	5,145
1150	Total direct loan obligations	4,314	4,793	5,145
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	15,048	17,519	20,903
1231	Disbursements: Direct loan disbursements	4,039	4,186	4,492
1251	Repayments: Repayments and prepayments	-1,697	-1,353	-1,808
1261	Adjustments: Capitalized interest	167	580	479
1264	Write-offs for default: Other adjustments, net	-38	-29	-34
1290	Outstanding, end of year	17,519	20,903	24,032
PLUS				
Position with respect to appropriations act limitation on obligations:				
1131	Direct loan obligations exempt from limitation	1,396	1,535	1,679
1150	Total direct loan obligations	1,396	1,535	1,679
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	3,502	3,875	4,677
1231	Disbursements: Direct loan disbursements	1,258	1,340	1,466
1251	Repayments: Repayments and prepayments	-863	-510	-649
1261	Adjustments: Capitalized interest	6		
1264	Write-offs for default: Other adjustments, net	-28	-28	-33
1290	Outstanding, end of year	3,875	4,677	5,461
CONSOLIDATED				
Position with respect to appropriations act limitation on obligations:				
1131	Direct loan obligations exempt from limitation	7,987	8,704	5,647
1150	Total direct loan obligations	7,987	8,704	5,647
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	16,610	22,526	29,711
1231	Disbursements: Direct loan disbursements	7,402	8,643	5,307
1251	Repayments: Repayments and prepayments	-1,638	-1,377	-1,859
1261	Adjustments: Capitalized interest	231		
1264	Write-offs for default: Other adjustments, net	-79	-81	-101
1290	Outstanding, end of year	22,526	29,711	33,058

Balance Sheet (in millions of dollars)

Identification code 91-4253-0-3-502	2000 actual	2001 actual	2002 est.	2003 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	2,299	603	3,945	4,229
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	58,351	70,313	85,332	95,810
1402 Interest receivable	1,779	2,616	5,481	6,298
1405 Allowance for subsidy cost (-)	2,756	1,739	3,468	3,073
1499 Net present value of assets related to direct loans	62,886	74,668	94,281	105,181
1901 Other Federal assets: Other assets	258	2,497		
1999 Total assets	65,443	77,768	98,226	109,410
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable	96	579	2,406	4,086
2103 Debt	65,347	77,189	95,820	105,324
2999 Total liabilities	65,443	77,768	98,226	109,410
NET POSITION:				
3999 Total net position				
4999 Total liabilities and net position	65,443	77,768	98,226	109,410

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 FINANCING ACCOUNT

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 91-4253-4-3-502	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
Other obligations:			
08.01 Payment of negative subsidy to program account			-5
10.00 Total new obligations			-5
Budgetary resources available for obligation:			
22.00 New financing authority (gross)			-5
23.95 Total new obligations			5
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow			-5
Change in obligated balances:			
73.10 Total new obligations			-5
73.20 Total financing disbursements (gross)			5
87.00 Total financing disbursements (gross)			-5
Net financing authority and financing disbursements:			
89.00 Financing authority			-5
90.00 Financing disbursements			-5

Balance Sheet (in millions of dollars)

Identification code 91-4253-4-3-502	2000 actual	2001 actual	2002 est.	2003 est.
LIABILITIES:				
2101 Federal liabilities: Accounts payable				-5
2999 Total liabilities				-5
NET POSITION:				
3100 Appropriated capital				5
3999 Total net position				5

These schedules represent the Administration's proposal to expand teacher loan forgiveness. This proposal is described above in the main account narrative.

FEDERAL FAMILY EDUCATION LOAN PROGRAM ACCOUNT

[For Federal administrative expenses to carry out guaranteed student loans authorized by title IV, part B, of the Higher Education Act of 1965, as amended, \$49,636,000.] (Department of Education Appropriations Act, 2002; additional authorizing legislation required.)

Program and Financing (in millions of dollars)

Identification code 91-0231-0-1-502	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.02 Guaranteed Loan Net Subsidy	2,726	3,373	3,675
Administrative expenses:			
00.09 Administrative expenses due to limitations	48	49	
10.00 Total new obligations	2,774	3,422	3,675
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2	3	
22.00 New budget authority (gross)	3,116	3,830	4,090
22.10 Resources available from recoveries of prior year obligations	1		
22.40 Capital transfer to general fund	-342	-411	-415
23.90 Total budgetary resources available for obligation	2,777	3,422	3,675
23.95 Total new obligations	-2,774	-3,422	-3,675
24.40 Unobligated balance carried forward, end of year	3		

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation (Federal administration)	48	50	
40.71 Reduction pursuant to P.L. 107-116		-1	
43.00 Appropriation (total discretionary)	48	49	
Mandatory:			
60.00 Appropriation	3,068	3,781	4,090
Offsetting collections (cash):			
69.00 Offsetting collections (cash)—downward reestimate	3,526		
69.00 Offsetting collections (cash)—interest on downward reestimate	1,202		
69.27 Capital transfer to general fund	-4,728		
70.00 Total new budget authority (gross)	3,116	3,830	4,090

Change in obligated balances:

72.40 Obligated balance, start of year	1,265	862	952
73.10 Total new obligations	2,774	3,422	3,675
73.20 Total outlays (gross)	-3,176	-3,332	-3,660
73.45 Recoveries of prior year obligations	-1		
74.40 Obligated balance, end of year	862	952	967

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	37	37	
86.93 Outlays from discretionary balances	19	29	11
86.97 Outlays from new mandatory authority	1,871	2,409	2,685
86.98 Outlays from mandatory balances	1,249	855	963
87.00 Total outlays (gross)	3,176	3,332	3,660

Offsets:

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-4,728		

Net budget authority and outlays:

89.00 Budget authority	-1,612	3,830	4,090
90.00 Outlays	-1,552	3,332	3,660

Summary of Budget Authority and Outlays

	(in millions of dollars)		
Enacted/requested:	2001 actual	2002 est.	2003 est.
Budget Authority	-1,612	3,830	4,090
Outlays	-1,552	3,330	3,659
Legislative proposal, subject to PAYGO:			
Budget Authority			34
Outlays			30
Total:			
Budget Authority	-1,612	3,830	4,124
Outlays	-1,552	3,330	3,689

Credit accounts—Continued

FEDERAL FAMILY EDUCATION LOAN PROGRAM ACCOUNT—Continued

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

Identification code 91-0231-0-1-502	2001 actual	2002 est.	2003 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Stafford	12,601	14,407	15,408
215002 Unsubsidized Stafford	11,117	12,633	13,569
215003 PLUS	2,985	3,346	3,685
215004 Consolidated	8,002	8,364	6,897
215901 Total loan guarantee levels	34,705	38,750	39,559
Guaranteed loan subsidy (in percent):			
232001 Stafford	18.15	16.40	16.81
232002 Unsubsidized Stafford	4.98	6.18	4.61
232003 PLUS	2.98	4.74	4.67
232004 Consolidated	1.72	5.73	10.19
232901 Weighted average subsidy rate	8.84	9.76	10.34
Guaranteed loan subsidy budget authority:			
233001 Stafford	2,288	2,363	2,590
233002 Unsubsidized Stafford	554	781	626
233003 PLUS	89	159	172
233004 Consolidated	138	479	703
233901 Total subsidy budget authority	3,069	3,782	4,091
Guaranteed loan subsidy outlays:			
234001 Stafford	2,298	2,060	2,218
234002 Unsubsidized Stafford	577	611	583
234003 PLUS	97	117	147
234004 Consolidated	137	478	701
234901 Total subsidy outlays	3,109	3,266	3,649
Guaranteed loan downward reestimate subsidy budget authority:			
237005 Downward reestimate	-4,728		
237901 Total downward reestimate subsidy budget authority	-4,728		
Guaranteed loan downward reestimate subsidy outlays:			
238005 Downward reestimate subsidy outlays	-4,728		
238901 Total downward reestimate subsidy outlays	-4,728		
Administrative expense data:			
351001 Budget authority	48	49	
359001 Outlays	56	67	11

As required by the Federal Credit Reform Act of 1990, this program account records the subsidy costs associated with Federal Family Education Loans (FFEL), formerly guaranteed student loans (GSL), committed in 1992 and beyond, 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. Consistent with the Administration's proposal to consolidate student aid administrative activities in a single discretionary account, these expenses are not reflected for 2003. For a discussion of this proposal, see the narrative description above in the Student Aid Administration account. Beginning with the 1993 cohort, mandatory administrative costs, specifically contract collection costs, are included in the FFEL subsidy estimates of each year's cohort. Subsidy amounts are estimated on a net present value basis.

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

Object Classification (in millions of dollars)

Identification code 91-0231-0-1-502	2001 actual	2002 est.	2003 est.
Personnel compensation:			
11.1 Full-time permanent	21	23	
11.3 Other than full-time permanent	1		
11.5 Other personnel compensation	1	1	
11.9 Total personnel compensation	23	24	

12.1 Civilian personnel benefits	5	5	
23.1 Rental payments to GSA	3	3	
23.3 Communications, utilities, and miscellaneous charges	3	2	
25.2 Other services	1	1	
25.3 Other purchases of goods and services from Government accounts	1	1	
25.7 Operation and maintenance of equipment	11	12	
31.0 Equipment	1	1	
41.0 Grants, subsidies, and contributions	2,726	3,373	3,675
99.9 Total new obligations	2,774	3,422	3,675

Personnel Summary

Identification code 91-0231-0-1-502	2001 actual	2002 est.	2003 est.
1001 Total compensable workyears: Full-time equivalent employment	345	326	

**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	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.02 Guaranteed Loan Net Subsidy			32
10.00 Total new obligations (object class 41.0)			32
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			34
23.95 Total new obligations			-32
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation			34
Change in obligated balances:			
73.10 Total new obligations			32
73.20 Total outlays (gross)			-30
74.40 Obligated balance, end of year			2
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority			30
Net budget authority and outlays:			
89.00 Budget authority			34
90.00 Outlays			30

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

Identification code 91-0231-4-1-502	2001 actual	2002 est.	2003 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Stafford			
215002 Unsubsidized Stafford			
215003 PLUS			
215004 Consolidated			
215901 Total loan guarantee levels			
Guaranteed loan subsidy (in percent):			
232001 Stafford			0.04
232002 Unsubsidized Stafford			0.03
232003 PLUS			0.00
232004 Consolidated			0.00
232901 Weighted average subsidy rate			0.03
Guaranteed loan subsidy budget authority:			
233001 Stafford			6
233002 Unsubsidized Stafford			4
233003 PLUS			
233004 Consolidated			
233901 Total subsidy budget authority			10
Guaranteed loan subsidy outlays:			
234001 Stafford			4
234002 Unsubsidized Stafford			2
234003 PLUS			

234004 Consolidated			
234901 Total subsidy outlays			6
Guaranteed loan downward reestimate subsidy budget authority:			
237005 Downward reestimate			
237901 Total downward reestimate subsidy budget authority			
Guaranteed loan downward reestimate subsidy outlays:			
238005 Downward reestimate subsidy outlays			
238901 Total downward reestimate subsidy outlays			
Administrative expense data:			
351001 Budget authority			
359001 Outlays			

These schedules represent the Administration's proposal to expand teacher loan forgiveness. This proposal is described above in the main account narrative.

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	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
Stafford loans:			
01.01 Interest benefits	2,557	1,443	1,359
01.02 Special allowance	421	189	408
01.03 Default claims	1,278	1,377	1,531
01.04 Death, disability, and bankruptcy claims	142	138	148
01.07 Contract collection costs	26	19	25
01.08 Loan Processing Fee	29	94	100
01.09 Voluntary flexible Agreement Performance Fee	48		
01.91 Subtotal, Stafford loans	4,501	3,260	3,571
Unsubsidized Stafford loans:			
02.02 Special allowance	275	144	291
02.03 Default claims	644	725	905
02.04 Death, disability, and bankruptcy claims	81	77	89
02.07 Contract collection costs	11	4	6
02.08 Loan Processing Fee	24	82	87
02.09 Voluntary flexible agreement performance fee	21		
02.91 Subtotal, Unsubsidized Stafford loans	1,056	1,032	1,378
PLUS loans:			
03.02 Special allowance	18	19	24
03.03 Default claims	71	176	199
03.04 Death, disability, and bankruptcy claims	46	66	76
03.07 Contract Collection Costs	1	1	1
03.08 Loan Processing Fee	6	22	24
03.09 Voluntary flexible agreement performance fee	7		
03.91 Subtotal, PLUS loans	149	284	324
SLS loans:			
04.02 Special allowance		1	1
04.03 Default claims	75	40	15
04.04 Death, disability and bankruptcy claims	12	7	6
04.07 Contract collection costs	3	5	5
04.09 Voluntary flexible agreement performance fee	2		
04.91 Subtotal, SLS loans	92	53	27
Consolidation loans:			
05.02 Special allowance	129	58	168
05.03 Default claims	453	861	1,016
05.04 Death, disability, and bankruptcy claims	105	151	182
05.07 Contract collection costs	3	4	5
05.09 Voluntary flexible agreement performance fee	23		
05.91 Subtotal, Consolidations loans	713	1,074	1,371
08.02 Downward reestimate	3,526		
08.03 Adjusting payments to liquidating accounts	476		
08.04 Interest on downward reestimate	1,202		
08.91 Direct Program by Activities—Subtotal (1 level)	5,204		

10.00 Total new obligations	11,715	5,703	6,671
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	7,652	4,952	6,117
22.00 New financing authority (gross)	8,271	6,867	7,712
22.10 Resources available from recoveries of prior year obligations	744		
23.90 Total budgetary resources available for obligation	16,667	11,819	13,829
23.95 Total new obligations	-11,715	-5,703	-6,671
24.40 Unobligated balance carried forward, end of year	4,952	6,117	7,158
New financing authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	8,271	6,867	7,712
Change in obligated balances:			
72.40 Obligated balance, start of year	1,868	1,392	677
73.10 Total new obligations	11,715	5,703	6,671
73.20 Total financing disbursements (gross)	-11,448	-6,417	-6,555
73.45 Recoveries of prior year obligations	-744		
74.40 Obligated balance, end of year	1,392	677	792
87.00 Total financing disbursements (gross)	11,448	6,417	6,555

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Federal sources:			
Payments from program account:			
88.00 Stafford loans	-2,298	-2,060	-2,218
88.00 Unsubsidized Stafford	-577	-611	-583
88.00 PLUS loans	-97	-117	-147
88.00 Consolidated loans	-137	-478	-701
88.25 Interest on uninvested funds	-461	-395	-447
Non-Federal sources:			
Student Loans: Stafford, Unsubsidized Stafford, PLUS, SLS & Consolidation:			
88.40 Stafford recoveries on defaults	-1,998	-1,071	-1,192
88.40 Stafford origination fees	-404	-435	-466
88.40 Stafford Sallie Mae offset fees	-27	-27	-24
88.40 Other fees	-188		
88.40 Unsubsidized Stafford recoveries on defaults	-803	-289	-363
88.40 Unsubsidized Stafford origination fees	-332	-373	-400
88.40 Unsubsidized Stafford Sallie Mae offset fees	-17	-18	-18
88.40 PLUS recoveries on defaults	-65	-60	-73
88.40 PLUS origination fees	-96	-99	-109
88.40 PLUS Sallie Mae offset fees	-6	-6	-6
88.40 SLS recoveries on defaults	-207	-94	-93
88.40 SLS Sallie Mae offset fees	-1		
88.40 Other fees	-2		
88.40 Consolidation recoveries on defaults	-240	-307	-411
88.40 Consolidation origination fees	-28	-41	-34
88.40 Consolidated loan holders fee	-287	-386	-427
88.90 Total, offsetting collections (cash)	-8,271	-6,867	-7,712

Net financing authority and financing disbursements:

89.00 Financing authority			
90.00 Financing disbursements	3,177	-450	-1,157

Status of Guaranteed Loans (in millions of dollars)

Identification code 91-4251-0-3-502	2001 actual	2002 est.	2003 est.
STAFFORD			
Position with respect to appropriations act limitation on commitments:			
2131 Guaranteed loan commitments exempt from limitation	12,601	14,407	15,408
2150 Total guaranteed loan commitments	12,601	14,407	15,408
2199 Guaranteed amount of guaranteed loan commitments	12,601	14,407	15,408
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	63,723	69,103	70,587
2231 Disbursements of new guaranteed loans	11,337	12,435	13,297
2251 Repayments and prepayments	-4,450	-9,428	-10,560
Adjustments:			
2261 Terminations for default that result in loans receivable	-1,365	-1,385	-1,534
2263 Terminations for default that result in claim payments	-142	-138	-148
2290 Outstanding, end of year	69,103	70,587	71,642

Credit accounts—Continued

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

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

Identification code 91-4251-0-3-502	2001 actual	2002 est.	2003 est.
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	69,103	70,587	71,642
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	2,649	2,498	2,782
2331 Disbursements for guaranteed loan claims	1,365	1,385	1,534
2351 Repayments of loans receivable	-1,241	-1,071	-1,192
2361 Write-offs of loans receivable	-30	-30	-34
2364 Other adjustments, net	-245		
2390 Outstanding, end of year	2,498	2,782	3,090
UNSUBSIDIZED STAFFORD			
Position with respect to appropriations act limitation on commitments:			
2131 Guaranteed loan commitments exempt from limitation	11,117	12,633	13,569
2150 Total guaranteed loan commitments	11,117	12,633	13,569
2199 Guaranteed amount of guaranteed loan commitments	11,117	12,633	13,569
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	36,718	41,838	46,790
2231 Disbursements of new guaranteed loans	9,624	10,651	11,438
2251 Repayments and prepayments	-3,736	-4,897	-6,196
Adjustments:			
2261 Terminations for default that result in loans receivable	-687	-725	-893
2263 Terminations for default that result in claim payments	-81	-77	-89
2290 Outstanding, end of year	41,838	46,790	51,050
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	41,838	46,790	51,050
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	901	922	1,337
2331 Disbursements for guaranteed loan claims	687	725	893
2351 Repayments of loans receivable	-490	-289	-363
2361 Write-offs of loans receivable	-17	-21	-29
2364 Other adjustments, net	-159		
2390 Outstanding, end of year	922	1,337	1,838
PLUS			
Position with respect to appropriations act limitation on commitments:			
2131 Guaranteed loan commitments exempt from limitation	2,985	3,346	3,685
2150 Total guaranteed loan commitments	2,985	3,346	3,685
2199 Guaranteed amount of guaranteed loan commitments	2,985	3,346	3,685
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	8,131	9,626	10,519
2231 Disbursements of new guaranteed loans	2,621	2,834	3,120
2251 Repayments and prepayments	-1,004	-1,712	-1,912
Adjustments:			
2261 Terminations for default that result in loans receivable	-76	-163	-199
2263 Terminations for default that result in claim payments	-46	-66	-76
2290 Outstanding, end of year	9,626	10,519	11,452
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	9,626	10,519	11,452
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	196	189	280

2331 Disbursements for guaranteed loan claims	76	163	199	
2351 Repayments of loans receivable	-39	-60	-73	
2361 Write-offs of loans receivable	-10	-12	-17	
2364 Other adjustments, net	-34			
2390 Outstanding, end of year	189	280	389	
SLS				
Cumulative balance of guaranteed loans outstanding:				
2210 Outstanding, start of year	2,200	1,856	1,576	
2251 Repayments and prepayments	-252	-227	-204	
Adjustments:				
2261 Terminations for default that result in loans receivable	-80	-46	-19	
2263 Terminations for default that result in claim payments	-12	-7	-6	
2290 Outstanding, end of year	1,856	1,576	1,347	
Memorandum:				
2299 Guaranteed amount of guaranteed loans outstanding, end of year	1,856	1,576	1,347	
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310 Outstanding, start of year	674	614	564	
2331 Disbursements for guaranteed loan claims	80	46	19	
2351 Repayments of loans receivable	-131	-94	-93	
2361 Write-offs of loans receivable	-2	-2	-2	
2364 Other adjustments, net	-7			
2390 Outstanding, end of year	614	564	488	
CONSOLIDATED				
Position with respect to appropriations act limitation on commitments:				
2131 Guaranteed loan commitments exempt from limitation	8,002	8,364	6,897	
2150 Total guaranteed loan commitments	8,002	8,364	6,897	
2199 Guaranteed amount of guaranteed loan commitments	8,002	8,364	6,897	
Cumulative balance of guaranteed loans outstanding:				
2210 Outstanding, start of year	28,162	32,384	37,316	
2231 Disbursements of new guaranteed loans	6,955	8,335	6,877	
2251 Repayments and prepayments	-2,144	-2,438	-3,053	
Adjustments:				
2261 Terminations for default that result in loans receivable	-484	-814	-1,010	
2263 Terminations for default that result in claim payments	-105	-151	-182	
2290 Outstanding, end of year	32,384	37,316	39,948	
Memorandum:				
2299 Guaranteed amount of guaranteed loans outstanding, end of year	32,384	37,316	39,948	
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310 Outstanding, start of year	922	1,116	1,855	
2331 Disbursements for guaranteed loan claims	484	814	1,010	
2351 Repayments of loans receivable	-139	-42	-411	
2361 Write-offs of loans receivable	-22	-33	-43	
2364 Other adjustments, net	-129			
2390 Outstanding, end of year	1,116	1,855	2,411	
Balance Sheet (in millions of dollars)				
Identification code 91-4251-0-3-502	2000 actual	2001 actual	2002 est.	2003 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	9,741	6,531	6,117	7,158
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:				
1501 Defaulted guaranteed loans receivable, gross	5,342	5,339	6,816	8,215
1502 Interest receivable	1,189	1,287	1,390	1,501
1505 Allowance for subsidy cost (-)	1,503	1,830	2,233	2,724
1599 Net present value of assets related to defaulted guaranteed loans	8,034	8,456	10,439	12,440
1901 Other Federal assets: Other assets	2	336		

1999	Total assets	17,777	15,323	16,556	19,598
LIABILITIES:					
2101	Federal liabilities: Accounts payable	4,553	2,827	4,685	8,321
2204	Non-Federal liabilities: Liabilities for loan guarantees	13,224	12,496	11,871	11,277
2999	Total liabilities	17,777	15,323	16,556	19,598
4999	Total liabilities and net position	17,777	15,323	16,556	19,598

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

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

Program and Financing (in millions of dollars)

Identification code 91-4251-4-3-502	2001 actual	2002 est.	2003 est.
Budgetary resources available for obligation:			
22.00	New financing authority (gross)		6
24.40	Unobligated balance carried forward, end of year		6
New financing authority (gross), detail:			
Mandatory:			
69.00	Offsetting collections (cash)		6
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Payments from program account:			
Federal sources:			
88.00	Stafford loans		-4
88.00	Unsubsidized Stafford		-2
88.90	Total, offsetting collections (cash)		-6
Net financing authority and financing disbursements:			
89.00	Financing authority		
90.00	Financing disbursements		-6

Balance Sheet (in millions of dollars)

Identification code 91-4251-4-3-502	2000 actual	2001 actual	2002 est.	2003 est.
ASSETS:				
1101	Federal assets: Fund balances with Treasury			6
1999	Total assets			6
LIABILITIES:				
2101	Federal liabilities: Accounts payable			6
2999	Total liabilities			6
4999	Total liabilities and net position			6

These schedules represent the Administration's proposal to increase teacher loan forgiveness. This proposal is described above in the main account narrative.

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	2001 actual	2002 est.	2003 est.	
Obligations by program activity:				
Stafford loans:				
01.01	Interest benefits, net of origination fees	19	15	14

01.02	Special allowance net of origination fees	45	5	12
01.03	Default claims	156	29	12
01.04	Death, disability, and bankruptcy claims	41	27	20
01.07	Contract collection costs	35	45	40
01.91	Subtotal, Stafford loans	296	121	98
PLUS/SLS loans:				
02.01	Default claims	30	4	2
02.02	Death, disability, and bankruptcy claims	7	10	8
02.05	Contract collection costs	8	12	9
02.91	Subtotal, PLUS/SLS loans	45	26	19
10.00	Total new obligations	341	147	117

Budgetary resources available for obligation:

21.40	Unobligated balance carried forward, start of year	521	146	
22.00	New budget authority (gross)	437	147	117
22.10	Resources available from recoveries of prior year obligations	49		
22.40	Capital transfer to general fund	-521	-146	
23.90	Total budgetary resources available for obligation	486	147	117
23.95	Total new obligations	-341	-147	-117
24.40	Unobligated balance carried forward, end of year	146		

New budget authority (gross), detail:

Mandatory:				
69.00	Offsetting collections (cash)	1,501	892	742
69.27	Capital transfer to general fund	-1,064	-745	-625
69.90	Spending authority from offsetting collections (total mandatory)	437	147	117

Change in obligated balances:

72.40	Obligated balance, start of year	422	65	
73.10	Total new obligations	341	147	117
73.20	Total outlays (gross)	-649	-212	-117
73.45	Recoveries of prior year obligations	-49		
74.40	Obligated balance, end of year	65		

Outlays (gross), detail:

86.97	Outlays from new mandatory authority	227	147	117
86.98	Outlays from mandatory balances	422	65	
87.00	Total outlays (gross)	649	212	117

Offsets:

Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Federal sources				
88.00	Federal student loans:			
Non-Federal sources:				
88.40	Fed collections on defaulted loans, Stafford	-356	-260	-229
88.40	Federal collections on bankruptcies, Stafford	-4	-2	-2
88.40	Offsets against Federal tax refunds, Stafford	-173	-241	-204
88.40	Reimbursements from guaranty agencies, Stafford	-335	-230	-179
88.40	Sallie Mae Offset Fee	-1		
88.40	Federal collections on defaulted loans, PLUS/SLS	-80	-67	-56
88.40	Federal collections on bankruptcies, PLUS/SLS	-1	-1	
88.40	Offsets against Federal tax refunds, PLUS/SLS	-21	-56	-45
88.40	Reimbursements from guaranty agencies, PLUS/SLS	-54	-35	-27
88.90	Total, offsetting collections (cash)	-1,501	-892	-742

Net budget authority and outlays:

89.00	Budget authority	-1,064	-745	-625
90.00	Outlays	-852	-680	-625

Status of Guaranteed Loans (in millions of dollars)

Identification code 91-0230-0-1-502	2001 actual	2002 est.	2003 est.	
STAFFORD LOANS				
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	5,481	3,612	1,812
2251	Repayments and prepayments	-1,512	-1,713	-979
Adjustments:				
2261	Terminations for default that result in loans receivable	-316	-50	-15

Credit accounts—Continued

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

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

Identification code 91-0230-0-1-502	2001 actual	2002 est.	2003 est.
2263 Terminations for default that result in claim payments	-41	-37	-28
2290 Outstanding, end of year	3,612	1,812	790
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	3,612	1,812	790
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	12,835	12,094	11,493
2331 Disbursements for guaranteed loan claims	316	50	15
2351 Repayments of loans receivable	-628	-419	-344
2361 Write-offs of loans receivable	-183	-173	-164
2364 Other adjustments, net	-246	-59	-46
2390 Outstanding, end of year	12,094	11,493	10,954
PLUS/SLS LOANS			
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	1,042	881	760
2251 Repayments and prepayments	-93	-103	-103
Adjustments:			
2261 Terminations for default that result in loans receivable	-61	-8	-2
2263 Terminations for default that result in claim payments	-7	-10	-8
2290 Outstanding, end of year	881	760	647
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	881	760	647
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	2,151	2,026	1,921
2331 Disbursements for guaranteed loan claims	61	8	2
2351 Repayments of loans receivable	-113	-75	-60
2361 Write-offs of loans receivable	-32	-30	-29
2364 Other adjustments, net	-41	-8	-6
2390 Outstanding, end of year	2,026	1,921	1,828

Statement of Operations (in millions of dollars)

Identification code 91-0230-0-1-502	2000 actual	2001 actual	2002 est.	2003 est.
Stafford:				
0111 Revenue	1,711	868	733	613
0112 Expense	-221	-296	-122	-98
0115 Net income or loss (-)	1,490	572	611	515
PLUS/SLS:				
0121 Revenue	307	156	159	129
0122 Expense	-30	-45	-25	-19
0125 Net income or loss (-)	277	111	134	110
0191 Total revenues	2,018	1,024	892	742
0192 Total expenses	-251	-341	-147	-117
0195 Total income or loss (-)	1,767	683	745	625
0199 Total comprehensive income	1,767	683	745	625

Balance Sheet (in millions of dollars)

Identification code 91-0230-0-1-502	2000 actual	2001 actual	2002 est.	2003 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	889	191		

Identification code 91-0230-0-1-502	2001 actual	2002 est.	2003 est.	
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1701 Defaulted guaranteed loans, gross	15,026	14,160	13,310	12,511
1702 Interest receivable	2,007	1,740	1,514	1,317
1703 Allowance for estimated uncollectible loans and interest (-)	-14,087	-14,533	-14,200	-13,600
1704 Defaulted guaranteed loans and interest receivable, net	2,946	1,367	624	228
1799 Value of assets related to loan guarantees	2,946	1,367	624	228
1901 Other Federal assets: Other assets	754	62		
1999 Total assets	4,589	1,620	624	228
LIABILITIES:				
Non-Federal liabilities:				
2201 Accounts payable	246	8		
2204 Liabilities for loan guarantees	4,343	1,612	624	228
2999 Total liabilities	4,589	1,620	624	228
NET POSITION:				
3999 Total net position				
4999 Total liabilities and net position	4,589	1,620	624	228

¹ Excludes interest and premium collections on insured loans.

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

Object Classification (in millions of dollars)

Identification code 91-0230-0-1-502	2001 actual	2002 est.	2003 est.
25.2 Other services	43	57	49
33.0 Investments and loans	185	32	14
41.0 Grants, subsidies, and contributions	64	21	26
42.0 Insurance claims and indemnities	49	37	28
99.9 Total new obligations	341	147	117

OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT

Federal Funds

General and special funds:

EDUCATION RESEARCH, STATISTICS, AND ASSESSMENT

[For carrying out activities authorized by the Educational Research, Development, Dissemination, and Improvement Act of 1994, including part E; the National Education Statistics Act of 1994, including sections 411 and 412; section 4 of the No Child Left Behind Act of 2001; and title VI, part A of the Elementary and Secondary Education Act, \$443,870,000: *Provided*, That \$58,000,000 of the amount available for the national education research institutes shall be allocated notwithstanding section 912(m)(1)(B-F) and subparagraphs (B) and (C) of section 931(c)(2) of Public Law 103-227.] (*Department of Education Appropriations Act, 2002.*)

Program and Financing (in millions of dollars)

Identification code 91-1100-0-1-503	2001 actual	2002 est.	2003 est.
Direct program:			
Obligations by program activity:			
Research, development and dissemination:			
00.01 Research and dissemination	120	122	
00.02 Regional educational laboratories	65	67	
00.03 Statistics	80	85	
00.04 Assessment	40	112	
00.05 Eisenhower professional development Federal activities	23		
00.06 Fund for the Improvement of Education	340	1	
00.07 Multi-year grants and contracts		58	

00.08	Javits gifted and talented education	8		
00.09	Eisenhower regional mathematics and science education consortia	15		
00.10	National writing project	10		
00.11	Civic education	12		
00.12	International education exchange	10		
01.00	Total direct program	723	445	
09.01	Reimbursable program	5	5	
10.00	Total new obligations	728	450	

Budgetary resources available for obligation:

21.00	Unobligated balance carried forward, start of year	2	1	
22.00	New budget authority (gross)	727	449	
23.90	Total budgetary resources available for obligation	729	450	
23.95	Total new obligations	-728	-450	
24.40	Unobligated balance carried forward, end of year	1		

New budget authority (gross), detail:

Discretionary:

40.00	Appropriation	733	444	
40.75	Reduction pursuant to P.L. 106-554 (Labor/HHS)	-1		
41.00	Transferred to other accounts	-10		
43.00	Appropriation (total discretionary)	722	444	
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	5	5	
70.00	Total new budget authority (gross)	727	449	

Change in obligated balances:

72.40	Obligated balance, start of year	720	876	502
73.10	Total new obligations	728	450	
73.20	Total outlays (gross)	-570	-824	-404
73.40	Adjustments in expired accounts (net)	-2		
74.40	Obligated balance, end of year	876	502	98

Outlays (gross), detail:

86.90	Outlays from new discretionary authority	132	107	
86.93	Outlays from discretionary balances	438	717	404
87.00	Total outlays (gross)	570	824	404

Offsets:

Against gross budget authority and outlays:

88.00	Offsetting collections (cash) from: Federal sources	-5	-5	
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Net budget authority and outlays:

89.00	Budget authority	722	444	
90.00	Outlays	565	819	404

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	2001 actual	2002 est.	2003 est.
Budget Authority	722	444	
Outlays	565	819	404
Legislative proposal, not subject to PAYGO:			
Budget Authority			433
Outlays			107
Total:			
Budget Authority	722	444	433
Outlays	565	819	511

The Administration will propose legislation reauthorizing the research, statistics, and assessment activities carried out by the Office of Educational Research and Improvement. When new authorizing legislation is enacted, resources for these programs will be requested. See the "Legislative proposal, not subject to PAYGO" schedule for additional details.

Object Classification (in millions of dollars)

Identification code 91-1100-0-1-503	2001 actual	2002 est.	2003 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	1	1	
11.3 Other than full-time permanent	1	1	
11.9 Total personnel compensation	2	2	
24.0 Printing and reproduction	2	2	

25.1	Advisory and assistance services	2	2	
25.2	Other services	81	123	
25.3	Other purchases of goods and services from Government accounts	36	36	
25.5	Research and development contracts	98	98	
25.7	Operation and maintenance of equipment	6	6	
31.0	Equipment	2	2	
41.0	Grants, subsidies, and contributions	494	174	
99.0	Direct obligations	723	445	
99.0	Reimbursable obligations	5	5	
99.9	Total new obligations	728	450	

Personnel Summary

Identification code 91-1100-0-1-503	2001 actual	2002 est.	2003 est.
1001 Total compensable workyears: Full-time equivalent employment	13	15	

EDUCATION RESEARCH, STATISTICS, AND ASSESSMENT
(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 91-1100-2-1-503	2001 actual	2002 est.	2003 est.
Direct program:			
Obligations by program activity:			
Research, development and dissemination:			
00.01 Research and dissemination			175
00.02 Regional educational laboratories			68
00.03 Statistics			95
00.04 Assessment			95
01.00 Total direct program			433
09.01 Reimbursable program			5
10.00 Total new obligations			438

Budgetary resources available for obligation:

22.00	New budget authority (gross)		438
23.95	Total new obligations		-438

New budget authority (gross), detail:

Discretionary:

40.00	Appropriation		433
68.00	Spending authority from offsetting collections: Offsetting collections (cash)		5
70.00	Total new budget authority (gross)		438

Change in obligated balances:

73.10	Total new obligations		438
73.20	Total outlays (gross)		-112
74.40	Obligated balance, end of year		326

Outlays (gross), detail:

86.90	Outlays from new discretionary authority		112
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Offsets:

Against gross budget authority and outlays:

88.00	Offsetting collections (cash) from: Federal sources		-5
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Net budget authority and outlays:

89.00	Budget authority		433
90.00	Outlays		107

Research and dissemination.—The Administration's proposal will address needed improvements in the quality and relevance of the Department's research activities. Funds will support a diverse portfolio of directed research, field-initiated studies, research and development centers, and interagency initiatives. New research on reading comprehension, early childhood education, and learning and cognition will expand the understanding of how children learn. Funds also will support fellowships for doctoral students to increase the nation's educational research capacity and dissemination activities that provide parents, teachers, and schools with valid information on effective educational practice.

General and special funds—Continued

EDUCATION RESEARCH, STATISTICS, AND ASSESSMENT—Continued

Regional educational laboratories.—Funds will be used to continue current contracts for the network of regional laboratories. The laboratories conduct applied research and development, dissemination, and technical assistance activities to address needs in their regions.

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

Assessment.—Funds support the National Assessment of Educational Progress (NAEP). NAEP administers assessments to samples of students in order to gather reliable information about educational attainment in important academic areas. Funds support collection and reporting of national, State, and long-term trend information, including the conduct of biennial State NAEP in reading and mathematics at grades 4 and 8.

Object Classification (in millions of dollars)

Identification code 91–1100–2–1–503	2001 actual	2002 est.	2003 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent			1
11.3 Other than full-time permanent			1
11.9 Total personnel compensation			2
24.0 Printing and reproduction			2
25.1 Advisory and assistance services			2
25.2 Other services			167
25.3 Other purchases of goods and services from Government accounts			36
25.5 Research and development contracts			98
25.7 Operation and maintenance of equipment			6
31.0 Equipment			2
41.0 Grants, subsidies, and contributions			118
99.0 Direct obligations			433
99.0 Reimbursable obligations			5
99.9 Total new obligations			438

Personnel Summary

Identification code 91–1100–2–1–503	2001 actual	2002 est.	2003 est.
1001 Total compensable workyears: Full-time equivalent employment			15

DEPARTMENTAL MANAGEMENT

Federal Funds

General and special funds:

PROGRAM ADMINISTRATION

For carrying out, to the extent not otherwise provided, the Department of Education Organization Act, including rental of conference rooms in the District of Columbia and hire of [two] three passenger motor vehicles, **[\$424,212,000] \$423,291,000, of which \$12,795,000, to remain available until expended, shall be for building alterations and related expenses for the modernization of the Mary E. Switzer Building in Washington, D.C. (Department of Education Appropriations Act, 2002; additional authorizing legislation required.)**

Program and Financing (in millions of dollars)

Identification code 91–0800–0–1–503	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Program administration	423	434	423
09.01 Reimbursable program	2	2	2

10.00	Total new obligations	425	436	425
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	425	436	425
23.95	Total new obligations	–425	–436	–425
23.98	Unobligated balance expiring or withdrawn	–1		

New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	424	435	423
40.71	Reduction pursuant to P.L. 107–116		–1	
40.75	Reduction pursuant to P.L. 106–554 (Labor/HHS)	–1		
43.00	Appropriation (total discretionary)	423	434	423
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	2	2	2
70.00	Total new budget authority (gross)	425	436	425

Change in obligated balances:				
72.40	Obligated balance, start of year	151	133	116
73.10	Total new obligations	425	436	425
73.20	Total outlays (gross)	–449	–453	–410
73.40	Adjustments in expired accounts (net)	6		
74.40	Obligated balance, end of year	133	116	130

Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	328	336	325
86.93	Outlays from discretionary balances	120	117	85
86.98	Outlays from mandatory balances	1		
87.00	Total outlays (gross)	449	453	410

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

Net budget authority and outlays:				
89.00	Budget authority	423	434	423
90.00	Outlays	447	451	408

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

	2001 actual	2002 est.	2003 est.	
Net budget authority and outlays:				
89.00	Budget authority	412	423	412
90.00	Outlays	436	440	397

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

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

Included in this account is the Department of Education’s portion of costs to modernize the Mary E. Switzer building, including costs for building renovations, furniture, information technology equipment and services, and telecommunications, to remain available until expended. The additional funds required for the modernization will be provided by the General Services Administration. This account also provided funds for the renovation of the Department’s main headquarters building which was completed in 1998.

Also included in this account are contributions from the public. Activities supported include Presidential Scholars, Satellite Town Meetings, School Recognition, and the Gifts and Bequests Miscellaneous Fund.

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

Note.—Excludes \$54 million in budget authority in 2003 for activities transferred to the Student Aid Administration account. Comparable amounts for 2001 (\$58 million) and 2002 (\$59 million) are included above.

Object Classification (in millions of dollars)

Identification code 91-0800-0-1-503	2001 actual	2002 est.	2003 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	164	193	183
11.3 Other than full-time permanent	20	10	10
11.5 Other personnel compensation	5	5	4
11.9 Total personnel compensation	189	208	197
12.1 Civilian personnel benefits	50	56	55
21.0 Travel and transportation of persons	6	5	6
23.1 Rental payments to GSA	34	35	32
23.3 Communications, utilities, and miscellaneous charges	12	14	15
24.0 Printing and reproduction	2	3	3
25.1 Advisory and assistance services	6	4	5
25.2 Other services	21	21	20
25.3 Other purchases of goods and services from Government accounts	11	8	8
25.7 Operation and maintenance of equipment	76	66	60
26.0 Supplies and materials	2	3	3
31.0 Equipment	11	9	16
32.0 Land and structures	2	2	3
99.0 Direct obligations	422	434	423
99.0 Reimbursable obligations	2	2	2
99.5 Below reporting threshold	1		
99.9 Total new obligations	425	436	425

Personnel Summary

Identification code 91-0800-0-1-503	2001 actual	2002 est.	2003 est.
1001 Total compensable workyears: Full-time equivalent employment	2,581	2,709	2,476

OFFICE FOR CIVIL RIGHTS

For expenses necessary for the Office for Civil Rights, as authorized by section 203 of the Department of Education Organization Act, **[\$79,934,000] \$89,710,000.** (*Department of Education Appropriations Act, 2002; additional authorizing legislation required.*)

Program and Financing (in millions of dollars)

Identification code 91-0700-0-1-751	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Civil rights	79	83	89
10.00 Total new obligations	79	83	89
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	79	83	89
23.95 Total new obligations	-79	-83	-89
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	79	83	89
Change in obligated balances:			
72.40 Obligated balance, start of year	23	17	15
73.10 Total new obligations	79	83	89
73.20 Total outlays (gross)	-83	-85	-86
73.40 Adjustments in expired accounts (net)	-1		
74.40 Obligated balance, end of year	17	15	18
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	67	70	73

86.93 Outlays from discretionary balances	16	15	12
87.00 Total outlays (gross)	83	85	86
Net budget authority and outlays:			
89.00 Budget authority	79	83	89
90.00 Outlays	83	85	86

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

	2001 actual	2002 est.	2003 est.
Net budget authority and outlays:			
89.00 Budget authority	76	80	86
90.00 Outlays	80	82	83

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	2001 actual	2002 est.	2003 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	44	48	49
11.3 Other than full-time permanent	2	2	2
11.9 Total personnel compensation	46	50	51
12.1 Civilian personnel benefits	13	14	15
21.0 Travel and transportation of persons	1	1	1
23.1 Rental payments to GSA	6	6	6
23.3 Communications, utilities, and miscellaneous charges	2	2	2
25.2 Other services	2	1	1
25.3 Other purchases of goods and services from Government accounts	2	1	1
25.7 Operation and maintenance of equipment	6	5	8
31.0 Equipment	6	2	3
99.0 Direct obligations	78	82	88
99.5 Below reporting threshold	1	1	1
99.9 Total new obligations	79	83	89

Personnel Summary

Identification code 91-0700-0-1-751	2001 actual	2002 est.	2003 est.
1001 Total compensable workyears: Full-time equivalent employment	696	718	714

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, **[\$38,720,000] \$42,361,000.** (*Department of Education Appropriations Act, 2002; additional authorizing legislation required.*)

Program and Financing (in millions of dollars)

Identification code 91-1400-0-1-751	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Inspector General	37	40	42
10.00 Total new obligations	37	40	42

General and special funds—Continued

OFFICE OF THE INSPECTOR GENERAL—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 91-1400-0-1-751	2001 actual	2002 est.	2003 est.
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	37	40	42
23.95 Total new obligations	-37	-40	-42
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	37	40	42
Change in obligated balances:			
72.40 Obligated balance, start of year	10	9	10
73.10 Total new obligations	37	40	42
73.20 Total outlays (gross)	-37	-39	-39
73.40 Adjustments in expired accounts (net)	-1		
74.40 Obligated balance, end of year	9	10	13
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	31	33	34
86.93 Outlays from discretionary balances	6	8	6
87.00 Total outlays (gross)	37	39	39
Net budget authority and outlays:			
89.00 Budget authority	37	40	42
90.00 Outlays	37	39	39

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

	2001 actual	2002 est.	2003 est.
Net budget authority and outlays:			
89.00 Budget authority	36	39	41
90.00 Outlays	36	38	38

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

Object Classification (in millions of dollars)

Identification code 91-1400-0-1-751	2001 actual	2002 est.	2003 est.
Personnel compensation:			
11.1 Full-time permanent	17	20	21
11.3 Other than full-time permanent	1	1	1
11.5 Other personnel compensation	1		
11.9 Total personnel compensation	19	21	22
12.1 Civilian personnel benefits	6	6	6
21.0 Travel and transportation of persons	2	2	2
23.1 Rental payments to GSA	2	3	3
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.1 Advisory and assistance services	2	2	2
25.2 Other services	1	1	1
25.3 Other purchases of goods and services from Government accounts	1	1	2
25.7 Operation and maintenance of equipment	2	2	2
31.0 Equipment	1	1	1
99.9 Total new obligations	37	40	42

Personnel Summary

Identification code 91-1400-0-1-751	2001 actual	2002 est.	2003 est.
1001 Total compensable workyears: Full-time equivalent employment	275	285	285

GENERAL FUND RECEIPT ACCOUNTS

(in millions of dollars)

	2001 actual	2002 est.	2003 est.
Offsetting receipts from the public:			
91-274130 College housing and academic facilities loan, downward reestimates of subsidies	2		
91-291500 Repayment of loans, capital contributions, higher education activities	62	50	50
General Fund Offsetting receipts from the public	64	50	50

GENERAL PROVISIONS

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

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

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

(TRANSFER OF FUNDS)

SEC. 304. Not to exceed [1] 3 percent of any discretionary funds (pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended) which are appropriated for the Department of Education in this Act may be transferred between appropriations, but no such appropriation shall be increased by more than [3] 10 percent by any such transfer: *Provided*, That the Appropriations Committees of both Houses of Congress are notified at least 15 days in advance of any transfer.

[SEC. 305. (a) Section 1543(a) of the Higher Education Amendments of 1992 (20 U.S.C. 1070 note) is amended by striking paragraph (2) and inserting the following:

“(2) AWARD DETERMINATION.—The amount of the financial assistance provided to an athlete described in paragraph (1) shall be determined in accordance with criteria, and in amounts, specified in the application of the center under subsection (c). Such assistance shall not exceed the athlete's cost of attendance as determined under section 472 of the Higher Education Act of 1965 (20 U.S.C. 1087ll).

“(3) INFORMATION ON DISTRIBUTION OF ASSISTANCE.—Each center providing such assistance shall annually report to the Secretary such information as the Secretary may reasonably require on the distribution of such assistance among athletes and institutions of higher education. The Secretary shall compile such reports and submit them to the Committees on Education and the Workforce and Appropriations of the House of Representatives and the Committees on Health, Education, Labor, and Pensions and Appropriations of the Senate.”.

(b) The amendments made by subsection (a) shall apply with respect to any funds appropriated pursuant to section 1543(d) of the Higher Education Amendments of 1992, including funds appropriated pursuant to that section in fiscal years 2000 and 2001, that are

available for financial assistance under section 1543 on or after the date of enactment of this Act.】

【SEC. 306. (a) Notwithstanding sections 413D, 442, and 488 of the Higher Education Act of 1965, the Secretary of Education may reallocate, from funds made available under the heading “Student Financial Assistance” to carry out part C of title IV of that Act, excess allocations for fiscal year 2002 in an amount not to exceed \$1,000,000 in the aggregate to institutions of higher education described in subsection (b) for the purposes described in subsection (c). The reallocation to each such institution shall be made in accordance with subsection (d). Such excess allocations shall remain available for obligation until March 31, 2004.

(b) An institution of higher education may receive a reallocation under subsection (a) if the institution—

(1) is, on the date of enactment of this Act, participating in the Federal Supplemental Educational Opportunity Grant and Federal Work Study programs under subpart 3 of part A, and part C of title IV of that Act, respectively;

(2) initially began participating in both such programs during or after 1989, but not later than 1999;

(3) has a current enrollment of not less than 2,000 students;

(4) provides educational programs for which the institution awards baccalaureate and graduate degrees;

(5) has experienced an actual enrollment increase of 75 percent or more since the institution began participating in such programs; and

(6) charged, for academic year 2000–2001, in-State tuition and fees for a full-time undergraduate student that were less than such tuition and fees charged by the institution for academic year 1998–1999.

(c) An institution of higher education that receives a reallocation under subsection (a) may use that reallocation for Federal Supplemental Educational Opportunity Grants or Federal Work Study awards.

(d)(1) A reallocation made under subsection (a) to an institution described in subsection (b) shall be determined by calculating the difference between—

(A) the amount (commonly referred to as the “base guarantee”) that the institution received under section 413D(a) or 442(a) of that Act, as the case may be; and

(B) the amount that the institution would receive pursuant to section 413D(a)(2)(B)(ii) or 442(a)(2)(B)(ii) of that Act, as the case may be, if the institution were beginning its program participation in the 2002–2003 academic year.

(2) If the amounts available for reallocation under subsection (a) are insufficient to fully fund the amounts determined under paragraph (1) of this subsection to each institution described in subsection (b), then the amount to be reallocated to each such institution shall be ratably reduced.

(e) The Secretary may use such data as he determines appropriate in order to carry out this section.】

【SEC. 307. If this Act is enacted before H.R. 1, the No Child Left Behind Act of 2001, is enacted, then references to the Elementary and Secondary Education Act of 1965 or to any other Acts that would be amended by H.R. 1 shall be read to be references to those Acts as they would be amended by H.R. 1 (including amendments made by H. Con. Res. 289, as passed by the House and the Senate).】

SEC. 305. (a) *DISCRETIONARY FUNDING.*—Section 458(a)(1) of the Higher Education Act of 1965 (20 U.S.C. 1087h(a)(1)), is amended—

(1) in the matter preceding subparagraph (A), by striking “there shall be available to the Secretary, from funds not otherwise appropriated, funds to be obligated for—” and inserting in lieu thereof, “there are authorized to be appropriated to carry out this section such sums as may be necessary, for—”; and

(2) in the flush language at the end thereof,

(A) by striking “such”;

(B) by inserting “and” after “2001,” and

(C) by striking “, and \$795,000,000 in fiscal year 2003”.

(b) *EFFECTIVE DATE.*—The amendments made by subsection (a) shall be effective beginning in fiscal year 2003.

SEC. 306. Section 1202 of the Elementary and Secondary Education Act of 1965 is amended by inserting the following subsection at the end thereof:

“(g) *SUPPLEMENT, NOT SUPPLANT.*—State or local educational agency shall use funds received under this subpart only to supplement the level of non-Federal funds that, in the absence of funds under this subpart, would be expended for activities authorized under this subpart, and not to supplant those non-Federal funds.”. (Department of Education Appropriations Act, 2002.)